

Most banks and mortgage brokers recommend that first homebuyers get pre-approval or 'pre-qualify' for a loan. Why? If you're buying your first home, it's good to be able to make an offer knowing you've got the money behind you. It also shows real estate agents – and vendors – that you're serious about doing a deal, which can help in negotiations. If you're an investor, having a pre-approved loan not only means knowing your top price, it also gives you bargaining power. It also means that you can act quickly once you've seen a property you like.



**Who offers it?** Most banks and lending institutions. It costs nothing to arrange and your mortgage broker can help you secure it. Some lenders offer on-the-spot pre-approval that can last up to 2 months. The period of approval will vary from lender to lender however. So work with your broker to explore which lenders and products best suit your situation before

you settle on a property.

**How it works** The lender will look at how much you earn and your credit history in assessing your ability to repay the loan. On that basis, they'll decide how much they're prepared to pre-approve. Again, work with your broker to explore all your options.

**How it's provided** Usually via a letter or certificate verifying that your finance has been approved and for a certain length of time. You can show the letter or certificate to a real estate agent or vendor as evidence that a lender is prepared to loan you a certain amount.

**How much will you qualify for?** That will depend on your financial circumstances and the lender's criteria. Your broker will help you to work out roughly how much you can borrow based on your salary and your existing financial commitments.

### Three reasons to get pre-approved

- Gives you certainty and bargaining power.
- Agents and vendors will take your offer seriously.
- No cost to apply.

*Source—PLAN Newsletter July 2006*

## Getting on top of credit card debt

Plastic can be fantastic – but not if you're continually in the red. Australians love their credit cards. As at November last year, Australians owed around \$33.2 billion on credit and charge cards, more than five times what they owed a decade ago according to Reserve Bank statistics. While credit cards can come in handy, it's easy to let the debt spiral out of control. But there are ways to avoid the debt trap.



Tips and tricks for cutting credit card debt.

**Pay off more than the minimum:** If you can't pay off the entire amount each month, pay the maximum you can. Otherwise you may be losing the advantage of any interest free period.

**Spread the debt:** If you owe a large amount on your card, think about spreading the debt between a number of low rate or no fee cards. That way, you'll also be able to take advantage of any interest free or 'honeymoon' periods. Visit [www.infochoice.com.au](http://www.infochoice.com.au) for a comparison of cards, including interest rates and features.

**Link your card to your mortgage:** You'll be paying off the debt at a much lower rate of interest. Offset accounts, where you put all your salary into your mortgage and live off your credit card, can save you money in the long run.

**Roll over the debt:** Think about consolidating your credit debt via a personal loan. Don't just look at what banks have to offer. Building societies and other non-bank lenders can also offer competitive rates.

*Source—PLAN Newsletter July 2006*

## Equipment Finance News

Did you know that All Finance Services can also assist you with any equipment financing needs you may have? In brief, equipment financing is suited to predominately business customers (although it can also be relevant for personal customers) who require finance for items such as; motor vehicles, trucks, trailers, excavators, cranes, computers, photocopiers etc.

The equipment can be financed via several products available; Leasing, Hire Purchase and Chattel Mortgages. All Finance Services can provide you with quotes and ultimately organize your equipment finance. We also cater to the smaller end of the

business market with the ability to finance equipment starting from \$2000.

All Finance Services has recently appointed Tina Gangemi as an Equipment Finance Specialist. Tina has joined us with 22 years banking experience and is excited about being part of the team who are committed to customer service.

Tina is working along side Pam Sullivan who is a seasoned professional in the equipment finance scene. If you think you may be interested in knowing more, please give us a call. We will be pleased to hear from you.