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Dave's News & Tips

Quick, Up To Date Finance Info To Save You Time, Money & Hassle

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Been a busy couple of months. Cheryl, Josh and Tim have been busy training and have been learning heaps. It is really great working together. We have had a bit of fun with a Halloween theme, check out the last page for our competition, hope you enter.

Offset Accounts Explained

With interest rates at an historical low, now could be the time to make the most of your disposable income and pay off your mortgage sooner with an offset savings account.

Offset accounts are not new but nearly half of Australian mortgage holders are unsure what they are and could be missing out on big benefits¹.

An offset account is a savings account attached to your home loan. Instead of earning interest on your savings, the amount in your offset account is deducted from the principal owing on your mortgage, which may reduce how much interest you pay.

Let's say you take out a \$250,000 mortgage and store \$20,000 away in an offset savings account. The \$20,000 is offset against your loan, so you only pay interest on the \$230,000 difference. The more you accumulate in your offset account, the more you save on interest payments. This doesn't mean reduced repayments, but it does mean more of your repayment goes towards the principal owed, helping you pay off your mortgage faster.



Here's how the savings work, using our above scenario with an interest rate of five per cent. If you have \$20,000 in your savings account at the outset and maintain that amount in your offset account over the life of a 25-year loan, you will save \$21,671 and shave two years and six months off your loan.

Offset accounts should come with all the usual benefits of a savings account, such as access to online banking, EFTPOS and ATMs.

Making the most of an offset account

- Offset accounts work best for savvy savers – those who have several thousand dollars in savings to start, consistently live within their means and can make regular deposits.
- Have your wages deposited directly into your offset account to maximise your savings potential.
- Give your offset savings a boost with any employment bonuses or tax returns.
- If you land a pay rise, try to save the extra funds each month to really get ahead.
- Make sure you take out a 100 per cent offset account, where the interest rate on your savings matches the interest rate paid on your loan. If opting for a partial offset, do your maths to make sure it is the best financial option – you may be better off making lump sum payments into your loan.
- Don't get complacent once your savings pile up. If tempted to stop saving or spend your nest egg, deposit your savings stash directly into your loan and set yourself a new savings target in your offset account to continue to reduce the life of your mortgage.

Considerations

- Some lenders do not offer offset accounts on fixed rate home loans.
- Check for any conditions, such as a minimal savings amount before the offset is triggered.
- Some offset accounts attract a higher interest rate or higher fees – do your maths to ensure you actually save with the offset facility.
- Ask your broker to help assess if you will benefit from an offset account and to find the right facility for your situation.
- Make sure you read all of the terms and conditions of an offset account so that you are aware of how the facility works and all associated fees.

Key benefits

- Reduce the interest calculated on your loan with every deposit into your offset account.
- The convenience of your loan and savings in one place, which can also save you bank fees.
- With no interest earnings on your savings, you can also save on tax.
- You still have access to your savings any time with your offset account.

Halloween Treats

Halloween Cupcakes (thanks www.taste.com.au)



Ingredients

- 340 g packet golden buttercake cake mix
- 2 eggs
- 60 g butter, softened
- $\frac{3}{4}$ cup milk
- 180 g packet Smarties lollies
- 1 cup dark chocolate melts

Butter Cream Icing

- 250 g unsalted butter, softened
- 2 $\frac{1}{2}$ cups icing sugar mixture
- Yellow and Green food colouring

Method

- Preheat oven to 180°C/160°C fan-forced. Line a 12 hole ($\frac{1}{3}$ cup capacity) muffin pan with paper cases.
- Make cupcakes following packet directions. Spoon mixture into cases until $\frac{3}{4}$ full. Bake for 25 minutes or until skewer inserted in the centre of a cupcake comes out clean. Turn out onto a wire rack to cool completely.
- Make icing using an electric mixer, beat butter until pale. Gradually add icing sugar mixture, beating constantly until combined. Tint lime green by mixing food colourings.
- Spread cupcakes with icing. Press 3 smarties into tops for spider bodies. Place chocolate in a microwave safe bowl. Microwave on medium (50%) for 2 minutes 30 seconds, stirring with a metal spoon every 30 seconds, or until melted and smooth. Spoon chocolate into a snap-lock bag. Make a small snip in 1 corner. Pipe chocolate around Smarties to form spider legs and eyes. Set aside for 10 minutes or until set.



Yours Free

Complimentary Book Reveals Property Financing Secrets for All Home Buyers

To request a **FREE COPY** of our book 'APPROVED! Financing Your Property Dream', for yourself, or to give to family or friends, please call me or send me an email with your name and address (we'll pay the postage, no cost to you).

Client News

Welcome to our new and existing clients who we have recently helped arrange their home loans. Don't hesitate to call us in the future on any matter to do with your home loan, we are here to help. Thank you for using our service.

- Cameron and Shannon
- Erika and Kath
- Christopher and Larissa
- Aaron and Kellie
- Louisa
- Paul and Diane
- Lynora
- Stephen and Margaret
- Glenn and Lesley
- Robert and Jac
- Peter and Karen
- Troy and Rachael

Can I Ask A Favour

As we are a small family business, we thrive on our customers talking about us to their family, friends and workmates.

Please don't keep us a secret as we love what we do and would love to help more people into their homes and finding a home loan that suits your situation.

Also, if you could review our service on facebook and google (Loan Select Cairns), we would appreciate your help.



Thank You

Seigo for the biscuits and chocolates

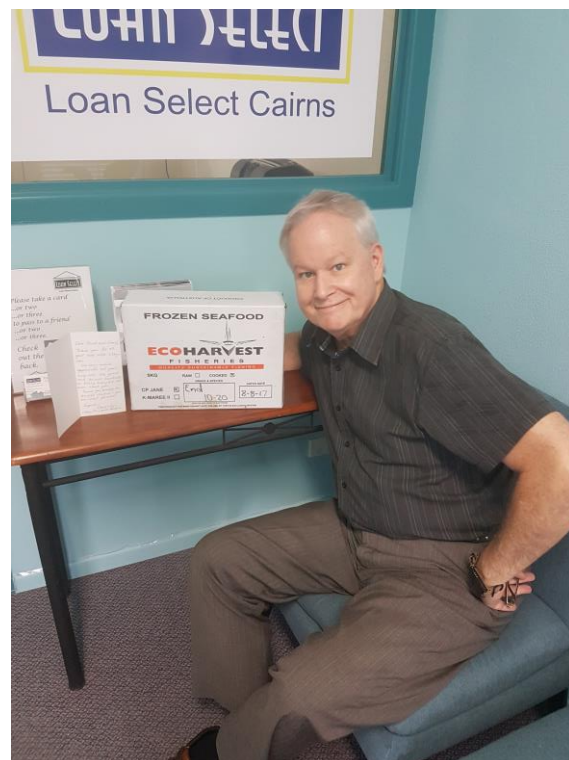
Elizabeth, Loma and Les for the prawns

Craig and Lee for the rum

Leanne for the bottles of wine

and Lynora for the flowers


These were great surprises and really appreciated.



Loan Select Cairns Community Corner


We have really appreciated your support through the last year and thought, what can we do to help you. So, we have started a community corner and we would be really happy to put anything up to show our support. Could be your business, your children's school, sporting club or social activities, whatever you would like to share. No cost to you. Just email me the details on david@loanselect.com.au.

Congratulations Alexis on finishing your study and is now a ABBS bookkeeper. Well done and best wishes with your new business venture. If you would like to subscribe to ABBS monthly newsletter or interested in Alexis's service she provides, she would love to hear from you, her details are below.




ABBS are:

- Certified Practicing Bookkeeper
- Registered BAS Agent No. 80294000
- Registered ASIC Agent No. 37258
- ABN: 21 133 882 783



BAS agent
80294000



Alexis Katt
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WELLER ART
Elaine Weller-Sivell - Artist
www.wellerart.com.au 0417 616 086
csivell@bigpond.net.au and Facebook

Thank you, Elaine, for all the beautiful paintings that now grace our office. Elaine lives in Brisbane and all her paintings were couriered up to Cairns with no damage. Check out her website, www.wellerart.com.au

Halloween Quote



Hold on, man. We don't go anywhere with "scary," "spooky", "haunted," or "forbidden" in the title.

From Scooby Doo

Halloween Competition



Please email david@loanselect.com.au a short paragraph on what is the scariest movie you have seen and why. The first prize is a \$100 movie card, second and third prize is a \$50 movie card each. Competition ends on Halloween, 31st October and movie cards will be posted to the winners early November.

Halloween Jokes

- Q. What do you do when 50 zombies surround your house?
A. Hope it's Halloween!!
- Q. Why are ghosts so bad at lying?
A. Because you can see right through them!
- Q. When is it bad luck to be followed by a black cat?
A. When you're a mouse.

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