



# 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

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## HOW TO REDUCE YOUR MORTGAGE

It seems the great Australian dream of owning the family home remains as strong as ever even though it has taken a few hard knocks of late.

- A vibrant property market has seen house prices pushed to record levels over recent years.
- The March announcement by the Reserve Bank that they were lifting the official interest rates by 0.25% caused tremors throughout the finance industry.
- There is also the constant threat of further increases to the official interest rates being muted throughout the news media.
- Many experts are offering negative thoughts on how the economy is travelling and what we can expect in the coming months.

It all seems pretty dark and glum, so how could the dream still be alive?

Well, firstly, the interest rate rise, whilst expected by many, was relatively inconspicuous and will have little affect on the everyday borrower in the whole scheme of things.

Secondly, the general slowdown in some areas of the property markets has actually provided an opportunity for some prospective buyers to get into the home ownership market at a much more

affordable level than they might have expected as little as 6 months ago.

Also, with the higher market prices many existing home owners have taken the opportunity to upsize or improve their existing properties due to the increased value of their homes.

Even so, most borrowers are still looking to save every dollar they can and are keen to know how they can pay their loan off as quickly as possible. For those who want to achieve their goal of home ownership, now is as good a time as any to look at some of the measures that can see this happen sooner rather than later.

So what are some of the proven measures that will help you to pay off your mortgage quicker?

How can you budget for the increased interest costs?

**Continued page 2**



## SUPER - IT'S MY CHOICE

Eligible employees are now able to choose their own superannuation funds, employers are wondering what it could mean and what their obligations are?

### Employee Requirements

If employees elect to make a choice they are responsible for providing you (the employer) with details of their chosen fund; name of the fund, and confirmation that it's a complying super fund.

If they fail to provide this information you are not required to make payments to this fund, although you will need to contribute to the default fund on their behalf.

### Breaking the Rules

There are penalties for not meeting your CHOICE requirements:

### Superannuation GUARANTEE CHARGE

\*25% of the national SG shortfall (even if you have paid SG the penalty is calculated as if it has not been paid)

\*nominal interest

\*administration component

### CHOICE - key points

1 July 2005 - Choice Fund takes effect

28 July 2005 - All eligible employees (as at 1 July 2005) must have a Standard Choice Form

Employers to keep records

Standard Choice Forms to be given within 28 days

**Continued page 2**

## HOW TO REDUCE YOUR MORTGAGE - from page 1

Here are some suggestions that you may wish to consider when looking for ways to best deal with paying off your debt or coping with these interest rate increases.

Maybe one of these will suit you.

- Make extra repayments to your loan if you are in a position to. The latest interest rate rise will put an extra \$20pm onto the average \$200,000 loan
- Change your monthly repayments to fortnightly
- Choose not to "take home" any tax-cuts, the extra can go directly into your mortgage
- Apply the occasional windfall to your mortgage
- Think carefully before taking another loan or adding to your mortgage
- Investigate the use of an offset account for your regular banking and loans

### REVIEW YOUR CURRENT LOAN NOW



Is your existing loan really working in your best interests?

You may have taken this loan out a number of years ago when it was the flavour of the month or on a limited discounted rate.

You may be one of those people who suffered financial problems in the past and were forced to borrow at higher interest rates.

Circumstances and bank policy may have changed and you may qualify for a cheaper loan.

Overall, present day, your loan may be nothing special; probably at a Standard Variable Rate or even higher.

There are so many competitive loan packages available in the marketplace, such as professional packs, split loan facilities and basic "no frills" loans that it is near impossible to know what is available.

At Lending Specialists, we have the resources available to source these loans and to help you make an informed comparison with your existing loan.

Contact the staff at Lending Specialists now to arrange a comparison of your existing loan or to discuss the possibility of current or future borrowings on **03 9762 4777** or email: **info@lending specialists.com.au**.

## SUPER - IT'S MY CHOICE - from page 1

Payments have been made to employees choice fund within 2 months of nomination or into default fund

In an article written by the ANZ Group in the "Inbusiness magazine -Autumn 2005 after edition", eligible employees can now advise which fund you pay their 9% compulsory superannuation payments into. This means come this July employers will need to be familiar with their responsibilities regarding choice and the steps to take to provide choice to your eligible employees.

### Employer Requirements

Any existing eligible employees you have at 1 July 2005 will need to be provided with a "Standard Choice Form" from you by 28 July 2005. (available from the ATO website)

When an employee makes a choice, payments need to be received by the fund within 2 months of receiving their request. Your obligations are ongoing.

If you employ any more staff after 1 July 2005 you will need to supply them with a "Standard Choice Form" within 28 days of their starting date.

Existing staff members who do not make a choice of funds, you as the employer are required to place payments into a fund (a default Fund) that meets the regulation requirements as set down by the new regulations.

For further information, please contact our superannuation expert on 03 9762 3888



This article is intended to provide general information only and should not be relied upon in substitution for professional legal and financial advice. No liability is accepted by any member of the Lending Specialists company.

*"Success is simple. Do what's right, the right way, at the right time."*

*Arnold H. Glasgow*

*"It is not how much we have, but how much we enjoy, that makes happiness"*

*Charles Spurgeon*

## ANOTHER WOMAN IN GREG'S LIFE

Staff of Lending Specialists and Askwith & Associates would like to congratulate Greg Condon (back-office support) and his wife Nikki on the safe and much anticipated arrival of their 1st child Bianca Maree.

Weighing in at 8lbs 9 oz. Bianca is also the first grand child of Director, Paul Askwith.

Bianca and parents are settling in well to their new family environment.

## LOANS ACTUALLY LAUNCH

The 15th February 2005 saw the official launch of our new mortgage broking venture, Loans Actually.

The launch was attended by an enthusiastic gathering of leading bank and industry representatives, brokers and other interested groups at the Wantirna Club.

The night was kick started with a fantastic presentation by former Australian Netball star, Shelley O'Donnell.

Shelley gave an amazing insight into some of the demands of representing your state and country at the highest level and shared some magnificent tales of her experiences. She had the audience absolutely spellbound throughout.

This was followed by a short presentation of the Loans Actually model by PLAN Australia's Broker of the Year (Vic/Tas), Barry Oxley.

### So what is Loans Actually?

Loans Actually was established by the Directors of Lending Specialists, (Barry Oxley and Paul Askwith), as a means to bring quality people into the mortgage broking industry. Their goal is to see a stronger, more creditable choice of qualified loan writers available for the everyday borrower to use.

Loans Actually is able to bring both new and existing loan writers into the industry

under the umbrella of a strong, team orientated membership.

There are support mechanisms in place to assist our broker members find appropriate finance for their clients through a wide range of Personal and Residential Lending, Commercial, Vehicle and Equipment Finance. With an expanded panel of financial institutions from which to select they will have a better opportunity of fulfilling their client's needs.

Additionally, the brokers will have access to an extensive list of life risk insurance, superannuation, managed investment products and real property opportunities through our alliance partners.

Chief Executive Officer, Glenn McKissack, stated at the launch that Loans Actually has given those people with a real interest in loan writing a wonderful opportunity of establishing themselves in the industry.

The beauty of being a Loans Actually member is that it will be your business to run the way you want, but with the added confidence of having a strong support network behind you.

If you have an interest in becoming a loan writer or are already in the industry and looking for a real team group then contact Glenn McKissack on

**(03) 9761 3700 today.**



Barry Oxley welcomes Loans Actually's first member, Byron Sweerts, to the team.

**loansactually**  
the ultimate broker team

**DO YOU WANT TO BECOME  
A LOAN MORTGAGE BROKER  
AND BE A PART  
OF A DYNAMIC TEAM?**

Then now is the time for action.

**LOANS ACTUALLY** is now up and running and can help you get into this professional and rewarding business.

Call us now on 03 9761 3700 and speak to Barry or Glenn about this fantastic new business opportunity.

## A GUIDE TO VEHICLE FINANCE

When buying a vehicle for business use you not only have to decide on the type of vehicle, but also the best way to acquire it.

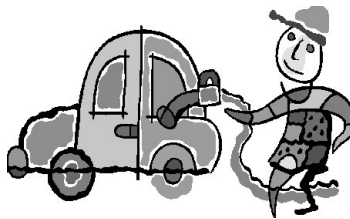
### Paying Cash

You are not subject to any financing costs such as interest and establishment fees. The downside is you have spent your cash and cannot use it for anything else eg. working capital, purchasing stock or to offset cash flow.

### Hire Purchase

You hire the vehicle over a set period of time (usually a maximum of 5 years) from the bank. Once the final payment has been made the ownership of the vehicle transfers to you. You also have an option as to whether a balloon payment is required or

not (to meet cash flow requirements). Interest and Depreciation are tax deductible provided you use the vehicle to generate assessable income.



### Lease

You rent the vehicle from the financier over a set period of time. At the end of the term you have the opportunity to own the vehicle by paying out or refinancing the residual. If the vehicle is used to generate income then the lease payments are tax deductible.

### Chattel Mortgage

This is similar to a Hire Purchase however if you are registered for GST you may be able to claim the GST (on the vehicle) in full on your next BAS lodgement.

**For further information, please contact our vehicle finance expert, Debbie Lyon, on 03 9762 4777**

We do not purport to provide taxation or legal advice and strongly recommend that you consult your financial or taxation adviser for specific advice.

*"The road to success is always under construction"*

*Author Unknown*

## GET YOUR VERY OWN COPY OF THE NEXT **capital**game

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@lending specialists.com.au](mailto:glenn@lending specialists.com.au)

## CLIENT INTERVIEW

**Glenn McKissack**

**Loans Actually**

**Chief Executive Officer**



When Glenn took on the Office Manager position of our lending company (Lending Specialists) and insurance company (Askwith & Associates) in 2003 he couldn't have imagined how much his role would change.

Staffing, training, operations and compliance continue to take up a large portion of his day and he can now add the operational responsibilities as Chief Executive Officer of our new loan aggregation business, Loans Actually.

Glenn's strong understanding of the finance industry come from 23 years with a major bank and his added lending experience makes him an ideal person to help Loans Actually, "become the most successful mortgage broker team in Australia – where everyone wins".

This is an exciting challenge which will see the development of an industry leading, customer focussed membership of mortgage brokers who will source appropriate financial service products for their clients.

**Name:** Bryan Cole  
**Title:** Accountant  
**Company:** Bryan Cole & Associates  
**Location:** Cheltenham Vic 3192

My Accounting Practice, Bryan Cole & Associates has been operating from its current premises in Cheltenham for the past 9 years.

Prior to starting my own business, I worked for 11 years with two small chartered practices in South Melbourne.

My firm, like most sole practitioners, predominantly handles the tax, accounting and business services requirements of small to medium sized family businesses. We also prepare tax returns for individuals and amongst other things also handle the accounting, tax and compliance work for a number of our client's self managed superannuation funds.

Our firm policy is to provide a professional yet personalised service to all of our clients.

The practice offers a wide variety of services, however, if there are any areas which require specialised expertise, we have a network of professionals whom we can contact to provide these services. Our network includes: Lending Specialists, Askwith & Associates, various Solicitors and a Financial Planner.

The practice has three key staff members. Bruce Ames who is a qualified CPA with over 25 years experience Alison Brown who handles the running of the office including the phones, filing etc. (you name it, it's her responsibility!), and Mary Burke who provides bookkeeping services for our clients.

The main challenge over the past two years has been the changes in the tax laws including GST, Company and Trust loan account rules and the PSI legislation. Tax laws have always been changing and will continue to do so, however, the last few years have brought major changes which have resulted in substantial increases in work flow for most accounting practices.

Assisting our clients maintain and grow their businesses is the most pleasing aspect of this occupation. I also enjoy the personal relationships that have developed over the years.

The main thing that is displeasing is the increased amount of paperwork and deadlines introduced by the Australian Taxation Office.

I am a supporter of the Richmond Football Club. With a new breed of youngsters this may be our year. (or maybe next, or the year after). As a Richmond supporter you need to be optimistic. It has been some time since we saw September action.

I spend most of my holidays with my family at our caravan in Paynesville. Our last major holiday was to Fiji two years ago.

I am currently reading two books, Golf's Fifty Greatest Lessons and the autobiography of Neil Young.

When I am not working, I enjoy golf, spending time with the family and socialising with friends.

My major objectives for the business for the next three years is to employ one or two qualified accountants and to maintain (and improve) the level of service provided to my clients. Personally, I would like to spend more time on the golf course and less time at the office. (we can always dream)

My favourite TV programs are most sporting events, in particular cricket and a few dramas like ER and CSI.

## LENDING SPECIALISTS RATE COMPARISON

PRODUCT	INTEREST RATE	COMPARISON RATE
<b>Home Loan</b> (Variable Rate) from:	6.65 % pa	6.66 % pa <sup>1</sup>
<b>Home Loan Professional Pack</b> \$250,000+ from:	6.62 % pa	
<b>Commercial Loan</b> from:	7.60 % pa	
<b>Hire Purchase</b> New Car (over 5 years) from:	7.20 % pa	
Equipment Over \$150,000 from:	7.30 % pa	
<b>Personal Loan</b> (Variable Rate) from:	12.20 % pa	12.44 % pa <sup>2</sup>
<b>Car Loan</b> (Variable Rate) from:	8.95% pa	9.29 % pa <sup>3</sup>

\* **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 30/06/2005

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

<sup>2</sup> Prior to comparison Rate based on a loan for \$25,000 over 5 years. Fees and charges payable

<sup>3</sup> Prior to comparison Rate based on a loan for \$25,000 over 5 years. Fees and charges payable