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NEWSLETTER

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A NOTE FROM TRACIE

I hope you are keeping safe and well. I'm always here if you need me. Please reach out if I can help you at any stage. All the best, Tracie

Your Multi Award Winning Finance Team!!

Our team recently attended two State Awards Functions here in Brisbane and took out awards at each one!

2021 Better Business Awards

- Best Customer Service Office - Qld

2021 Qld Mortgage & Finance Association Awards

- Best Finance Broker Office
- Best Customer Service - Vanessa Bragdon



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When is the best time to refinance your home loan?

As a home owner with a mortgage, chances are you've heard of the term 'refinancing'. Refinancing involves reviewing your current mortgage, and potentially swapping your loan to another lender who can better meet your current needs, wants and circumstances.

Refinancing can also allow you to consolidate your debts or pay down your mortgage more quickly.

Another common reason borrowers look to refinance is so that they can access equity – the amount you'd get from selling your home after settling any associated loans, such as a mortgage on that property, and any other costs associated with the property. Depending on that amount, you may be able to access equity in the property without having to sell it, for example, to make home renovations or to buy an investment property.

However, refinancing is not suited to everyone. There are many different factors you will need to consider when thinking about refinancing a loan. Before you initiate an application to refinance, your broker will need to assess your needs and objectives as well as your current financial situation.

So how will you know that refinancing is the right option for you?

The first step is to speak to us about your needs and whether you can afford a different loan structure or other change to your mortgage, particularly if you have more than one property.

Are you looking to pay less interest?

Some people are savvy researchers and will want to take advantage of a lower interest rate from another lender should that be available to reduce repayments. If you aim for a lower interest rate, this could potentially save you a lot of money in the long term.

While saving money is often one of the biggest benefits of refinancing, it may not be as straightforward as that and careful consideration is required.

At this point, we will need to find out about your existing loan, repayments and current loan structure.

We will also need to find out more about your current financial situation, including your income, any other current debts and about any assets you own.

The current value of the property is also taken into

consideration, so we will have access to current data that will indicate what your property is likely to be worth.

We will then review the various loan options and figure out whether it's worth it for you to refinance. Sometimes it's not worth it if it's only going to save a couple of hundred dollars a year, particularly when you take into consideration the exit and application fees involved. But if it's going to save upward of \$1,000 a year, refinancing might be a sensible approach.

In some cases, we can tell you if getting a lower interest rate from your current lender can be achieved without refinancing.

Do you want to change your loan type?

One of the risks of refinancing your home loan is that you may need to pay Lender's Mortgage Insurance (LMI)* to your new lender. If switching your loan means you will need to pay LMI again, it may not be worth refinancing.

If you do decide to go down the refinancing path, working with us rather than going straight to a lender has advantages. Broker's generally have access to loan options from a range of different lenders (on average 34 lenders), and if there's a better opportunity for you, we're usually able to access it.

It is important to consider that when you take up a new home loan, it can incur exit fees and may not have all the features your existing home loan has.

Have your circumstances changed?

If you had a recent major life change such as a loss of income or a change in marital status, you might be looking to refinance.

If you want to refinance to lower lending costs to help you manage your monthly repayments, speak to your us so we can negotiate with your current lender for a rate suitable to your current situation.

We can also help you look at alternate options to consolidate your personal loans and credit cards into the one loan. This could help you in lowering your monthly repayments, or help you keep your repayments on time and even save you interest in the long-term. If your home loan interest rate does not have a 1 or a 2 in front, you need to call us! We could save you thousands of dollars in interest and repayments. Everyone's circumstances are different, so it's important to talk with us about your needs and financial goals so we can give you educated advice on the best home loan for you.

**PLANNING ON
BUYING YOUR
FIRST
HOME?**



GET YOUR FREE PLANNING SESSION & FIRST HOME PACK

Is it time to lock into a fixed rate?

With interest rates at an all-time low, and many lender's fixed rates lower than their variable options, locking in an interest rate on your home loan to guard against possible future fluctuation may be attractive. However, it pays to know the ins and outs of fixed-rate loans before committing to one.

When purchasing a property, refinancing or just renegotiating with your current lender, borrowers can generally decide between fixed-interest loans that maintain the same interest rate over a specific period of time, or variable-rate loans that charge interest according to market rate fluctuations.

Fixed-rate loans usually come with a few provisos: borrowers may be restricted to maximum payments during the fixed term and can face hefty break fees for paying off the loan early, selling the property or switching to variable interest during the fixed rate period.

However, locking in the interest rate on your home loan can offer stability.

"For those conscious of a budget and who want to take a medium-to-long term position on a fixed rate, they can protect themselves from the volatility of potential rate movement," a finance broker says.

Fixed rates are locked in for an amount of time that is prearranged between you and your lender.

"There are some lenders that offer seven-year or 10-year fixed terms, but generally one to five years are the most popular," the finance broker says. "The three and five-year terms are generally the most

popular for customers because a lot can change in that time."

Further to this, fixed-rate loans can also be pre-approved. This means that you can apply for the fixed-rate loan before you find the property you want to buy.

"When you apply for a fixed rate, you can pay a fixed rate lock-in fee also known as a 'rate lock', which will, depending on the lender, give you between 60 and 90 days from the time of application to settle the loan at that fixed rate," the broker explains.

"It will also depend on the lender as to whether the rate lock will be applied on application or approval," added the broker. "It is important to be clear on this issue as it has been known to be a common point of error".

Pre-approval helps you to discern how much money you are likely to have approved on official application. Knowing that your potential lender will offer a fixed-term fixed interest loan gives further peace of mind for those borrowers looking to budget precisely rather than be susceptible to rate fluctuations.

In addition, borrowers should consider the possibility of arranging a 'split' loan. This option allows you to split your loan between fixed and variable rates – either 50/50 or at some other ratio. This can allow you to 'lock in' a fixed interest rate for up to 5 years on a portion of your loan, while the remainder is on a variable rate which may give you more flexibility when interest rates change and potentially minimise the risks associated with interest rate movements.

4-ingredient butter chicken recipe

Ingredients

500g chicken thigh fillets, chopped
1/2 x 312g jar Patak's Butter Chicken Paste
400ml can coconut cream
350g green beans, halved
Steamed basmati rice, to serve
Coriander sprigs, to serve
Naan bread, to serve

3 Method Steps

Step 1

Heat a saucepan over medium heat. Add the chicken and Patak's Butter Chicken Paste and cook, stirring, for 2-3 mins or until the paste is aromatic and the chicken is golden.

Step 2

Reserve 2 tbs of coconut cream. Add remaining coconut cream to the pan with 1/2 cup (125ml) water. Reduce heat to low. Cover and cook, stirring occasionally, for 6-8 mins. Add the beans. Cook for a further 4 mins or until the chicken is cooked through.

Step 3

Divide the rice among the serving bowls. Top with curry. Sprinkle with coriander and drizzle with the reserved coconut cream. Serve with naan bread.

Source: taste.com.au



Reviewing your home loan...

Right now, we are completing a large volume of home loan reviews with our clients. If you have not had a home loan health check in a couple of years, now would be a good time to do so.

The common things that we see over and over are:

- Banks don't always pass on rate cuts to existing mortgage holders and we can always go into bat for you to get better rates. So, don't hold back, call us to go through this process, we might be able to save you more money.
- Everyone is busy! So prioritising a home loan health check goes further down the 'To Do List'. However, this is really important. Please take the time to reach out to us so we can make sure you are still on the best type of home loan for your personal situation.
- Not all banks are the same! Some banks are amazing with their service and the products that they offer. Others are slow and challenging to deal with. We find that interest rates also vary from lender to lender. So please talk with us about your home loan and we will secure you the most appropriate loan for your family situation.

- Help us help you! There are certain minimum supporting documents that lenders require us to provide to them to help them make a decision on your new loan. Please quickly provide all requested documents to us so we can get you into your new loan and saving money as fast as possible.
- With interest rates so low, many of our clients are seeking to lock in their home loan rates. There are always pros and cons to fixing a home loan. Please discuss this with us before you do anything. We will give you sound advice around what is best for your personal circumstances.
- Splitting your home loan into two might be a good option for you. Quite a lot of our clients are currently splitting their home loan to enjoy the flexibility of a variable home loan with a redraw facility and locking away a bigger portion for a fixed period. Fixed rates are currently lower than the variable rates at most banks, so talk with us about what might suit you best.

If you would like to talk with us about your goals and objectives, just call us anytime. We would love to help you save money on your home loan.



Tracie's update...

Welcome to another Cornerstone Newsletter. 2021 is certainly going by so quickly.

It has been so lovely to see many of you again recently with your home loan reviews. Thank you for your continued support and trust when it comes to advising you on

your home loan needs. I want to take this opportunity to thank you for sending your family and friends to us too. It is always such a pleasure to help them.

Our business has been recommended many times on the local community Facebook pages and I would like to thank all our loyal clients for your ongoing support and for mentioning Cornerstone in these forums. Welcome to all the new families we have met through these pages. I appreciate the trust you have put in me and my team to help you buy your new home or refinance your current mortgage.

The past year has been so hectic for us. Banks have been challenging with their often slow timeframes and multiple policy changes and requirements. Our sole purpose at Cornerstone is to have happy customer outcomes. Thank you all for working with us to make your property dreams come true. Our hope is that we will get through this pandemic

stronger than ever. Let's take advantage of the lowest rates we have ever seen in the Australian home loan market and work towards financial freedom for your futures. Now is a great time to pay extra and get ahead on your loan.

Finally, it is with such enormous pride that I share with you the recent awards that our team have won. To win Best Customer Service in the Finance Industry for the fourth time is something else. Now to also win Finance Broker of the Year just tops off a great year for our team. Thank you all for your support and friendships. Let's hope the rest of 2021 is a great one for your family! Call if you need us. Till next time, take care and stay safe everyone. Regards Tracie

Disclaimer: This Newsletter has been prepared by Tracie Palmer. Every effort has been made to ensure the contents are accurate at the time of publication. Tracie Palmer /Cornerstone Home Loans takes no responsibility for any subsequent action that may arise from the use of this Newsletter.



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CALL US TODAY FOR ALL YOUR FINANCIAL NEEDS...

Here at Cornerstone we can help you ...

-  Get a Home Loan
-  Review Your Current Home Loan
-  Refinance your Existing Home Loan
-  Consolidate Debt & Free Up Equity
-  Find a Commercial or Business Loan
-  Car & Equipment Finance



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