



Newsletter Issue 23, April 2018

Self-Employed and wanting to get a Home Loan.....

STARTING your own business allows you to avoid taking orders from bosses, be creative and entrepreneurial. Just don't try getting a home loan approved.

Australia has more than 2 million self-employed people and the cold truth is being self-employed can make getting a mortgage a little more difficult. This doesn't mean it's not possible, but you might just find it a bit more challenging than a salaried person would. This isn't because lenders don't like the self-employed. Rightly or wrongly they're just perceived to be a higher risk to loan money to, especially if your business is less than 2 years old.

However, there are a few ways for self-employed people to improve their chances with banks and other lenders. The main requirement from lenders is that you have to have your **ABN for 2 years and 2 years financial records that show evidence of a steady income.**

Self-employed people who store all their records in a shoebox, or have wildly fluctuating incomes, will find it tougher getting loan approval. It's vital to be open and transparent when talking with potential lenders.

A self-employed person with a clever accountant will often use strategies to lower their taxable income, which can work

against them in a mortgage application. Be prepared to explain everything to your mortgage broker.

Your broker deals with people in all different circumstances every day. They are accustomed to helping self-employed people just like yourself, and they understand your needs and the needs of lenders.

The good news is that there are lenders out there who look on self-employed people in a better light than others; it's just a matter of knowing who to speak to. This is where a good broker who understands the market can help. They will know who these lenders are and what criteria you'll need to meet to get home loan approval, saving you stress, wasted time and the disappointment of rejections.

Your broker will advise what documentation they need before your appointment, but at a minimum you should have ready:

- **The last 2 years' company tax returns and financials including profit & loss statements;**
- **The last 2 years' personal tax returns; and**
- **Know how long you've had your ABN and GST registration, if applicable.**

If you are self-employed, & are thinking about getting a home loan, call us now on Ph.32647100, & we can talk to you what you need to have to make it happen

Car & Equipment Finance

With the end of the financial year only now less than 3 months away, many people, especially self-employed, think about upgrading or buying a new car.

If this is something you may be considering in the coming months, don't forget that at Cornerstone, we now offer Car and Equipment finance to our Customers as an additional service.

So if you're thinking about getting finance for a new car, motorbike etc.

please give us a call on Ph.32647100 and we will be very happy to talk with you about your options.



Special interest articles

Article 1 - Self-Employed and wanting to get a Home Loan

Article 2 - Importance of having a Will

Article 3 - Income protection insurance

Article 4 - Economic Update

Why is it important to have a Will?

Streton Masons Lawyers

Do you own any property or other business assets? Do you know what will happen with your assets if something happened to you suddenly? Estate Planning is an area of the law that most of us don't want to think about as it is a morbid topic. However where you own assets of value you need to think about what is going to happen to them so that your estate is distributed the way that you want it to be.

What happens if you die without a will?

Under the rules there is a hierarchy of beneficiaries upon your death intestate. These can be summarised as follows:

1. Where the deceased has a spouse, but no children, the spouse is entitled to 100% of the Estate;
2. If the deceased has a spouse and one child, then the spouse is entitled to \$150,000.00, all household chattels and ½ of the residual Estate and the child is entitled to the remaining half of the residual Estate;
3. If the deceased has a spouse and more than one child, then the spouse is entitled to \$150,000.00, all household chattels and 1/3 of the residual Estate. The remaining 2/3 is to be equally divided amongst the deceased children;
4. If the deceased has no spouse, but has children, the children are equally entitled to the Estate;

From here on the Estate can be distributed as follows:

1. Parents;
2. Brothers and sisters, nieces and nephews;

3. Grandparents;
4. Uncles, Aunts and Cousins; and
5. Bona vacantia; the crown is entitled to the Estate.

Most people don't realise that this is what happens if you die without a will. To make sure that your estate goes the way that you want you must have a valid Will.

Jeremy Streten is a lawyer and the author of the amazon best seller "The Business Legal Lifecycle"

(www.businesslegallifecycle.com),

which is designed to help business owners understand what they are doing in their business from a legal perspective and give them a plan for the future.

Special Offer

As a special offer to Cornerstone Home Loan clients if you contact us by emailing info@smslaw.com.au with the code "cornerwill" we will provide a complementary estate planning review, usually valued at \$330.00 (inc GST). This offer is open to any Cornerstone Home Loan client (or their family and friends) who email us with the code (and your contact details) by 5:00pm on Wednesday 30th May 2018.



Your greatest asset?

.....It is your ability to earn an income

What if you're unable to work due to an accident or illness. How could you maintain your current lifestyle & look after your family? You could insure your income through an Income Protection insurance.

Income Protection gives you a monthly income protection payment of up to 75% of your earnings if you're unable to work due to sickness or injury. It helps cover your living costs, such as mortgages, school fees & car repayments.

Many people insure their home & contents, even their life. Yet all too often they don't adequately protect what is potentially their greatest asset – their ability to earn an income.

Think about it this way. If you are unable to work for an extended period due to illness or injury, how will you meet your mortgage repayments, rent or other bills & expenses? Without an income you could run down your savings very quickly and face financial stress and difficulty.

Rather than putting your family's lifestyle at risk, income protection insurance could pay you a monthly benefit of up to 75% of your income to replace your lost earnings.

Most income protection policies offer a range of waiting periods before you start receiving your insurance benefit (with options normally between 14 days & 2 years).

While you can buy income protection insurance within or outside a superannuation fund, insuring in super could be more affordable.

To find out more about your options & strategies that could benefit you & your family why not call us on Ph.0732647100, & we can have our trusted Financial Advisor Des Sykes give you a call regarding a an obligation free meeting to discuss the best option for you.



Economic update... by Peter Switzer

Switzer.com

Peter Costello warns that rates will rise and your property's value will fall!

Former Treasurer Peter Costello has warned that interest rates will have to rise, eventually, and asset values will fall. But if this is a surprise to anyone, then they need to embark on an education course called The Bleeding Obvious 101!

This “rates will rise and property as well as share prices will fall” warning was delivered at a conference in Melbourne by Mr Costello, who nowadays is the Chairman of the Future Fund.

To someone like me, the message is so obvious it doesn't really require anyone as smart as Pete to waste precious time talking about it. However, I guess it's fair to say a hell of a lot of people out there in borrowing land don't give a toss about economics until their hip pocket is hit.

Right now, borrowing land has delivered rising house prices, especially in Sydney and Melbourne but you might be surprised to learn that Hobart has been the stellar performer of late.

Sydney has just turned negative, down 0.5% for the year, after three years of double-digit growth. However, Perth and Darwin have had a couple of years of falling property prices, so Pete isn't telling anyone in WA or the NT that it will come as a surprise. Sure, it's great when you pick up the newspaper or go online and see a story that tells you that you're richer, due to silly, huge price rises but if you're not a seller, the most it can do is make you borrow more to buy more stuff.

Rising property prices help confidence, spending and economic growth but other factors can reduce the positivity of these price rises, such as low wages growth, which has been the issue for Australia lately, until the job market took off last year creating over 400,000 jobs in 12 months!

Interestingly, Perth's annual price 'rise' has been a negative 2.7% but the monthly signs say the worst is over and experts now expect price rises are coming.

And I'm prepared to bet that we will be 'lucky' to see an interest rate rise this year, if the consensus of economists is right, and even the rises in 2019 should hardly be scary. Maybe in 2020 Pete's warning will come to fruition, unless there is no major reason for a stock market collapse in the interim period. Like what?

Well, a trade war, thanks to Donald Trump's tariffs could be an economic curve ball that could hit our great economic outlook for the world economy out of the park!

One reason why Pete has done his warning is that there has been over-borrowing by some people because they paid too much for their homes. The former, very good Treasurer has pointed the finger of blame at former Governments and Reserve Bank policy that encouraged borrowing, especially via low interest rates, but both policy-making bodies were having to deal with beating a potential recession, as the world tried to avoid a Great Depression! If borrowing did not work after the GFC started in 2008, then a lot of people who have worked all that time and have bought houses, gone on overseas holidays and have bought new cars might have been on the dole queue!

The value of Pete's warning is that for those who don't think this current economic party will end, well, they will one day have to cope with an economic hangover. And anyone who thinks they might be over-exposed, debt-wise, can always fix their interest rates but they should think about at least a three-year fix because rate rises aren't about to happen any time soon. And if you are really scared about your debt and the future, maybe a 5-year fix should be considered but you will pay for it. Good luck with that and thanks Pete for making me explain the bleeding obvious!

Butter Chicken in a Cob Loaf

Taste.com.au



Ingredients

- 1 (about 450g) cob loaf
- 1 garlic clove, halved
- 1 tablespoon peanut oil
- 600g chicken thigh fillets, excess fat trimmed, cut into 2cm pieces
- 2 tablespoons tandoori paste
- 250ml (1 cup) cream for cooking
- 90g (1/3 cup) Greek-style yoghurt, plus extra, to serve
- 2 tablespoons cornflour
- 1/3 cup finely chopped fresh coriander, plus extra sprigs, to serve
- Mango chutney, to serve (optional)

Method

- Preheat the oven to 200°C/180°C fan forced. Cut about 1cm from the top of the loaf. Scoop out the bread inside, leaving a 1.5cm-thick shell. Cut the inside bread into pieces. Place the cob and the torn bread on a baking tray. Spray the cob inside and out with oil and rub the inside with the cut sides of the garlic. Spray the torn bread with oil. Bake for 10mins or until golden and crisp.
- Meanwhile, heat a wok over high heat. Add the oil and swirl to coat. Cook the chicken in 2 batches, turning occasionally, for 5 minutes or until golden. Return the chicken to the wok. Add the tandoori paste and stir for 30 seconds to coat.
- Combine the cream, yoghurt and cornflour in a bowl. Add to the wok and stir for 2 minutes or until the sauce is warm and thickened. Stir in the coriander.
- Place the cob and bread pieces on a serving platter or board. Fill the cob with the chicken mixture. Top with extra yoghurt and coriander. Serve with mango chutney, if you like. Enjoy.

Tracie's update...

Easter Holidays have come and gone and we are in the midst of Commonwealth Games fever!

Aussie, Aussie, Aussie!! What a fun time of the year it is for us Queenslanders. All the excitement of the games is upon us. Hope everyone enjoys them as much as we do.

We have loved catching up with many of our long term customers over the last few months. It's been so great to see you all and hear how life has been treating you. The girls and I have been really happy to find some amazing deals for you and hope that you are all pleased with your new 'cheaper' home loans.

If you haven't had time to come and see me to review your home loan please call in to make a time for us to catch up. There are some super deals out there at the moment as lenders compete for your business. Let us do all the leg work, you might be surprised how much you can save.

I'm thrilled to announce that we won the award for 'Best Customer Service in Qld' once again at the Better Business Awards in February, here in Brisbane. Thank you to all our wonderful customers who provide such beautiful feedback and testimonials for us. We value and appreciate all of you.

Congratulations to all our new First Home Buyers. We always love helping you guys to get into your first home. We hope you will all be very happy in your new home and that you make lots of memorable moments together over the years ahead.

Don't forget to "like" us on Facebook and Instagram. I put up new stories each week and interesting updates in the market and finance industry, so like our pages to keep informed.

Links to the pages are

Facebook: [https://www.facebook.com/](https://www.facebook.com/CornerstoneMortgageBrokers/)

CornerstoneMortgageBrokers/

Instagram: https://www.instagram.com/cornerstone_home_loans/

Don't be strangers, call in some time! Take care, Tracie

Here at Cornerstone we can help you...

- Get a home loan
- Review your current home loan
- Refinance your existing home loan
- Consolidate debt and free up equity
- Find a commercial or business loan
- Car and equipment finance

**CALL US TODAY
FOR ALL YOUR FINANCIAL
NEEDS
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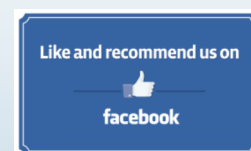
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