



THE **capital** game

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WE SPECIALISE IN LOANS FOR THE FOLLOWING:

- Home Loans
- Property Investment
- Refinancing
- Debt Consolidation
- Personal Loans
- Self Employed Loans
- Leasing, Hire Purchase and Chattel Mortgages
- Commercial Property
- Commercial Loans
- Factoring, Debtor Finance

To contact **LendingSpecialists**

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 Email: glenn@lending specialists.com.au
 Post: PO Box 677
 Boronia Vic 3155

FIRST-HOME BUYERS RECEIVE \$12,000 CASH BONUS

All Victorian first home buyers who qualify for the Government's \$7,000 First Home Owner Grant (FHOG) will be eligible for an additional \$5,000 grant paid by the Victorian Government known as the First Home Bonus. This brings the total Government grants available to Victorian first home buyers to \$12,000.

The First Home Bonus will be available for Victorian properties where the contract is entered into on or after 1 May 2004 and before 1 July 2005, and where the consideration paid under the contract is no more than \$500,000. Purchasers can expect the bonus to go directly back into their pockets and they will be free to spend the money as they wish.

WHAT AN OPPORTUNITY

However first-home buyers will have to be quick, as the grant increase will only be available until the end of June 2005. Not only do the grants total \$12,000 for first-home buyers but the Victorian Government has also decided to abolish the mortgage duty from 1st July 2004. This will enable most home buyers to make a further saving of more than \$1000. (based on an average loan of \$250,000).

This is a fantastic opportunity for all first-home buyers who were struggling to find affordable housing with the increasing property values in the housing market over the last couple of years.

ARE YOU ELIGIBLE FOR THE FIRST-HOME OWNERS GRANT?

- Each applicant and their partner must not have received a grant under a First Home Grant Act 2000, in any state or territory in Australia.
- Each applicant and their partner must not have owned residential property, either jointly, separately, or with some other person, in any state or territory in Australia.
- Each applicant and their partner must not have owned and occupied a residential property, either jointly, separately, or with some other person, in any state or territory in Australia.
- Each applicant must be a natural person (not a company)
- Each applicant must be at least 18 years of age at the time of settlement or completion of construction of the home.
- At least one applicant for the grant must be a permanent resident or Australian citizen at the time of settlement or completion of construction of the home.
- At least one applicant must occupy the home as his or her principal place of residence for a continuance period of at least 6 months commencing within 12 months of either settlement or completion of construction.

"This is a fantastic opportunity for all first home buyers who were struggling to find affordable housing"

TRANSACTION ELIGIBILITY CRITERIA

Each applicant, on or after 1 July 2000, must have:

- Entered into a Contract of Sale or Agreement for the purchase of an established home, a new home or a home off the plan in Victoria.
- OR
- Entered into a contract to build a home on their land in Victoria
- OR
- In the case of owner builders, commenced construction (laying of foundations) of a home on their land in Victoria.

NOTE: All applicants and their partners must be considered when answering the eligibility questions. More detailed information on the availability and conditions of the grants can be obtained by contacting:

State Revenue Office
Tel: 13 2161
Fax: 03 9628 6222
Email: sro@sro.vic.gov.au
Web: www.sro.vic.gov.au

COMPETITION WINNER !



Left:
Heather Brennan receives her Gold Class Tickets from Barry Oxley at Lending Specialists.



WHEN YOU DON'T MEET THE TRADITIONAL LENDING CRITERIA IT'S NO LONGER THE END OF THE ROAD

NON CONFORMING LENDERS ARE THE NEW KIDS ON THE BLOCK AND ARE HERE TO HELP.

Often scenarios are the best way to illustrate non-conforming loans – consider the following deals as examples of where Non Conforming lenders have written business in the past:

- 1 Property investor seeking to replace 3 year 9.5% p.a interest-only solicitor funding with 30 year P&I at a lower rate;
- 2 Small businessman without full financials looking to raise working capital for his business using equity built up in an investment property;
- 3 Parents of a convalescing child have mortgage arrears and need to settle health-care bills relating to the treatment and are looking to refinance;
- 4 Experienced tradesman wishes to start his own business, and needs to raise seed capital from appreciation equity in his property;
- 5 Heavily credit impaired (from prior business failure) self-employed woman needs to move house and re-mortgage for family reasons;
- 6 Young couple with good equity in their property, carrying 20% of their household debt on credit cards, store cards and a personal loan at 20% p.a.+ interest rates
- 7 Call centre manager experienced a recent extended period of unemployment, during which credit cards were used to live, resulting in 9 payment defaults. Borrower now fully employed, seeking house to purchase.

Some borrowers are disqualifying themselves from even trying to get a mortgage, or are feeling embarrassed due to their financial situation – reaching them, communicating the message that they are not alone, and that there is a quality lender specialising in these types of cases, is a key message.

Bluestone are just one of the non conforming lenders that we

use here at Lending Specialists and they specialise in two major segments - the self-employed and the credit impaired.

Bluestone provide home and investment loans to people who don't fit the lending criteria of traditional mortgage lenders. They

“Bluestone specialise in two major segments - the self-employed and the credit impaired”

understand that every person is different, and have developed a range of products to suit their situation.

In Australia, it is estimated that one in four people are unable to obtain a mortgage from a traditional lender and often this is through no fault of their own. If you can't get a loan because you don't fit traditional lending criteria you now have somewhere to turn for finance.

Who Bluestone help:

- You have an irregular employment pattern
- You don't have an “adequate” or “regular” savings history
- You have adverse credit history
- You're self-employed but don't have 2 or more years worth of financial statements
- You have recently arrived in Australia
- You're 55 or older
- You want to consolidate 3 or more debts?

The staff at **Lending Specialists** are ready to discuss the latest Bluestone and other non-conformer offers, so give us a call, on: **03 9762 4777** and let us start to get you back on track with your home and business lending finance.

WHAT MAKES PROPERTY MARKETS RISE AND FALL?

During a period of rising house prices, construction of new property increases dramatically, as developers have increased potential for higher return. Nobody tells developers as values are rising in the strong market, until at some point there will be more dwellings built than there are people to occupy them.

Accordingly the market will stall and values level off, which causes the rate of new construction to decline. Meanwhile the population still increases, with first homeowners and others continuing to enter the market. As time passes, the excess property is slowly absorbed. The first sign of this is in the rental market, where vacancy rates will fall and rents rise, with investors gaining more confidence to re-enter the market.

Slowly prices are pushed up, with homebuyers jumping into the market, setting off a period of strong growth. Construction increases as developers become active again, projecting us into the next cycle.

That is the supply and demand cycle, which will go on forever, as it

has done in the past. The importance of supply and demand in determining whether values will rise or fall overshadows interest rates, tax changes, budgets, elections, and other factors. Supply and demand drives prices.

Accumulation over the long term is the key, if you buy well-selected property when next you can afford it and continue to do so, you will truly enjoy the fruits of your labour.

MCORP INVESTMENTS PTY LTD

This article was written by Jason McGuinness, Managing Director of mCorp Investments. (mCorp Investments is an Australian Company providing boutique property sourcing and education to a wide range of clientele; ranging from first time novice investors to multimillion dollar property portfolio holders).

mCorp regularly present interesting and informative seminars on the finer points of investing in property. Please contact Dean or Kim at Lending Specialists if you would like to attend mCorps next free presentation.

NATIONAL HEALTH SURVEY SHOWS INCREASE IN DIABETES TO 5-YEAR HIGH

Diabetes now affects more than 554,000 people (2.9% of the population) according to the Australian Bureau of statistics. That's quite an increase when compared with an estimated 355,000 people diagnosed (2.4% of the population) in 1999.

The ABS reported that 78% of those people had Type 2 (adult onset) diabetes and 17% reported type 1, (insulin dependent) diabetes, with 5% reporting diabetes but not knowing which type. The proportion of males and females diagnosed with diabetes were similar at around 3%.

There are two main types of diabetes:

TYPE 1

This type of diabetes is sometimes called Insulin Dependent Diabetes Mellitus or Juvenile Onset Diabetes.

It usually occurs in people under 30 years, but can occur at any age.

In Type 1 diabetes, the pancreas produces no insulin because the cells which make insulin have been destroyed by the immune system. Therefore people with Type 1 diabetes require insulin injections to control their blood glucose levels.

TYPE 2

This type of diabetes is sometimes called Non-Insulin Dependent Diabetes Mellitus or Mature Age Onset Diabetes. It usually occurs in people who are over the age of 50 years and have a family history of diabetes; or are overweight, although there are some exceptions.

Being overweight makes insulin less efficient at controlling blood glucose levels. This is often referred to as insulin resistance.

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WHAT IS A POWER OF ATTORNEY?

Power of Attorneys

An enduring power of attorney (financial) is a legal document where you (the donor) give someone (the attorney) the power to make financial and legal decisions for you – like managing your banking, your property or paying the bills. Enduring means the power continues (endures) even when you are unable to make these types of decisions for yourself.

Why would you give someone this power?

It is the only way you can have control over who will make decisions on your behalf if you are ever unable to do so yourself. You could lose the capacity to make decisions permanently, such as through dementia or an acquired brain injury from a car accident, or temporarily, by becoming unconscious as a result of an illness.

What type of decisions can an attorney make?

An enduring power of attorney (financial) can make any financial and legal decisions that you can. On the form you can limit or place conditions upon how you want your attorney(s) to carry out their responsibilities. An enduring power of attorney (financial) cannot be used to make medical treatment or lifestyle decisions.

Responsibilities of the attorney

The attorney must:

- act in your best interests
- wherever possible, make the same decision that you would have made
- keep accurate records of dealings and transactions made under the power
- avoid situations where there is a conflict of interest, and

	Type of appointment			
	General power of attorney	Enduring power of attorney (financial)	Enduring power of attorney (medical treatment)	Enduring power of guardianship
What decisions can the person appointed make?	Financial and some legal.	Financial and some legal.	Medical treatment.	Lifestyle.
When does it come into effect?	As soon as you make the appointment or when you specify it will come into effect.	You can choose whether it will commence immediately, on a particular date, on the happening of an occasion or when you lose capacity.	As soon as you lose legal capacity to make decisions about your medical treatment.	As soon as you lose legal capacity to make decisions.
How long does it last?	Until you revoke it, lose legal capacity, die or become bankrupt.	Until you revoke it or your attorney becomes bankrupt or resigns, on your death, or the Guardianship List of the Victorian Civil and Administrative Tribunal revokes it.	Until you revoke it, die or the Guardianship List rules that the attorney is not acting in your best interests.	Until you revoke it, die or the Guardianship List rules that the attorney is not acting in your best interests.
What limits can I put on the decision-making powers?	You can specify time limits or place limits on the type of decisions the attorney can make, or on how long the appointment will last. If you do not specify any limits, the attorney will be able to make any financial decisions on your behalf, until appointment is revoked.	You can specify conditions, limitations and instructions to your attorney.	None.	You can limit the powers of the guardian to any area of decision-making. If you do not set any limits, then the guardian will have the same decision-making power as a parent would have over a child.
Who can revoke it?	You.	You while you have the legal capacity or the Guardianship List after you lose legal capacity.	You while you have the legal capacity or the Guardianship List after you lose legal capacity.	You while you have the legal capacity or the Guardianship List after you lose legal capacity.
Can I appoint joint decision-makers?	Yes.	Yes.	No.	No.
Can I appoint an alternate decision-maker?	No.	Yes – called an 'alternative'.	Yes.	Yes – called an 'alternative'.
Witnesses required	None – unless executed by direction, when two witnesses are required.	Two witnesses, one authorized for statutory declaration and only one can be a relative. The attorney must not be a witness.	Two witnesses, one authorized for statutory declaration. Witness cannot be agent or alternate agent.	Two witnesses, one authorized for statutory declaration. A relative of either the donor or the attorney cannot be a witness.

- keep the donor's property and money separate from their own.
- When the donor dies, the enduring power of attorney ends

Warning: These rules apply to Victoria, Australia. Rules may vary in other states and territories.

For more information about power of attorneys visit the website of the Office of the Public Advocate at www.publicadvocate.vic.gov.au or call their advice service on (03) 9603 9500.

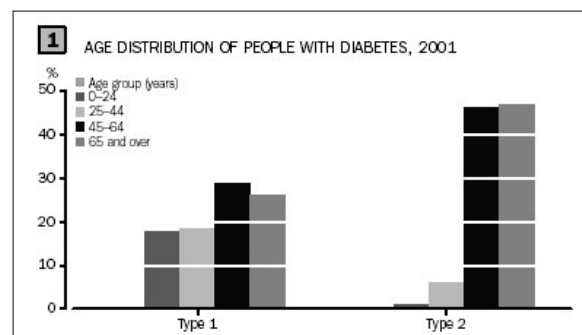
DIABETES

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Type 2 diabetes often responds to a healthy eating plan, appropriate exercise, weight loss, and sometimes tablets and then later, possibly insulin may be required.

More information on diabetes can be found at - <http://www.dav.org.au>

Contact Lee White or Paul Askwith on 03 9762 3888 to discuss the many forms of Life Risk and Trauma insurance that can provide financial protection or support to yourself, your dependants or beneficiaries. **DON'T LEAVE IT UNTIL IT'S TOO LATE!**



GET YOUR VERY OWN COPY OF THE NEXT capitalgame

If you would like to be added to our mailing list to receive the next issue of the Lending Specialists newsletter please send us an e-mail with your details to glenn@lendingspecialists.com.au



Dean Fox AIBF (Aff)

COMMERCIAL LENDING

Dean joined Lending Specialists in September 2002, complimenting our existing mobile sales team with his fresh approach and enthusiasm towards commercial lending.

With his extensive experience in business banking with a major bank for 15 years, Dean has a comprehensive working knowledge of how to best present your loan proposals, thereby ensuring a greater likelihood of a favourable decision from the banks.

Dean's knowledge of assessing financial data is also invaluable when liaising with accountants. He is quickly able to gain an understanding of how a business is operating and can emphasize the important areas to the bank that will further improve your chances of a successful application.

He has a strong portfolio of commercial lenders available and is able to place deals through many of the major and second tier banks. Dean also has access to a number of the lesser-known lenders who can now provide some of the more obscure types of lending.

The introduction of the low document commercial loan for the self employed has also unearthed further opportunities for businesses to borrow without the added time and costs associated with providing full financial data.

If you are looking for someone to get finance for your next commercial deal, then contact Dean on 03 9762 4777 or mobile 0438 258 777

Some of the commercial finance options available include:

- Restructuring of existing Lending
- Combination Commercial/Residential Deals
- Low Doc Commercial
- A New 20 year Term Loan facility (with commercial security)
- Business Term Loans of up to 25 years (with residential security)
- Factoring/Debtor Financing
- Factory Purchases
- Working Capital
- Construction Finance

CLIENT INTERVIEW

Name: Renny Rychter
Title: Accountant
Company: Rychter & Co
Location: Malvern Vic 3144

A brief history of your practice/business

Started in 1988 as a sole practitioner after having worked in a practice with 3 other partners. The direction of my practice is based on providing a professional service and being accessible to clients without delay.

Who are your key staff?

That's easy. Dorothy is our Office Manager. She and I co-ordinate the work!

How has your industry changed in the last 2 years?

With the advent of BAS/GST there is much more compliance work. It's not all bad though. The clients are now required to comply professionally. They look at the business performance quarterly, which in some cases has made them far more accountable and aware.

What are some of the recent accomplishments you are proud of?

We have taken many clients to another level to which they could only have dreamed. Others we have saved as well.

What do you most like about the business you are in?

People interaction. Many clients are now friends.

What do you most dislike about the business you are in?

Pressure and the increasing compliance requirements.

What do you most value about the relationship with your clients?

Honesty, openness, and speaking their minds.

When and where did you take your last holiday?

Dec - Jan 2003/4 USA and Paris - What a great time we had.

What book/s are you currently reading?

The Case for Israel, by Alan Dershowitz.

What do you do for relaxation when you are not working?

My wife owns a personal training centre so I can often be found on a treadmill with headphones on.

Which football team do you support and why?

The Mighty Demons!! Have so

since I was a kid. Was only discussing with a friend the other day that the MFC should give us an award for watching 500 Games!

What's your favourite TV program?

Seinfeld - Can't get enough. Totally honest and humorous

What are the major future trends in the industry from your viewpoint?

I think small Accountants like myself will find it harder in the future. Computer skills are a must and the latest technology at all times is vital.

What are the objectives for your company for the next 3 years?

I am not after huge growth. I would like to service clients so that wealth creation and asset accumulation become more important than tax and compliance work.

What is your personal ambition for next year?

Loose 20 kilos.

What is your favourite quote?

Be the best you can and be true

Your famous last words?

We are here for a good time and a short time. Have no regrets. Go for it!

LENDING SPECIALISTS RATE COMPARISON

PRODUCT	INTEREST RATE	COMPARISON RATE
Home Loan (Variable Rate) from:	6.48 % pa	6.538 % pa ¹
Home Loan Professional Pack \$250,000+ from:	6.47 % pa	
Commercial Loan from:	7.45 % pa	
Hire Purchase		
New Car (over 5 years) from:	7.45 % pa	
Equipment Over \$150,000 from:	7.65 % pa	
Personal Loan (Variable Rate) from:	11.95 % pa	12.16 % pa ²
Car Loan (Variable Rate) from:	10.95% pa	11.30 % pa ³

¹ Comparison Rate based on a loan of \$200,000 over 25 years. Fees and charges payable

² Comparison Rate based on a loan for \$25,000 over 5 years. Fees and charges payable

³ Comparison Rate based on a loan for \$25,000 over 5 years. Fees and charges payable

* **WARNING** This comparison rate only applies to the examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers are not included in the comparison rate but may influence the cost of the loan.

** Interest and comparison rates current as of 27/05/2004

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