

Is it time for a finance review?



When our home or car insurance is due 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 costs¹. With such a large investment, why do we not give our home loan the same regular review?

Average upfront fees have dropped over the past three years from an average of around \$700 to approx \$600 as at May 2014². A number of lenders have even dropped upfront fees altogether making a finance review even more attractive!

The average home loan interest rate across the Big 4 is around 5.9%³. Remember, this is just the average value - there are presently still much lower rates available from a number of lenders.

The cash rate is currently the lowest it has been in the past 24 years⁴ so 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 financial position, 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?

Did you know it is not unusual for parents to spend \$10,000 or more per year on

long day care per child? What are you doing with the extra money you were spending on child care?

Have you recently re-entered the workforce?

With children now at school perhaps one parent has gone back to work. Any increase in income is a good reason to review your finances and think of investing.

Are you about to finally pay off that car loan?

Before you buy 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'.

1 4130.0 - Housing Occupancy and Costs, 2011-12

2 news.com.au

3 canstar.com.au

4 rba.gov.au



Call the office today

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.