



Your Borrowing Power Needs More Than A Routine Check-Up!

Learn why lender policy, income structure, and timing matter more than your headline income



Introduction

If you're a dentist planning to buy or refinance, you probably already assume your income should put you in a strong position.

Dentistry is seen as stable with high earning potential. The demand for dental services is also consistent.

So, if you've ever faced a situation where your borrowing power comes back lower than expected, it can feel confusing, especially when your cash flow is healthy.

The issue usually isn't how much you earn. Rather, the issue boils down to how lenders interpret your dental income.

This guide explains why dentists with strong earnings can still face conservative assessments, and how structure, timing, and presentation affect borrowing outcomes.

Lenders Don't Model Income The Way You Do

As a Dentist, you probably earn through an associate income, your own practice, contract or service entity structures. From a lender's perspective, anything outside a simple PAYG salary introduces uncertainty, even when income has been consistent for years.

Common Issues

- Associate income may fluctuate
- Practice income depends on goodwill
- Business income may not be sustainable

Example

A dentist earning \$250,000 through a combination of associate work and practice distributions may be assessed significantly lower, depending on how income is structured and presented.

What Helps

- Demonstrating consistent income history
- Using lenders familiar with dental income models
- Clearly separating personal income from practice cash flow

Importance Of Structure, Debt, And Timing

Dentists often operate across multiple financial layers, you may have personal income, practice structures, and business debt for your clinic. And while each element makes sense on its own, lenders assess them together, and that's where borrowing power is often reduced.

5 key things that affect borrowing power

- ✓ **Practice Debt** | Lenders apply buffers if you have practice debt.
- ✓ **Retained Earnings** | Show your retained earnings clearly.
- ✓ **Credit Limits** | Limits count even when balances are zero.
- ✓ **Recent Changes** | Practice transitions can weaken assessments.
- ✓ **One-off Expenses** | Temporary expenses appear without clarity.

Tip: Borrowing power often improves by timing the application correctly and presenting your income structure clearly.

Common Mistakes (And How To Avoid Them)

Even experienced, high-income dentists can limit their borrowing power without realising it. These mistakes mostly stems from assumptions and lack of preparation.

- ⊗ **Mistake 1 — Assuming strong income will speak for itself**
Lenders rely on policy assumptions, not your actual earning reality.
- ⊗ **Mistake 2 — Applying immediately after getting a debt for your practice**
Recent changes in your finances can distort income before figures stabilise.
- ⊗ **Mistake 3 — Leaving unused credit facilities open**
Limits are assessed as fully used, reducing borrowing capacity.
- ⊗ **Mistake 4 — Expecting retained earnings to be automatically recognised**
Your retained earnings need to be clearly demonstrated to lenders.
- ⊗ **Mistake 5 — Making structural or tax changes just before applying**
Recent changes increase uncertainty and trigger conservative assessments.

Strengthen Your Application

- ✔ Review credit limits and separate personal and practice finances
- ✔ Choose lenders familiar with dental income and practice structures
- ✔ Allow time for financials to reflect normalised income
- ✔ Explain one-off expenses rather than assuming they'll be adjusted

Quick Check Before Your Application!

Use this checklist to be application ready if you are a dentist considering to get a home loan.

- Is your income consistent and clearly documented?
- Are one-off costs clearly identified?
- Are associate earnings separated from practice income?
- Are personal and practice finances clearly separated?
- Are retained earnings positioned in a way lenders recognise?
- Do you have unused personal or business credit cards?
- Have recent practice or structural changes settled into your financials?
- Do your current figures reflect normal, ongoing income?

Add Your Own Tasks

- _____
- _____
- _____
- _____
- _____
- _____

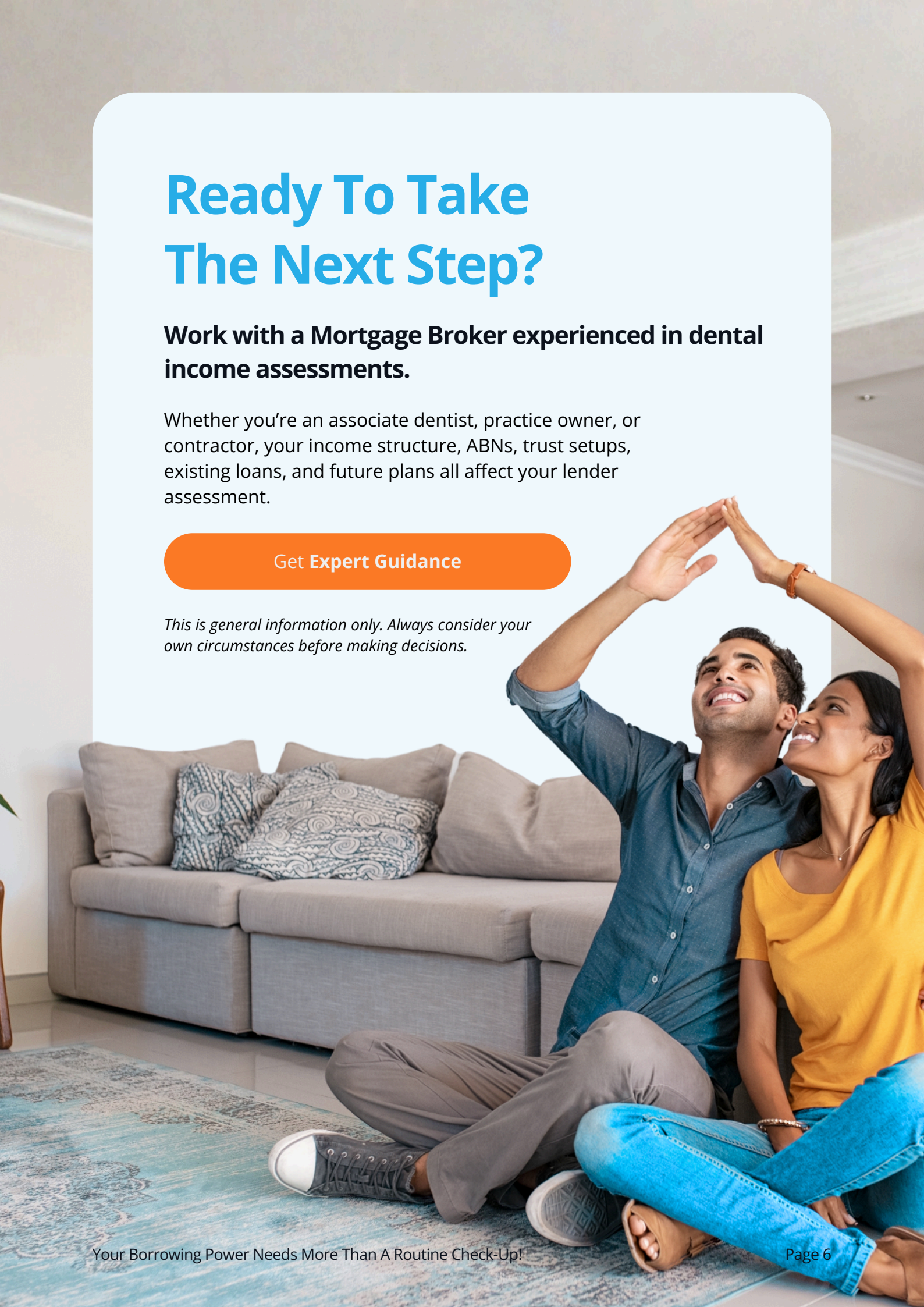
Ready To Take The Next Step?

Work with a Mortgage Broker experienced in dental income assessments.

Whether you're an associate dentist, practice owner, or contractor, your income structure, ABNs, trust setups, existing loans, and future plans all affect your lender assessment.

[Get Expert Guidance](#)

This is general information only. Always consider your own circumstances before making decisions.





About Home Loan Experts

We help Australians navigate complex and straightforward lending scenarios — from first-home buyers to self-employed borrowers, investors, and expats. Our approach combines deep lending knowledge with clear, human guidance.

Why People Choose Us

- ✓ Experienced advisers
- ✓ Access to a wide range of lenders
- ✓ Support from application to settlement
- ✓ Clear explanations, no jargon


Award-Winning Expertise You Can Trust





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5-star reviews on Google, Facebook and ProductReview

Thanks for Reading

We hope this guide has given you clarity and confidence for your next steps. Property decisions can feel complex, but the right support makes all the difference.

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