

Private Lending for Debt Consolidation: When It Helps and When It Doesn't

Archer Wealth says private credit can help restructure debts when banks say no, but warns borrowers to weigh cost, risk and long-term strategy.

SYDNEY, NSW, AUSTRALIA, October 8, 2025 /EINPresswire.com/ -- Archer Wealth says private credit can help restructure debts when banks say no — but warns borrowers to weigh cost, risk and long-term strategy.

Australian borrowers are struggling under record debt levels as interest rates climb and traditional refinancing becomes harder to access. Small and

medium-sized businesses owe more to the ATO than pre-pandemic levels, and many self-employed or credit-impaired borrowers find banks unwilling to assist.

Private lending has stepped into this gap, offering speed and flexibility for debt consolidation but it is not a one-size-fits-all solution. According to [non-bank lender Archer Wealth](#), private credit can be a powerful tool in certain scenarios but carries higher costs and risks that must be understood.

“

Private lending isn't a magic fix for every debt problem. It's most powerful when backed by equity, strategy and a path back to mainstream finance.”

Gee Taggar, Founder & Managing Director, Archer Wealth



Gee Taggar

“Private lending isn't a magic fix for every debt problem,” said Gee Taggar, Founder & Managing Director of Archer Wealth. “It's best used strategically where there's real security, a clear plan, and an end game back to mainstream finance.”

Understanding Debt Consolidation

Debt consolidation restructures multiple liabilities into a

single facility to simplify cash flow and sometimes reduce total repayments. Banks usually offer this to borrowers with strong credit and predictable income. Those outside that profile i.e. self-employed, uneven cash flow, or past credit blips are often declined.

Private lenders fill the gap by assessing assets and overall borrower viability, not just credit

scores.

Where Private Lending Works

1. When There's Strong Property Equity

If a borrower has solid property security and a conservative loan-to-value ratio (LVR), a private facility can consolidate high-cost debts.

Example: In 2024, Archer Wealth

helped an experienced business owner facing a large ATO liability after an accounting error. Banks declined a \$6 million facility. Archer Wealth structured a 60% LVR, 12-month loan, allowing him to clear tax debt and continue expansion. Funds were settled within two weeks.

2. Bridging to Future Bank Finance

Private lending can act as a short-term stopgap until credit metrics improve.

Example: A borrower in Coogee, NSW lost part of his approved bank loan days before settlement. Archer Wealth funded a \$300,000 second mortgage at 70% LVR within 72 hours, keeping the purchase alive and allowing time to refinance later.

3. Where Cash Flow Stability Outweighs Higher Cost

For some, consolidating multiple debts into one structured facility creates breathing room.

Example: A Bondi café owner hit cash flow stress after renovations. Mainstream lenders declined. Archer Wealth funded \$980,000 at 65% LVR, 9.49% interest, stabilising operations while the owner rebuilt financial strength.



When Private Lending Is Not Appropriate

- Insufficient equity to support higher-risk pricing.
- Structural cash flow problems if income cannot sustain even consolidated repayments.
- Using private loans only to “buy time” with no path back to affordable finance.
- No independent legal or financial advice leaving borrowers vulnerable to terms they don't fully understand.

Taggar warns: “We've seen borrowers fall into a debt spiral when private lending was used as a last resort without strategy. It should be tactical, not habitual.”

Strategic Advice for Brokers and Advisers

- Evaluate whether consolidation improves the borrower's long-term position, not just immediate relief.
- Understand all fees, exit costs and interest rates and explain them clearly to clients.
- Work only with licensed, transparent lenders with a track record.
- Document a clear refinance or repayment plan before recommending private credit.

Why Archer Wealth Is Different

- National credit team with deep experience in complex lending.

- Transparent pricing & documentation — no hidden fees or surprise covenants.
- Conservative LVRs & real security to protect borrowers and investors.
- Alignment with ASIC & AFSL obligations
- Client-first ethos — quick solutions, but no “set and forget” loans.

“Speed is important, but so is safety,” Taggar added. “Our model is to move quickly without cutting corners — protecting borrowers and investors alike.”

About Archer Wealth

Archer Wealth is a leading Australian non-bank lender specialising in bespoke credit solutions for business owners, developers and borrowers underserved by traditional banks. With a national team, deep credit expertise and a client-first ethos, Archer Wealth provides speed, certainty and strategic funding support when it matters most.

<https://archer-wealth.com>

Disclaimer

Archer Wealth Pty Ltd, ABN 15 648 609 876 (Archer Wealth) is a corporate authorised representative (CAR) of Archer Wealth Capital Pty Ltd ACN 664 541 057 (Archer Wealth Capital) AFSL no. 548263, CAR Number 001291674. Any information in this document is not intended to promote or recommend any particular product or services offered by CAR. It does not take into account the objectives, financial situation or needs of any investor. Before making an investment decision, investors should read the relevant offer document and (if appropriate) seek professional advice to determine whether the investment is suitable for them. This information is intended only for wholesale clients within the meaning of s761G and s761GA of the Corporations Act 2001 (Cth). Past performance is not indicative of future performance.

Gee Taggar

Archer Wealth

+61 430 276 874

Gee@archer-wealth.com

Visit us on social media:

[LinkedIn](#)

[Instagram](#)

[Facebook](#)

[X](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/855569088>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.