

News Update

Fixed Vs Variable!!

In the past year or so we've seen some big changes in interest rates. From very low variable rates through to high fixed rates, But the market is beginning to find it's "natural level". So far this year the average discount variable rate has gone from the high 5% mark to around the 6.7% mark. Yet in the last 3 months the some lenders have brought their 3 year fixed rates from 7.5% down to as low as 6.89%, which would represent quite a bargain.

When deciding whether to fix or go variable you need to weigh up things such as :

What are your immediate and medium term plans for your property ?

Do you plan to make lump sum payments off the mortgage ?

Are your current payments affordable ?

These questions are very important because when dealing with a fixed rate you run the risk of excessive repayment fees and/or break costs for the loan.

Making the right decision in the current environment can mean substantial savings on the total interest you will pay. All indications are that the RBA may raise rates at some point in the next 4 months, so it would be a great time to have a chat with one of our consultants regarding what options you have and potentially shield yourself from future rate rises.

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Directors Corner - Savings

Written by Barry Papps

Savings is a dirty word to most of us in that we tend to spend most, if not all of our take home earnings.

However, by putting away a little of each pay (lets say 100 to 200 dollars), before you know it you will have \$5,000 or \$10,000 in savings

after just one year, you'll be well on your way to a good deposit for a home.

The trick to all of this is to make believe you have spent the money already and **DO NOT** touch it. Have a direct credit from your pay to a different savings account, then you

won't have it to start with.

After a while, it will be fun watching the savings mounting up in your account. You will be establishing a good habit and like bad ones they are hard to break.

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2010 Broker of the Year

For

bankwest 



Ben Papps



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Personal Profile



Ben Papps

As Ben's customers would know, he is a happy go lucky person with a bright outlook on life. He is an approachable person and always up for a chat. Ben has had a wide and varied career path from serving with the Australian Army to obtaining a trade as a boilermaker, but for the last 10 years he has been in the Mortgage Industry working for

Homecorp which is his family business. He has completed extensive studies within the mortgage industry including Certificate 4 in Financial Services an accredited mortgage consultant and also a Diploma in Mortgage Lending. Ben has also recently completed his study to become a JP (Justice of the Peace).

On a more personal note, Ben is married to Kelly, who is the State Manager of Homecorp, and they have 2 little boys, Joshua and Jordan. He also has a daughter named Chelsea. Ben and Kelly are currently building their own home, so they understand the ups and downs of the building process.

You may see Ben from time to time in his pride and joy – the Red Monaro.

Top 5 Ongoing Variable Interest Rates				
Bank Name	Interest Rate	CPR	Minimum Amount	Ongoing Fees (pm)
FirstMac	6.46%	6.63%	\$50,000	-
BWest	6.70%	6.76%	\$20,000	-
ANZ	6.71%	6.74%	\$50,000	-
ABL	6.74%	6.81%	\$10,000	\$10
ING	6.74%	6.74%	\$50,000	-

Rates are for information purposes only and must be confirmed by the company quoted.

Top 5 Fixed 3 Year Interest Rates				
Bank Name	Interest Rate	CPR	Minimum Amount	Ongoing Fees (pm)
NAB	6.75%	7.24%	\$50,000	\$10
AMP	6.99%	6.76%	\$40,000	-
AFM	7.18%	6.74%	\$50,000	-
SCM	7.19%	7.52%	\$50,000	\$10
HSL	7.20%	7.13%	\$50,000	\$10

Rates are for information purposes only and must be confirmed by the company quoted.

Money Saving Tips

Here are just a few small tips to help you save for your dream home :

- Don't grocery shop on an empty stomach or you may end up buying more than you need.
- Don't buy a sale item or use a discount coupon for the sake of it being "cheaper". Buy an item only if you need it! Shop with a list.
- Exercise at home rather than joining a gym.
- Track your spending and cash—know where every dollar goes.
- Save hundreds of dollars a year on gasoline by making sure your car's engine is tuned regularly and your tyres have enough pressure.
- Instead of paper towels—use actual towels. Once we get accustomed to using disposable products, its easy to take them for granted. Look around the house and figure out what you can change for re-useables.

For your chance to **WIN a \$50 Gift Voucher**, simply send your Money Saving Tips in to info@homecorpfinance.com.au The winner will be published in the next newsletter.

Call HOMECORP anytime on 1300 132 687 or email info@homecorpfinance.com.au