

Nina

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How often have you wished for less emails in your inbox and more free time?

It's a common wish that we address in our article '5 short cuts for dealing with email overload'. As life gets busier, we all look for ways we can do things quicker and with less hassle. Many of our clients have come to us for this reason - they know we can do the leg work for them, saving their time and energy.

Our below article on home loan savings and our article "are you making these 6 mistakes while saving for a home loan deposit" outline some of the ways that your mortgage broker can reduce the clutter and free up your time.

Also included in this issue, advice about how to buy a property with your de facto partner.

Enjoy this newsletter and feel free to pass it on to family and friends.

Kind Regards,

Anne Byrnes



Your Mortgage Point

PO Box 950
Hornsby NSW 1630

Email: anne@yourmortgagepoint.com.au

Website: <http://www.yourmortgagepoint.com.au>

Tel: (02) 9922 7775

Mob: 0405 287 770

Fax: (02) 9922 8128



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New Research Shows Australians are Missing out on Home Loan Savings

Australians love to save money on food and fashion, yet could be missing out on much larger savings by not switching home loans.

The nationwide research conducted by University of Technology (UTS) and Heritage Bank, looked at why people do and don't refinance.

While it found that Australians are continually looking to make savings on the things they connect with emotionally, like clothing and travel, they focus considerably less on major life purchases such as home loan, credit cards and energy providers.

Researchers found that almost a third think switching home loans is too much trouble. A further 28% said they did not switch because they perceived the cost of switching was not worth the time and effort.

Contrary to this popular belief, switching home loans was found to bring significant savings. The respondents who did switch enjoyed savings of up to \$3,000 per year – which is an impressive reduction over the life of a mortgage.

The research is expected to encourage more borrowers to take the step to shop around. As your mortgage broker, we can remove the barrier of time and effort. With our experience in refinancing, our intimate knowledge of the market, and our simple processes, we make it easy to hunt out the best deals.



Are you Making these 6 Mistakes while Saving for a Home Loan Deposit?

Everyone wants to shortcut the time it takes to save for a home loan, but some shortcuts are more dangerous than others and can risk your ability to secure a loan. Here we'll alert you to some of the bad practices that can cost, rather than save, time and money.

1. Don't use a personal loan to cover your home loan deposit

Lenders want to see that you are capable of consistent, ongoing savings, which reflects your capacity to repay a loan. Personal loans or any other borrowed funds are usually perceived as 'non-genuine' savings.

There are lenders who will allow non-genuine savings as a deposit source if borrowers can demonstrate a good income, clear credit history, little debt, and a certain level of savings. Restrictions may also be placed on how much can be borrowed.

Even if you choose not to disclose to the lender that you are using a personal loan as a deposit source, it will be picked up when the lender checks your credit report as part of the mortgage application process.

2. Don't take on new debt

Taking on a new car loan or credit card while saving for your deposit will mean less money to put away. Delay major purchases and avoid new commitments that will eat away at your savings.

3. Don't fall behind on other debts

Avoid channelling all your spare cash towards your deposit while ignoring other debts. Late payment and defaults can be recorded on your credit report. When it comes to applying for a home loan, your lender will use the credit report to assess your suitability.

4. Don't set your saving goal too low

Not saving enough leaves you vulnerable to rate rises because you'll have a larger mortgage to repay. Additional fees like lenders mortgage insurance (LMI) must be paid if your deposit is too small. So how much should you save? It's important to first understand your borrowing power, and this is where we can help. With many different loan products available, we can give you an overview of the lending limits from a range of lenders and help you calculate what you can realistically afford.

5. Don't make large deposits you can't document

Although a certain amount of your deposit can be 'gifted' from family or elsewhere, lenders want to see that most of the deposit comes from your own funds. Any large deposits will need to be thoroughly documented.

6. Don't save after you spend

Don't live off your salary and simply save what's left at the end of the pay period. As soon as your salary is paid in, put aside a portion of it in your deposit savings account. It's a foolproof way to spend less and save more.



How to Buy a Property with your De facto Partner

When applying for home loan finance with your de facto partner, one of the first questions you will be asked is what kind of tenancy agreement you wish to take out: joint tenants or tenants in common? Your answer will depend on many factors, including how you plan to share the costs and liabilities of home ownership.

As your mortgage broker, we can talk you through the options and provide individualised advice for the following issues.

Joint tenants vs. tenants in common

Joint tenancy means that you both own the property together equally. If you decide to sell, the property must be sold as a whole. Your partner will automatically gain ownership of the property if you die, without the need for a will.

The alternative is tenants in common. Under this arrangement, you will both own a share of the property, which you can sell off if you wish to leave the relationship. The property can be shared equally or you can own an individual share based on the percentage you invested.

Your partner does not automatically gain ownership of your share if you die – it will depend on what is written in your will.

If you want to keep your stakes in the property separate from your partner, a tenants in common arrangement may be worth considering. You can always change the title to joint tenancy in the future.

Sharing costs

When working out who pays what, it's not just the monthly home loan repayments to consider. Stamp duty, maintenance, legal and valuation fees are just some of the costs associated with owning a property.

Talk to your partner about how to manage the costs: you may want to consider drafting a budget and setting up a joint bank account for you to both deposit a certain amount each week.

What could go wrong

No one wants to think about their relationship ending sourly but an important part of property ownership is being prepared for all manner of change. Discuss with your partner what would happen in situations like a breakup, sudden job loss or serious illness.

It's highly recommended you seek independent legal advice to work out what steps are needed to protect your property and assets if something goes wrong down the track. A written, signed document is your ultimate legal protection and can provide certainty for important issues like who will pay the bills, who will live in the house if the relationship breaks down or how you can sell your share of the property.



5 Shortcuts for Dealing with Email Overload

Too many emails in your inbox is a common frustration that most of us lack the time to fix.

If you don't want to take the radical step of deleting all your emails and starting again – known as inbox zero or email bankruptcy – try the following solutions for putting an end to an unmanageable inbox.

1. Set time limits

Schedule in certain times of the day for processing email and set yourself a time limit. Turn off email notifications and resist the temptation to check your email every five minutes.

Give yourself 20 minute blocks throughout the day and process emails in batches. What you don't get through, you leave for the next scheduled block.

2. Use filters and folders

Move emails out of your inbox quickly by filing emails into folders like 'needs action', 'long term', 'purchases', 'travel'. If it's an event, schedule it into your calendar and delete the email. For newsletters and alerts that you subscribe to, create a filter that automatically deposits these into your 'reading file'. Don't ever read an email and leave it sitting in your inbox.

3. Archive constantly

'Archive' is a great tool for making emails disappear from your inbox and then reappear again when you search for them. It's perfect for those emails you don't want to delete but are not important enough for you to move into a folder. One way to bring your inbox back to zero is to create an 'others' folder; move all your emails in here and archive each one of them.

4. Unsubscribe frequently

Be ruthless with what emails you allow in. Turn off social media notifications and unsubscribe to all but the essential.

5. Find an email app

There are many apps with specific features relating to email clearing, which makes it easier to manage your inbox when you're on the go. Look for features like quick swipe for archiving and scheduling emails, ease of switching between accounts and simple inbox and folder navigation.

Did you know?

- De facto couples are treated the same as married couples under Australian law regarding the division of property.
- A de facto relationship is defined as two people (of the same or opposite sex) who are not married or related by family and are living together on a genuine domestic basis. There are several other circumstances the courts use to determine a de facto relationship, including its length and whether there are children involved.



Anne Byrnes - Mortgage Broker



With access to a variety of lenders, the legwork required to source the right mortgage is no hurdle.

Anne has a passion for providing what the large lenders can't – personal service and a professional attitude. Anne helps clients work through the alternatives and make financial decisions which will complement their goals and their lifestyle. Being an authorised representative of Vow Financial means a wide range of lenders to provide the tailored solution you need.

Anne is qualified in Mortgage Broking and Finance. She is a member of the Finance Brokers' Association of Australia (FBAA).

Phone: (02) 9922 7775

Mobile: 0405 287 770

Email: anne@yourmortgagepoint.com.au

Your Mortgage Point

Helping you make smarter mortgage decisions

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