

6 Questions Mortgage Brokers Get Asked

Over the years we've fielded thousands of questions by clients on all things home loan, so we thought we'd put together a list of our six most commonly asked questions.

1. Can I pay off my loan early?

Paying off your loan early can save you thousands of dollars in interest repayments, however some loans like fixed rate and interest only loans will limit the amount or regularity of extra repayments you can make. Variable rate loans don't usually impose penalties for early repayment.

2. Should I put extra repayments onto my loan or in my offset?

Making additional repayments to your loan account has the same effect as making them to your 100% offset account. The advantage of using an offset is that you can access the funds again in the future if need be.

3. Can I increase my home loan?

Yes, you can use the equity saved in your property to borrow additional funds. The amount you will be able to borrow will depend on your financial situation and how much equity is available in your property.

There are no penalties for increasing your loan amount if you have a variable rate loan, but if you are on a fixed rate you may have to pay a sizeable fee to break your loan and refinance.

4. Do mortgage brokers really get better deals?

Absolutely! Mortgage brokers are intimately involved with the home loan market and the systems and policies of a large number of lenders. Not only do we know where to find the best deals to suit your individual circumstance, we are in a unique position to be able to negotiate with lenders to achieve special rates and discounts on your behalf.

5. How do I calculate how much stamp duty I have to pay?

Stamp duty is a tax regulated by state government, so the amount will vary depending on property location and value. Some states offer first-home buyer stamp duty concessions and some charge different rates on investment properties.

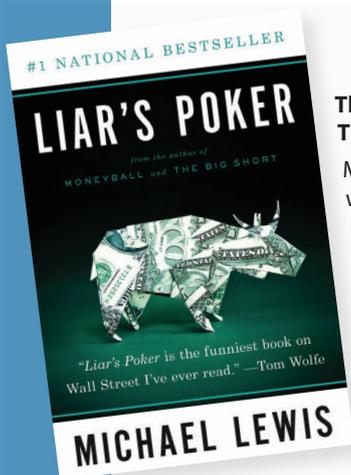
Stamp duty is a significant cost, so it's important to get your calculations right. Contact us for a reliable estimate.

6. Will it cost me a lot to refinance?

There are a number of fees involved with refinancing, so it pays to look at how long it will take you to recoup the costs of refinancing with the savings on the new loan. You can expect to pay stamp duty, as well as fees like discharge, registration, settlement and valuation from your current and new lender. Lender's Mortgage Insurance (LMI) will apply if your new loan is for 80% or more of your home's value.



Book Review



Liar's Poker MICHAEL LEWIS

**The time was the 1980s. The place was Wall Street.
The game was called Liar's Poker.**

Michael Lewis was fresh out of Princeton and the London School of Economics when he landed a job at Salomon Brothers, one of Wall Street's premier investment firms. During the next three years, Lewis rose from callow trainee to bond salesman, raking in millions for the firm and cashing in on a modern-day gold rush.

Liar's Poker is the culmination of those heady, frenzied years—a behind-the-scenes look at a unique and turbulent time in American business. From the frat-boy camaraderie of the forty-first-floor trading room to the killer instinct that made ambitious young men gamble everything on a high-stakes game of bluffing and deception, here is Michael Lewis's knowing and hilarious insider's account of an unprecedented era of greed, gluttony, and outrageous fortune.