

We Help With

Home Loans
First Home Owners
Investment Loans
Commercial Loans
Car Loans / Leasing
Boats
Caravans
Equipment Finance

Accredited With

Suncorp Metway
ING
CBA
ANZ
National
Rams
Mortgage Ezy
NMC
Citibank
Pioneer
Homeside
+ many others

Supporting the Community

Park First Home Loans is proud to donate 5% of its after tax profit each year to different charities.

Over the past 12 months organizations we have supported include:

- Red Cross
- Opportunity International
- Medecins Sans Frontieres
- Policy Citizens Youth Club
- World Vision

Autumn 2009

Interest Rates Go Down Again

On Tuesday 7th April the Reserve Bank reduced benchmark interest rates by 0.25% to 3.00%, the lowest it's been since March 1960!! On a \$350,000 mortgage this would save \$46 / month if passed on in full by the banks.

But beware the cycle ... Interest rates like many things in life are cyclical. While they are historically low consider this as not so much an opportunity to borrow more, but rather look at it as an opportunity to make higher repayments to reduce existing loans so that when interest rates increase, as they inevitably will, your overall loan balance still outstanding will be less.

If you are considering borrowing, it is a good idea to work out how much you can afford to repay based on a higher rate. This way, once interest rates start going higher in the next part of the cycle, you are less likely to suffer financial stress.

Larger Deposits Required by Lenders

Since our last newsletter, lenders have been gradually increasing the minimum requirements for getting a loan. For example, No Deposit home loans are no longer available from any of the major banks while 97% lends continue to be offered by only a few lenders and these same lenders are currently reviewing their continuation of these products.

We have had clients ready to buy with a deposit of 3% only to find that the lender has declined the loan due to insufficient savings.

Remember if you are happy with our service please refer us to your family and friends. We don't advertise and only rely on word of mouth.



Jeff Falconer & Ryan Carter

Given the recent and ongoing tightening of credit policies, lenders are now becoming much more conservative in their lending approach with more and more of them requiring greater evidence of genuine savings.

Home loan requirements vary with each lender. However all applications with any borrowings over 80% now requires 5% genuine savings. This can be in the form of equity in an existing property or savings in a bank account held for a three month minimum.

So what is the solution? Get us to organize a pre-approval for you.

These don't cost you anything and are valid for up to three months giving you time to really look around for the ideal property for you. An added bonus is that once you have a pre-approval in place, should the lender change their minimum deposit requirements in the meantime, they normally stand by any pre-approvals already in place so you're not adversely affected.

Now more than ever, it is useful to have a broker looking after you. We know which banks do what, what their interest rates and charges are and how long they take to process an application. And best of all, our service is free.

First Home Owner Grants Set to Fall Soon

Remember you only have to the 30th of June to access the increased First Home Owner Grant of \$14,000 (for an existing property) or \$21,000 (for a new one). After this time the Grant will drop to \$7000 for all first home owner properties.



Act Now!

If you or anyone you know is interested in using the increased grant before 30th June, you will need to act soon. It's no good starting in June as this will probably be too late. We would encourage you to apply for a Pre-Approval as soon as possible so you don't have to rush your purchase. Remember, Pre-Approvals don't commit you, and there is no cost.

Best Conditions in a Decade for Renters to Buy

The current property market is showcasing the best conditions for property investment in more than 10 years and could present renters the ideal time to become home owners, according to a report released by QBE LMI in April.

The report shows that by June this year the cost of renting in Canberra, Brisbane and Perth will be closer to the cost of paying off a median priced house than at any other time in the last decade with weekly median rents expected to approach 80 per cent of median home loan repayments. While in Sydney and Melbourne weekly median rents have passed 66 per cent of median home loan repayments.

Australia's Property Market Stabilises

While the economic outlook remains uncertain, Australia's property market shows signs of stabilising, according to a new report.

The latest Real Estate Institute of Australia/ Mortgage Choice Market Facts report revealed that over the three months to December 2008 the housing market as a whole has held steady, thanks to the drastic rate cuts by the Reserve Bank of Australia (RBA) and the government incentives.

Four out of eight capital cities recorded no change or an increase in median house prices over the quarter, according to REIA president Noel Dyett.

"This is a big improvement compared to the previous quarter when only one capital city recorded an increase in median house price.

Useful Tips When Considering a Home Loan

If you borrow less than 80% of the home's purchase price, you won't need to pay mortgage insurance.

This can save you thousands.

The cost of mortgage insurance varies dependant upon the difference in the size of your overall loan and the amount borrowed in excess of 80% of the home's value.

If you have an unpaid account (eg you didn't pay a mobile phone bill) and you have a credit default listing, all lenders will probably decline you for a home loan in the current market. The best thing you can do under these circumstances is to repay your debt and try to establish a good payment record going forward.

You cannot rewrite your credit history but you can try to create a brighter credit future if you use credit wisely and regularly check your credit report.

If you wish to access your credit report phone us and we'll tell you how.

In the Market for a Car Loan?



(Car Loan Rates are Dropping Also)

Then come and see either Jeff or Ryan. They will be sure to shop around for you to find the best interest rate. You'd be surprised to learn that our interest rates nearly always come in less than those offered by the car yards.

Quote of the Day

"It is amazing what you can accomplish if you do not care who gets the credit."

.....Harry S Truman