

PRESTIGE LOANS

46 EDWARD ST

PERTH WA 6000

1800 MYBROKER

PH 9328 4577

FAX 9328 8847

SPECIAL POINTS OF INTEREST:

- First Home Buyer Grant at \$14K for established and \$21K for new homes has been extended until the 30th September 2009. Then it is set to reduce 3 months later, then reduce again the following 3 months to the original \$7K. Don't miss out! This does not leave you long if you are a First Home Buyer. Talk to us today to find out how we can help you.

- Your settlement agent is an integral part of your home purchase. We have come across a few of late that have left crucial parts of our clients' settlement process to the last minute. This has caused delays in settlements and unnecessary stress for our clients. We cannot recommend Innerscity Settlements enough. They get it right and on time.

- Approval times for all Lenders have hit record slow levels. Some Lenders are taking up to a month or longer in some cases for full approval, so when you purchase your next property, it's a good idea to allow at least one calendar month for finance approval.

PRESTIGE LOANS

Financial Solutions

ISSUE 11

JUNE 2009

The Ombudsman says....

In our last newsletter we highlighted that many of the Lenders changed the way that they calculated the Break cost or Economic cost when a client decided to break their fixed rate agreement.

PRESTIGE LOANS has been communicating with the Ombudsman's office since early November, and the result is....they are unable to assist.

The Uniform Consumer Credit Code allows Lenders to change their formula for calculating penalties on fixed rates, however the penalty needs to be "reasonable". We have seen clients penalties range from \$6,000 to \$60,000 depending on how large their loan is and how long they have left on their fixed rate agreement.

Obviously its hard to accept that any of these amounts are "reasonable", especially at the upper end, but the law has allowed this to happen. On top of this, with the Banks not passing on all of the Reserve Bank Cash Rate reductions, the feelings towards Banks is at an all time low.

You have probably heard the words "cost of funds" a lot in the media of late. The Banks actually do not borrow from the Reserve Bank. Funds are obtained from depositors, short term and long term funding. We have recently seen the 10 Year Fixed Interest Government bonds on the rise, which has also equated to the Lenders increasing their fixed rates. Where are the Home Loan rates going ??

Many clients have begun to fix their Home Loan rates again, even though there has been further speculation of interest rates reducing further.

To know for sure, we need a crystal ball.

We all understand that the Banks need to remain profitable to protect the Australian Financial system, but for the consumer, this is hard to swallow when their profits remain enormous, but from what we are told, this is not coming from Home Loans.

The four major lenders now have 92.6% of the mortgage market in Australia, and as consumers turn to them for their Loans at a greater rate than Non-Bank Loans, they are only going to get stronger, and likely to pass on less to the consumer, as speculated in the media Non-Bank Lenders are an option, but due to what has happened in the US, people feel that it could also happen in Australia. Some Non-Bank Lenders, such as Home Loans Ltd and RAMS (the new RAMS after being purchased by Westpac), are backed or even owned by Banks providing piece of mind to the borrower....something to think about.

... and the winners are ??

Congratulations to J Wallrodt and G Burden and their partners for the successful completion of the December Crossword and being drawn for the Christmas Hampers. I think they and their partners may have to do some serious kilometres on the treadmill to wear off the effects of the chockies.



So Just What is Personal Insurance ?

What if?

No one likes to think about the 'what ifs' – but unfortunately they do happen. Here are a few of the most common. What if you injured your back playing sport and couldn't work for six months? What if you were driving home one night and another driver made sure you could never work again? What if your spouse got cancer and passed away? Not nice things, but now think about the items that show up on your payslip and bank statements. These would probably include your mortgage, groceries, school fees, money saved for holidays and superannuation for retirement. Your sick leave might cover them for one month and your annual leave for one more. Your holiday savings might cover you for another two months. Then what? Research shows that 60% of Australian families with dependants would run out of money within 12 months if the main income earner died. What if you lived and had to rely on Government income support? The disability pension is (at most) around \$12,000 p.a..

Insurance is a way to plan ahead so that an accident or an unexpected illness doesn't mean financial hardship for you or your family when you are facing medical hardship. There are four basic types of insurance products, any combination of which can be used to suit your circumstances.

Income protection

People often overlook what is in most cases their most valuable asset: their ability to earn future income! If you cannot live without your income for a prolonged period of time, you generally will need an income protection policy.

Income protection insurance pays up to 75% of your annual income, in monthly benefits, to cover your expenses should you become unable to work. Income protection allows you to cover your expenses and maintain your lifestyle as you concentrate on getting better.

What coverage you can obtain varies widely, therefore it is important that you obtain a quality policy that is tailored to your occupation and employment situation. Importantly, the annual premium for income protection insurance is generally tax deductible.

EXAMPLE: Paul is 45 years old company manager. Five years ago, Paul was diagnosed with Multiple Sclerosis. Due to this condition, he has been unable to earn his usual income.

His ongoing monthly Income Protection payment meant that the ongoing household expenses his family relied upon could still be met.

The right type of insurance will depend on what you do and the reasons behind your need for protection. To ensure you get the advice most appropriate for you, contact Brett Christie on 1800 MYBROKER for a full analysis of your protection needs.

PRESTIGE Preferred Partners

Highly recommended by PRESTIGE LOANS, our partners can make the buying, selling and maintaining of your home.....super easy

innercity settlements

licensed property settlement agents

Phillipa and Stephen from Inncity settlements provide an outstanding conveyancing service.

PRESTIGE LOANS has had the pleasure of dealing with Inncity settlement for many years, and can thoroughly recommend them for the ultimate in property settlement services.

Please contact them today on 9371 2500.



The Family home is the single most significant investment many people make in their lifetime, so it makes sense to spend some time choosing the correct pest control operator when your home becomes infested with pests. So for complete piece of mind for your next property purchase and to have you current home or investment property inspected and treated, you can trust the Team at Allpest.



BHIS has 17 years in the Inspection Industry in WA with all our inspectors being either Registered Builders, Building Assessors or Engineers. PRESTIGE LOANS has been fortunate to have dealings with Peter and his Team at BHIS and we can recommend their service with confidence. Please call Peter and his Team on 9331 3031.

PRESTIGE LOANS receives NO commission from any of our PRESTIGE Preferred Partners. We provide their details as they have proven experts in their field and are extremely reliable people to work with.



Life insurance

If you have people who depend on you to produce income or you would like debt repaid in the event of your death, then you need a life insurance policy. Life insurance (also referred to as term insurance) provides a lump sum payment upon death or terminal illness of the life insured. The sum insured depends on your individual circumstances however as a general rule you should aim to have enough to repay all debts, and provide your family, or other dependants, with enough remaining money to live off at a reasonable standard.

EXAMPLE: Gavin was 28 years old and a Builder with a young family when he fell from his ladder at work last year.

The payment from his Life Insurance meant his family did not have to struggle financially after he was gone.

Total and Permanent Disability (TPD)

Approximately 44,000 Australians suffer a stroke each year, and is leading cause of long-term disability in adults. Income protection will help, but it is likely there will be large costs and medical expenses associated with your ongoing living in this condition.

Total and Permanent Disability cover is an added protection benefit often offered with life insurance policies. Again, a lump sum benefit is paid if the insured is disabled as defined in the policy. Generally speaking it means that because of a sickness or injury the insured is unable to work in their usual occupation or (alternatively) any occupation for which they are suited by training, education or experience. They may be paid where they have a permanent loss such as eye sight, or they have been absent from work for a certain time (usually 6 months or more) due to accident or illness and subsequently will not be able to return to work.

EXAMPLE: Maja is 37 years old engineer. In 2002, Maja was diagnosed with kidney failure. Due to this condition, she has been unable to earn her usual income.

The payment from her Total & Permanent Disability insurance meant Maja could meet the gaps in her medical bills and provide for her family into the future.

Critical illness

More than one in three males and close to one in four females will suffer from some form of cancer before they turn 75. If a person suffers a critical illness, life insurance won't help, as the insured is still alive.

Critical illness (or trauma insurance) was introduced because medical advances increased survival rates after serious medical conditions like heart attack, cancer or stroke. Critical illness offers protection by providing a lump sum payment in the event you are diagnosed with one of a range of specified medical conditions. It allows you to concentrate on getting better rather than worrying about the financial hardships often created by such an event.

It helps by paying you a lump sum when you need it most; instead of using savings or adding to the mortgage. This type of insurance can be used to fund the costs of help around the house or even reduce the mortgage payments.

EXAMPLE: Simon, an Accountant, was 42 years old when he suffered a mild heart attack.

The Critical illness payment allowed Simon to concentrate on recovering, knowing that the financial situation for both he and his family was fine.

Brett Christie is an Authorised Representative of WealthSure Pty Ltd, Australian Financial Services Licensee, Licence No 238030, ABN 93 097 405 108. The information contained within this document is of a general nature only. Whilst every care has been taken to ensure the accuracy of the material contained herein at the time of publication neither the author or Licensee will bear responsibility or liability for any action taken by any person, persons or organisation on the purported basis of information contained herein.

Without limiting the generality of the foregoing, no person, persons or organisation should invest monies or take action on reliance of the material contained herein but instead should satisfy themselves independently of the appropriateness of such action.



Robson Brothers 4WD Service & Repair

4WD
ROBSON BROTHERS
Service & Repair

We're Big on 4WD Service and Repairs!

- ✓ Major Service
- ✓ Minor Service
- ✓ Brakes & Clutches
- ✓ Cooling Systems
- ✓ Transmission Overhauls
- ✓ Differential Overhauls
- ✓ Expert Advice
- ✓ Front Axle Overhauls
- ✓ Suspension: Upgrades & Repairs
- ✓ Service During Warranty Periods
- ✓ All Mechanical Repairs
- ✓ Pre-Trip Preparation
- ✓ Pre-Purchase Inspections

7 Charles Street, Bentley
Western Australia 6102
Phone: 9358 1441 Fax: 9358 1440
Email: service@robsonbros4wd.com.au

MTA WA
4WDIA
4WD INDUSTRY ASSOCIATION

As a valued **PRESTIGE LOANS** client you too can feature your small business here. Please email Brett Christie to secure your spot.....our gift to you (feature will be at the sole discretion of **PRESTIGE LOANS**).

Principal Partner
Equestrian Western Australia



The Team



Brett Christie
Director
0417 977 971



Emails: www.prestigeloans.com.au
brett@prestigeloans.com.au
michelle@prestigeloans.com.au tracy@prestigeloans.com.au

Michelle Pittick
Home Loan Planning
Consultant
0430 281 704



Tracy Corica
Broker Assistant
9328 4577

PRESTIGE LOANS

1800 MYBROKER



Brokers License Number 1297
Licensee Brett Christie
PRESTIGE LOANS PTY LTD
ACN 095867593