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'the personal touch'

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How To Save Dollars On Your Mortgage

According to the REIV, the average Victorian homebuyer's loan has grown to \$283,000 which represents a 267% increase since 2001.

Australian families are generally able to borrow around 6.5 times their household income and with the recent interest rate rise and the threat of more to come, it is an opportune time to put your mortgage under the microscope. Let's look at the 3 ways to reduce the term and cost of your mortgage:

1. Get a Cheaper Interest Rate

To illustrate the benefit of a mortgage rate reduction, a 0.7% reduction in rate would save you more than \$33,000 over the term of a 25-year, \$250,000 mortgage. According to a recent survey, the average rate paid on variable rate loans is 7.78% per annum, not the standard variable rate advertised by most major banks of 8.32%. In most cases the standard variable rate is only there so that the big banks can discount it. It's a great marketing strategy because it makes consumers feel like they're getting a great deal.



It's vitally important you choose the right home loan that suits your personal needs. If you want the option of paying off your loan sooner or want a redraw facility, then a fixed home loan is probably not for you. Most lenders also have some sort of 'deferred establishment fee' that is charged if the loan is repaid in full within a certain time frame (typically 4-5 years) so make sure you check the terms and conditions of your loan.

You should also be wary of 'professional loan packages' that offer a great rate and bonuses like 'free' credit cards. Most banks usually charge you a \$300-\$400 annual fee for the privilege. The same interest rate discounts can be achieved through a basic home loan without any annual fees which means you are actually paying up to \$400 per annum for a credit card. Before you sign on the dotted line for a loan we strongly recommend you speak to one of our affiliated mortgage brokers.

2. Make more Regular Payments

It's always surprising to learn how many people stick to monthly home loan repayments. By paying fortnightly you can save thousands of dollars simply because there are 26 fortnights in a year – the equivalent of 13 monthly repayments rather than 12. For borrowers who divide their monthly repayment by four and pay weekly, the savings are even higher.

3. Make Early Extra Repayments

If you are in a position to make extra lump sum repayments on your mortgage you can make the greatest impact by making the payments early in the life of the loan. Every extra dollar you pay off early in the loan early generally means a reduction of the principal and therefore the total interest payable.

Where to Next? Simply bring in or fax your latest mortgage statement and we will put your mortgage under the microscope and calculate the potential savings from an interest rate reduction. Our affiliated mortgage brokers have access to a panel of over 30 lenders with hundreds of different loans and can identify the right loan for you. Call our office today to see if we can save you some money!

IMPORTANT DISCLAIMER: This newsletter does not constitute advice. It is issued as a guide to clients and for their private information. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of these areas.

Play It Safe With Online Banking

Online banking has become a way of life for most Australians.

Understandably, some people have reservations about the security of online banking. After all, if I can access my own details via the internet, can someone else do the same?

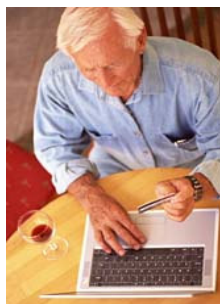
Generally speaking there is very little to be concerned about, however, as hackers become more sophisticated in their scams, we need to be more diligent. As a guide we recommend you:

- Closely monitor your bank balance and transactions
- Reconcile your bank account(s) monthly
- Take some time to check your credit card statement and watch for duplicate transactions and unknown vendors
- Always log onto Internet Banking by typing the website address directly into your internet browser address bar
- Do not access Internet Banking from a link on an email
- Read the security tips on your bank's 'log-in' page
- Contact your bank immediately you become aware of a problem



The banks will always tell you that their systems are safe. However, safe does not mean foolproof. The 'fool' is the one who gets scammed and doesn't realise that it has happened. The 'proof' is what you provide to the bank to get your money back.

75%
of retiree internet users use
email and internet chat
functions to keep up
relationships with their children
& grandchildren.



The average number of
hours Australian retirees
spend on the Internet each
week.
7

Are You Minding Your Own Business?

You have probably considered making sure your family is protected in the event of the unexpected happening, however, have you also considered the impact on your business?

In the event of your sickness, injury or premature death, what plans have you made to ensure your business ends up in the right hands?

Take a moment to consider the following questions:

- What would happen if you suffer a serious illness or injury that prevents you from working again?
- What will happen to your business in the event of your death - will ownership of your business pass to the right people?
- If one of your business partners dies, would you like first option to buy his/her financial interest in the business? Would you like to have a funding mechanism in place that ensures you have the funds available to make the purchase?
- How would the loss of any key employees due to sickness, injury or death affect your business profitability?

The right combination of business insurances in these circumstances can assist to:

- Clear business debts and pay the creditors
- Allow the surviving business partner(s) to buy out the financial interest of the other principal(s)
- Ensure funds are available to replace lost business profits and recruit and train replacement specialists
- Make sure the business remains viable until it is sold

Business Insurances can have tax and other financial implications. As a consequence, business owners should ensure that a strategy is designed around their particular circumstances.

For further information on how we can assist you, contact our office today.

