



Staying in the Market - 5 Step Plan todaytonight

Overview

[*as seen on Today Tonight]

- This basic plan has been created as a guide for people who are struggling to pay their mortgage or are finding that they are just scrapping by financially.
- The overall aim is to decrease your expenses and increase your equity position.

1. Review Your Spending

- Know where your money is going! Map out all of your expenses and so that you can make some changes to free up some extra money without reducing the quality of your lifestyle. This process can be a bit of a reality-check which can really help people to refocus and improve their spending habits. [eg. review your mobile phone, home phone and internet plans or other regular consumer expenses]

2. Review Your Financial Position

- Engage a Finance Broker to help you build an accurate snapshot of your current financial position. What assets do you own? What liabilities do you have? How much good debt do you have compared with bad debt?

3. Reduce Your Interest Repayments

- A Finance Broker can assess whether you can get a cheaper rate home loan, consolidate your high interest debts, temporarily convert your loan to interest only, or fix part or all of your loan to insurer against future interest rate rises.
- Equity Finance Mortgage - brand new product that can allow you to reduce your loan repayments by up to 25% or more. Sophisticated and award winning product that only experienced Finance Brokers are able to sell. [Great product for those struggling to make repayments due to rising rates, increased expenses or decreased income - such as couples planning to have a baby and will be reduced to one wage]

4. Reduce Bad Debt

- Pay down/off your high interest non-deductible [bad debt] first. Debt consolidation can reduce your repayments and give you a bit of a breather but work on making extra repayments on your home loan otherwise you can end up paying off a credit card you consolidated in your home loan over 30 years, costing you much more in interest costs.

5. Build Equity & Avoid Bad Debt

- Make extra repayments into your home loan. This will help you to reduce your loan amount and thus build up your home equity. The equity can act as a safety net in the case of an emergency or you might use some of it to invest whereby you can use your investment profits to further reduce your loan.

This plan has been simplified and should be used as a general guide only. For assistance specific to your financial situation or for any other enquiries please contact us on 08 8451 1500