

Information sheet for clients – Accountant's letters

Do you need a letter from your accountant for your loan?

Sometimes when seeking finance, your lender may request that you seek a letter from your accountant to help support your application. This may be because you are self-employed, may have incomplete financial records or your chosen lender has adopted this requirement as part of their standard lending process for some types of clients.

While your accountant can provide information to support your credit application, it is important to understand what information they can provide and in what circumstances.

What type of loan are you applying for?

If you are applying for a home loan, personal loan, personal lease or even credit purchase to renovate or refinance a residential investment property, your accountant will not be able to provide you with an accountant's letter, unless they hold an Australian Credit Licence.

This is because all consumer credit is regulated by the Australian Investments and Securities Commission and issuing an accountant's letter in these circumstances may be considered a licensed activity.

However, your accountant can prepare your financial statements to support your application.

What information can my accountant provide in an accountant's letter?

To support your credit application, your accountant can provide financial information that they have helped prepare or have direct access to. This may include:

- Your gross taxable income
- Principal sources of income
- Years your tax returns have been lodged, and
- Confirmation if your accounts have been audited.

What information can't my accountant provide in an accountant's letter?

Your accountant cannot provide information that they cannot factually verify. They also, cannot provide a service for which they do not have professional indemnity insurance. Both of these situations would be a breach of their professional obligations.

Examples may include, but are not limited to:

- Estimate or validate your future income or expenses
- If your business is solvent and will remain solvent
- Your ability to service a loan.