



CHANGE can be good...

When our home or car insurance comes up for renewal each year, most of us invest the time to shop around and investigate the competition to make sure we are getting a good deal.

The average Australian with a mortgage **spends 18% of their gross income on housing costs**¹. With such a large investment, why do we not give our home loan the same regular review?

Since January last year we have seen upfront fees drop from an average of \$707 down to \$673 in July 2012². **A number of lenders have even dropped upfront fees entirely.**

Average home loan interest rates for June were 6.85%³. This is just the average value - there are still much lower rates available from a number of lenders at present.

In the past 22 years the cash rate has only been 0.5% lower than it was on 31 July 2012.

Now is definitely a great time to secure a very attractive interest rate and possibly even lock in a good rate for a number of years.

Not only is it a good time economically to take a look at your finances, but there are a number of life factors that may make it worthwhile to review your finances:



Do you have increased equity in your home loan?

Did you know it is possible to get reduced rates if your Loan Value Ratio (LVR – the amount of your loan as a percentage of the property value) is 80% or lower?



Have your children recently started school?

What are you doing with the extra money you used to spend on childcare?



How are you utilising your recent tax cuts?

Are you using these funds to help pay off your home loan sooner? Maybe you now have enough equity to think about an investment property?



Are you about to finally pay off that car loan?

Before you get a new car (or car loan for that matter), do you realise that the same amount you pay each month for a car may get your foot into the investment property market?



Have your children finally left the nest?

What a great time to ensure you are effectively planning your retirement income and lifestyle.

We recommend that all our clients undergo an annual home loan check up. Sometimes we can improve the financial position of our clients and sometimes you will already be in an appropriate loan for your situation. But wouldn't you like the reassurance of knowing?

"If you don't know where you're going, any road will take you there."
The Cheshire cat in 'Alice in Wonderland'.

If you are interested, please **call the office for our life and finance update form**. It will only take a few minutes to complete and return to us. We can then determine if it's worthwhile for us to catch up or not.

1 4130.0 - Housing Occupancy and Costs, 2009-10

2 www.theadviser.com.au/breaking-news/7397-lenders-make-switching-easier-ratecity

3 F5 Indicator Rates (<http://www.rba.gov.au/statistics/tables/>)

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