



'All About You' Financial Solutions — Making Loans Easy



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From the Director

In this edition of the newsletter, we've included articles on issues we are seeing in the current market place. In particular, understanding all the fees associated with a

loan upfront, when should you review existing loans and, asking if now is the time to look at investment properties. We hope you find something of interest for you.

We would also like to encourage all feedback on our method of delivering our newsletter as a web link so let us know if this worked for you.



Understand your TOTAL commitments

If you're in the market for a new home loan you might be reasonably excited about some of the offerings up for grabs.

Variable rates as low as 5% and fixed rate deals as low as 5.84% are certainly very attractive. But sometimes, as is often the case in life, deals aren't as good as they first appear – so it's critical to be confident your home loan is right for you.

The interest rate

While some interest rates can be compelling it is important not to take them at face value. Make sure you find out what the comparison rate is – something we may be able to help

you with. This takes into account the overall cost of the loan including any fees, and is usually a better indication of the total costs you're up for.

If it's a fixed rate you're looking at, be sure to find out what the loan reverts to after the fixed period ends – honeymoon rates for example can increase to a much higher interest rate one or two years down the track.

Fees, fees, fees

From phone bills to online shopping, "transaction fees" or "additional costs" seem to crop up all the time – and home loans are no different.

Your mortgage may incorporate any number of fees so make sure you

are aware of all of them before making your choice.

Possible fees include application fees, establishment fees, service or account keeping fees and early termination fees. These can amount to thousands, so don't just wave them off.

Enlisting the expert assistance of one of our Finance Professionals can help ensure you aren't hit with any surprise expenses and will make trailing through the array of products and their associated fees a lot less work.

Call us today and we'll help run you through your options.

Safeguard yourself against any unexpected mortgage fees and charges by reading the fine print before you sign on the dotted line.

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Time for a Check-up?



Want to save money?
Speak to us today and find out what is the right loan for you.

There have been unprecedented changes to the home loan market in the past year and so a mortgage health check has never been a better idea for every borrower.

A lot has happened in the mortgage market in recent times. From variable interest rates pushing 10% mid last year compared with today looking at levels closer to 5%. And with lenders now offering historically attractive fixed deals, there might be a more appropriate product available for your needs.

If you haven't taken the time to reassess your home loan this year, now might just be the ideal opportunity to get in touch with us for a mortgage health check.

Common symptoms

For most home owners the cost of covering a mortgage has fallen substantially since September last year. On a 30 year term \$300,000 home loan for instance, monthly repayments have fallen by around \$600.

While this may be a welcome reprieve, mortgage holders who have failed to reassess payments could be missing out on a string of opportunities up for grabs with that extra cash.

Bang for your buck

If you've got a substantial chunk of extra cash freed up as a result of the dramatic fall in the cash rate, using it wisely can make a really big difference to your long-term financial situation.

For example; using a \$300,000 home loan over a 30 year term, with a drop in your interest rate of 4%, monthly repayments should now sit at around \$1,900. This compares to \$2,500 per month with an interest rate of 9.5%.

But if you continue to pay \$2,500 every month towards your home loan, rather than the minimum \$1,900 required, you could save up to \$200,000 on your overall home loan cost and take more than a decade off your home loan servicing time!

This is just one of many strategies we can run through with you during a health check, so be sure to give us call so we can determine if your loan is still right for you or whether there's a more appropriate product on the market.

Key reasons for a mortgage health check:

- You are planning to have children
- You are struggling to manage your repayments

- You want to find out about investment options
- You or your spouse have had a change in employment
- You would like to upgrade your current home
- You are looking to start/buy a business
- You would like the security of fixing your loan repayments
- You can't remember the last time you assessed your home loan arrangements.

A Health Check can be done by simply ringing us on 9381 8311.

Alternatively, if you'd rather get some help online initially, simply visit our web site and complete the Online Quote. Its quick, easy and we will research some options and come back to you with information to help.

Time to Invest in Property?



Interesting
in Investing
in Property?

Speak to us
for help.

With interest rates lower than they've been in years, property prices finally softening and rental returns on the up-and-up, you may be thinking that property investment has never looked so good.

And you may be spot on the money! Thanks to the combination of low interest rates and high rental yields, property investment may now deliver cash flow neutral or even cash flow positive returns – and that could mean that your property can pay for itself. Moreover, there may be significant tax breaks to boot.

Successful property investment does require homework. Depending on your goals, you can either tackle this yourself or speak to us and we can put you in touch with a Property Investment specialist who can assist with a range of properties. So whether you're a seasoned Investor or a would-be first timer now may just be the ideal time to make it happen.

Know your capacity
Before you decide what to buy you need to establish your borrowing capacity. With a clear idea of what you can borrow you'll be in a strong position to determine what type of property to focus on and in which price bracket.

Not only can we quickly give you an indication of your borrowing capacity we can even help you secure a pre-approved loan. Our service doesn't cost you anything, just your time or a quick phone call.

Once you know your buying power you can think about what type of property to purchase. Most investors favour residential property, typically a house or a unit. Each comes with its pros and cons and there's no right or wrong decision – it really depends on the buyer's preference and investment goals.

Do your homework

Regardless of the property type, the location can make the difference between a good investment and a lemon. While there can be exceptions, you're generally looking for a property that is close to public transport, has easy access to shops, parks, schools and restaurants, plus serviced by good road infrastructure.

With a clear idea of the right location you can set about researching the market. The internet is without doubt one of the most effective research options available to investors. As well as researching all the properties that are for sale you'll also be

able to assess what kind of rental values other properties in the area are achieving. Be sure to also give us a call on 9381 8311 – we can run you through the various financing scenarios and products available to match your investment goals.

Remember, for the greatest success, property investment should match your individual investment goals whether you are considering an investment for the long term or shorter term.

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