




WAYS TO SAVE ON YOUR HOME LOAN

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You wouldn't offer to pay full price for something when it's on sale, so why are you willing to pay more for your home loan?

Here are 28 ways to save money on your home loan.

- 1** Call MO'R Mortgage Options for a tailored home loan solution that will save you time and money
- 2** Pay any tax returns, windfalls (if you're lucky!) or bonuses directly into your home loan
- 3** Commit to regularly paying more than the minimum loan repayment. You can set up a higher repayment with the lender, or set up regular payments yourself that you easily cancel if required
- 4** Make your loan repayments more frequently – i.e. pay repayments fortnightly instead of monthly
- 5** Switch to Principle & Interest repayments if you're currently paying Interest Only
- 6** Choose a home loan with 100% offset feature (you can save interest this way)
- 7** If you already have an offset account, make sure it's actually linked to your home loan. You would be surprised to learn how many new clients come to us after discovering the lender they dealt with initially, failed to properly link an offset account to their loan
- 8** Ensure your investment loans are structured effectively from a taxation point of view
- 9** Have all your income (i.e. both salaries if you're a dual income household) paid into your offset account
- 10** Save as much as you can to keep the Loan to Value Ratio (LVR) below 80% of the purchase price. You will then avoid Lenders Mortgage Insurance and may qualify for a cheaper interest rate
- 11** Ask your lender for a discount off your existing interest rate – if you're not sure how to do this, we can help
- 12** Consider fixing some (or all) of your loan. Your capacity to save interest with this option will depend on the rates offered at the time you fix and the length of the fixed term. Whilst it's not a guaranteed to save interest (& we don't suggest fixing a loan for the sole reason of saving money), it can be a strategy to consider

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- 13 Refinance to another lender for a superior loan structure or better interest rates. Ask for a rate discount and check for specials, rebates or cash-back offers at the time you apply for your new loan
- 14 Don't miss a mortgage payment to avoid penalty interest and/or additional costs
- 15 Switch to a Basic loan – if you're not building up cash in your offset account or using other the features associated with a Professional Package loan, you're paying for things you don't need and as result, you could save money by switching to a Basic Loan
- 16 Consolidate any cash you have in various savings accounts into your offset account
- 17 Use your credit card wisely – only spend money you actually have
- 18 If your loan falls under a professional package lending scenario, use your credit card to pay for all your expenses (this allows you to keep cash in your offset account for as long as possible).
- 19 Switch to a Professional Package loan – if you currently have a Basic type loan and you're paying account keeping fees, paying an annual fee on your Credit Card and building up cash in a low-interest earning savings account, you might be better off with a Professional Package loan
- 20 Pay off your credit card bill IN FULL– don't get caught out paying avoidable interest
- 21 Consolidate any personal/ car loans into your home loan, but make additional payments to pay off this portion of the loan. Otherwise, you could end up paying your 20K personal loan back over 30 years and incur additional interest as a result
- 22 To keep the Loan to Value Ratio (LVR) below 80%, consider whether a family guarantee might be a suitable option for you. It will allow you to avoid incurring Lenders Mortgage Insurance and you may also qualify for a cheaper interest rate
- 23 Review your home loans regularly. If you have been with your lender for a while, chances are your lender is offering new-to-lender clients a better deal than what they are extending to you. Regularly reviewing your home loans allows you to check whether your home loans are still competitive and make adjustments when necessary

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- 24** If you're having trouble meeting your loan repayments, talk to someone about it sooner rather than later. Missed mortgage payments generally result in default interest charges but ongoing issues can also limit borrowing options and threaten your financial stability
- 25** Ensure the Direct Debit is set up correctly for your first mortgage payment. With the excitement of moving into your new home, this is an easy step to miss – especially if you don't have a mortgage professional assist you post settlement. Missed mortgage payments incur default interest and often penalties, which you want to avoid
- 26** Act on opportunities as they arise. When a lender announces a special rebate or offers a competitive pricing discount, there will be an expiry date on the offer. We're not suggesting you rush a decision, but if months go by before you decide to make a move on the application, chances are the offer will no longer be available
- 27** Make it a priority to pay off your home loan because unfortunately, it won't magically happen by itself. Set reachable targets and celebrate milestones when you reach them
- 28** Commit to paying any wage increases directly into your home loan. Next time you get a pay rise, pay the additional \$ per fortnight into your home loan. Every little bit helps - and saves you interest

This checklist provides 28 ways to save on your home loan, but not every option will be suitable to every borrower. Keep in mind, it's not a complete list of all the ways we can help you save on your loan either - we're just getting started!

To ensure you don't pay more for your home loan than you need to, give us a call on **02 6286 6501**. We would love the opportunity to help.