

## PRESTIGE LOANS

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### SPECIAL POINTS OF INTEREST:

- The Sub Prime US Market has been felt in Australia with the majority of Australian Lenders forced to pass on the higher cost of funds. Talk to one of the **PRESTIGE LOANS**

Home Loan Planning Consultants today to find out how they can help take away some of this costly increase.

- Would you like to help save on carbon emissions? Why not visit [www.renewablelogic.com.au](http://www.renewablelogic.com.au)

From as little as \$1500, after government rebates, they can customise a system that can generate around 1kw in power, reducing your power bill, and at the same time helping to save our environment.

- While we are talking about the environment, lets save some trees... Should you no longer wish to receive this newsletter by mail and prefer it to be sent electronically, please email [homeloans@prestigeloans.com.au](mailto:homeloans@prestigeloans.com.au)

and this will be amended for future newsletters.



# PRESTIGE LOANS

## Property Solutions

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## Life Insurance...do you need it ??

Insurance can help protect borrowers and their families from being forced into selling their home or investment property, if they are unable to meet their mortgage repayments as a result of death or serious illness.

As part of the service we provide, our Home Loan Planning Consultants are able to make insurance protection available to their clients at the same time as applying for their mortgage.

Designed specifically for the needs of people taking on a mortgage, Loan Protection Plan pays a lump sum of money in the event of being diagnosed with any one of eleven serious medical conditions terminal illness or death. The lump sum can be used to clear or reduce your mortgage or for any other purpose.

- ✓ Quick and simple to apply, no medical exams required.
- ✓ 3 months **free cover** – if for any reason you cancel during the first 3 months, you will not have to pay any premiums.

Loan Protection Plan is issued by TOWER Australia and supported by Australian Life Insurance.

Australian Life Insurance is a specialist risk insurance business committed to providing people with access to quality insurance products in the most convenient way possible.

### Talk to your Home Loan Planning Consultant about Loan Protection Plan!

Your Home Loan Planning Consultant will be able to provide you with information about the product together with a Product Disclosure Statement at the time you apply for your loan. The Product Disclosure Statement contains the detailed information on Loan Protection Plan and this should always be considered in deciding whether you wish to apply for the product. Home Loan Planning Consultants offering Loan Protection Plan are doing so as the Authorised Representatives of Australian Life Insurance Distribution Pty Ltd (AFSL 226 403).

## Personal Loans, Car Loans and Leasing

**PRESTIGE LOANS** now offers that little bit extra by providing our clients with access to a wide range of Lenders for Personal Loans, Car Loans and Leasing. Michelle Pittick, is not only is conversant and experienced with Home Loans, she is also heavily involved in assisting **PRESTIGE LOANS** clients when Home Loans are not the most appropriate option.

Talk to Michelle today on how she can help you, your family and your colleagues with this type of Loan.

### LOAN PROTECTION PLAN



CONVENIENT PROTECTION FOR YOUR MORTGAGE



# Choosing the right home loan...part 3

**“INTRODUCTORY LOANS”** - these are also called **honeymoon loans**. To entice borrowers, most lenders offer loans with a low rate usually for the first year.

On expiry of the Honeymoon the loan returns to the standard variable rate at that time. Interest Rates are often fixed during the honeymoon period. When compared to the current standard variable rate loan of 9.37%, a \$300,000 loan with a 8.59% honeymoon rate offers a saving of around \$2340 in the first year.

The price you pay for this saving is that there are likely to be exit penalties, for example, to pay off the loan or refinance in the first three years.

**What we think:** If you are looking for a low repayment during the honeymoon than this is what you need, but the advantage will be quickly eroded when reverting to the standard variable rate on expiry. A “No Thrills” Home Loan is likely to save you more, as you generally have your Home Loan for a number of years.

**“LINE OF CREDIT”** - often referred to as equity loans. No Home Loan is more flexible. Basically, you can pay virtually any amounts into this loan and withdraw up to its limit at anytime. It is based on an ordinary everyday Bank account, with often card access, cheque book access, and in many cases linked to a Credit Card.

Ideally all your income and savings needs to be paid into the account, and while it remains off the loan it reduces the balance and therefore the interest charged. These loans are available from most Lenders. Many offer cheque, EFTPOS and ATM access with their Line of Credit.

To maximize benefit is to make use of the Banks Credit Card during the transactions interest free period, in order for balances to remain off the Home Loan until the last day.

**What we think:** It will require considerable control and a determination to stick to a budget and to monitor the loan when you have such easy access to your money, but you will have flexible payments and ready access to cheap rates on further borrowings.

## PRESTIGE Preferred Partners

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

**innercity settlements**  
licensed property settlement agents

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

**PRESTIGE LOANS** has had the pleasure of dealing with Innercity settlement for a number of years, and can thoroughly recommend them for the ultimate in property settlement services.

Please contact them today on 9371 2500.



Norman van den Berg has been in the Insurance Risk industry for 40 years and is fully versed in providing the right insurance advice to protect clients income, family and work cover. One of the facts about Life Insurance “what is insurable today may be uninsurable tomorrow”. Insurance is the cheapest form of security. Call Norman Today on 0412 113802.

**ALLPEST** Ontime Professional Insured  
**WE CARE ABOUT YOUR FAMILY** Prompt Service  
Ph 08 9416 0200

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 16 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 the 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.



# What is Offset ???

You may have heard the term 'offset' or 'offset account' but do you know what it means?

A 100% offset account allows a home owner or investment property owner to place an amount of money on deposit with the Lender. Instead of receiving interest on the deposit as would be usual, the interest is offset against the interest accruing on the mortgage.

Let's take a simple example. You receive a windfall and gain \$100,000 as a cash amount. You decide that you do not want to pay that money into your loan account as a principal repayment because you would like to have it set aside for a future purpose.

If you open an offset account with your Chosen Lender (not available on all loans), and place that \$100,000 in the offset account, the Lender will waive the interest due on the first \$100,000 of your mortgage loan. This means that a much higher proportion of your normal monthly repayments will go to the repayment of principal rather than interest. The benefit being is that your mortgage is reducing faster.

There are also conditions. for example it must be your own money in the offset account. You are generally no able to link another account in any other name to the Home Loan.

At the start of a loan, borrowers are usually looking for every dollar they can find to establish their own equity, and to limit their total borrow to ensure they have sufficient cash flow to meet repayments. The benefits of offset do not usually come into play at this stage because an offset account requires you have excess funds.

The concept of offset usually becomes relevant at a later stage when the loan has been running for a while and when the borrower's financial circumstances improve.

If you would like to learn about how an offset account works, and about how it could be organised in your case, please give **PRESTIGE LOANS** a call.



## Self managed super funds can now borrow...

Until recently, this has not been possible because of restrictions on superannuation funds borrowing and charging their assets. The Superannuation Industry Supervision Act (SIS ACT) was amended in September 2007 to allow a Self Managed Super Funds (SMSF) to borrow and charge their assets so long as a special structure is established.

Some Features of the structure are:

- ⇒ Choose any kind of property e.g. residential, commercial, retail, and holiday units
- ⇒ The beneficial owner of the real estate will be the SMSF
- ⇒ The lender has no recourse to the other assets of the SMSF, providing the SMSF with absolute protection for its other assets
- ⇒ The loans are personally guaranteed by the member(s) of the SMSF (subject to credit approval)
- ⇒ SMSF's can deal with the property however and whenever they like, in the same way as investors can deal with "normal" investment properties
- ⇒ All rents are paid direct to the SMSF. Loan repayments are made normally by the SMSF
- ⇒ The SMSF can pay out or reduce the mortgage at any time (subject to the terms of the loan)
- ⇒ When the mortgage is paid out in full, title to the property can be transferred to the SMSF or the Property Trustee can continue as registered proprietor.

Talk to your accountant today.....then talk to **PRESTIGE LOANS** to see how we can help make this happen !!



# Oakford Equestrian Centre

The Oakford Equestrian Centre is managed by Michael Dagostino. Michael is a very experienced equestrian competitor and has competed in many different equestrian sports including hacking, dressage, show jumping, polocrosse and polo.

Michael's expertise is Eventing and he has had significant success over a number of years. Michael also is a member of the Board of the Equestrian Federation of Western Australia and has an active role in a number of matters relating to equestrian activities in Western Australia.

## OUR GOAL

*Our goal is to provide a constructive and safe environment for people of all ages and abilities to learn and enjoy horse riding and to share the fun we have.*

We offer lessons on our horses, your horses and trail riding.

We provide tuition on our well schooled horses and ponies.

Lessons are available for all ages, from children to adults and we have a range of horses suitable for the different skill levels.

Oakford Equestrian Centre are also the Western Australian Agents for **ROWVILLE HORSE TRAILERS**, **TENDER DELUXE FLOATS** and **DISCOVERY HORSE FLOATS**.

### Rowville Trailers



### Tender Deluxe



### Discovery Floats



We provide personalized assistance and all the help you need. All these floats can be manufactured to your specifications.

For more information about Oakford Equestrian Centre or our fantastic range of Horse Floats please call Michael on 0418 906 277 or email [info@oakfordequestrian.com](mailto:info@oakfordequestrian.com).

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**).

Major Sponsors of the  
Equestrian Federation of Australia  
(WA Branch)



## The Team



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