

To All My Valued Clients,

Welcome to another edition of my quarterly newsletter, and with Christmas fast approaching!

It inevitably means that the spending increases, as there are presents to buy, functions to attend, so a new dress to buy!, family get-togethers so more food shopping to do and the list goes on...A good idea is to keep a tab on it all, so you don't end up with a maxed out credit card in the new year! If you would like a copy of my budget worksheet, just send me an email.

At the beginning of the month I was in Perth attending the Choice Annual Conference. It was a special event as Choice Home Loans had celebrated 10 years since its formation. At the conference Saul Eslake, Chief Economist of ANZ spoke. His address was based on the housing market advising that NSW, Queensland and Perth will have housing shortages in the next 3-4 years. Predictions were made that the Sydney market would move by 8.5% for y/e 2008 and a further 9-11% for y/e 2010. This is good news for those that have been sitting on property that has showed no growth for the past couple of years. This is probably not the best news for first home buyers or investors. Maybe buying sooner than later would be a better option. He made the comment that there would be a possible rate rise in November, if not by February. He also said that although Australian households are carrying a lot of debt by historical and international standards, the overwhelming majority of them are well placed to service it. His final comment was that interest rates haven't peaked yet.

Beat rate rises through locking your interest rate

In view that interest rates may not have peaked yet; I thought I would talk about fixed rates. Watching your interest rate soar by 2 1/4% over the last 2 years, adding hundreds of dollars to monthly mortgage repayments, managing your mortgage repayments can be a challenge – especially when you're on a tight budget.

Fixing the interest on your home loan, might just be the solution to protect against increasing mortgage repayments, guaranteeing a set rate for an agreed period of time and giving consistency to your mortgage repayments.

With options of 1 – 5 years, typical fixed rate terms average around 3 years. One key option to remember if you are thinking about fixing your mortgage is that your rate will be locked in for a specified period. If you'd like to repay your home loan early, be aware that penalties may be imposed to break your agreement.

If you are still tossing up between a fixed and a variable rate loan, you can take the middle ground – most lenders will give you the option of fixing part of your loan, while leaving the rest at a variable interest rate – so you can have the best of both worlds.

If you are concerned about your repayments, give me a call, I'll be happy to run a range of scenarios to see if you will benefit.

CURRENT LENDER SPECIALS

3 Year fixed rate at 7.59% (CRS 7.48%)*

5 Year fixed rate at 7.59% (CRS 8.26%)*

Basic Home loan at 7.49% (CRS 8.26%)*

Some lenders not requiring genuine savings

Low-doc loans for PAYG customers to 70%

* The CRS is based on borrowings of \$300,000 over 30 years.

If you have any questions in relation to this newsletter or you would like a 'Mortgage Health Check' please give me a call anytime. If you have any family or friends that can benefit from my services, please ask them to give me a call.

Kind Regards,
Pauline Sultana

TESTIMONIALS

My husband and I never thought we would get a home loan considering he hadn't done his tax in 3 years, so we put it on the back burner until he could get himself organised. One day I was talking to a friend about our situation and she told me about Pauline and how she can work miracles with hard situations. After one phone call, Pauline organised to come and see us. She told us it was possible for us to get finance. It was music to our ears. Pauline got everything organised, ready and signed within days. Even coming to see us on a public holiday! Although we struggled through a few lenders to get approved Pauline never gave up. She gave us everything she had, plus more. We were updated daily and everything she did we were told about. Finally after 2 months there was light at the end of the tunnel for us. Pauline had succeeded, when we were positive our luck had run dry. We are now on our way to a new beautiful home, all thanks to the daily effort for two long hard months of Pauline. We are eternally grateful and can't thank her enough. She has become a friend as well as a fantastic broker and we can't wait to have her back for a 'cuppa' when all is complete. Thanks Pauline – we don't know what we would have done without you! You are one of a kind!

Regards Rachel Scott & Nathan Coombes, Glenmore Park

