

## AUTUMN ISSUE

Welcome to our quarterly newsletter. We hope to keep you up to date with some of the topics that are creating interest in the Finance Broking sector.

Please contact us if you have any questions and if we can assist you with any of your finance needs.

Alex Robins 0412 291 226  
[arobins@toucanfinance.com](mailto:arobins@toucanfinance.com)  
[www.toucanfinance.com](http://www.toucanfinance.com)

Credit representative 502964 is authorised under Australian Credit Licence 389328  
Your full financial needs and requirements need to be assessed prior to any offer or acceptance of a loan product



## STATE OF THE RATE...

The most common question I will be asked is "What do I think will happen with interest rates?"

There has been no change to the interest rate by the Reserve Bank at 1.5% since August 2016. Commentary in the Sydney Morning Herald in January of this year there was an expectation that rates could rise towards the end of 2018 see full article here

<https://www.smh.com.au/business/the-economy/why-interest-rates-are-likely-to-rise-in-2018-20180112-h0han1.html>

Most importantly is whether there is any growth in the economy and in wages.

**"All servicing of a loan done by the lenders is calculated at a higher percentage rate"**

While mortgage holders have enjoyed record low interest rates, there is a safeguard when rates do start to rise. All Servicing of a loan done by the lenders is calculated at a higher percentage rate, providing a buffer for affordability. Each lender has a slightly different rate but generally they sit around 7.0 to 7.6%. This is the rate that the repayment is calculated on for servicing of the loan..

# BEFORE YOU APPLY

## Spending a little time beforehand will save you...

In case you didn't know it, there have been many changes to how loans are approved in the last few years, to give more protection to the customer. This has resulted in more cross checking of information. Take the time to review your situation and the information you will need to produce. If you are able to meet the criteria then you will have more options in the rate and type of loan you could be approved for..

01

Check your bank statements. You will be required to submit your bank statements with your application and the expenses on these should be around what you have stated as your living expenses.

02

It pays to check your Credit File, if you have been checking out the cheapest loan on line you could have a lot of enquiries on your file, this could affect the application

03

Thinking of changing jobs? Most lenders will want to see 6 months in the position and no probation period.



## PREPARE FOR THE COLDER MONTHS!

The biggest expense in most households over the autumn and winter months is heating.

Its worth investing in a quick audit of your home to see where you can save on heating costs.

Use draft stoppers to block off any gaps, cover windows to stop the heat escaping and if you have a wood fire, shop around for the best price for wood and if paying by weight get in early as dry wood weighs less than wet wood.



**"The best time of the year to buy a new car is at the end of the Financial Year sales"**

Save even more by doing your finance before you negotiate with the dealer. We are able to give you a comparison of rates from several lenders without impacting your credit file.

