



Personal Loans & Finance Management – Information Summary

Save Thousands of Dollars in Interest on Loans

Everyone is different. We build personal relationships with our clients and take into account specific circumstances.

Benefit from our knowledge and contacts and easy to understand **FINANCIAL STRUCTURES, TAILOR-MADE FOR YOU.**

- **Structure Your Loans to Maximise Your Savings**

Be savvy. Be wise. Let us help you to structure (or re-finance) your loans and manage them over time in the most cost-efficient way.

- **Select the Right Home Loan for Your Goals**

Choose the right type of residential home loan from the many options – possibly even split the loan between more than one type. Careful planning and tailored repayments keeps more money in your pocket and leaves less for the bank. Strategy is key!

- **Be a Cash Buyer for Vehicles and Personal Needs**

Be in a strong negotiating position when you need a car, a holiday, a make-over, education, or your heart's desire. Arrange for a vehicle or personal loan well in advance and benefit from the lowest possible interest rates, specials and reduced prices. Cash is king!

- **Use Our Knowledge about Loans for Individual Circumstances**

Life is not simple, and not everyone's financial status is straightforward. Use our experience in applying for Lo Doc Loans for the self-employed with minimal financial history, as well as Credit Impairment Loans for people who are picking themselves up after difficult circumstances. It's okay to be non-standard ... you are not alone.



Quick Tips

We offer a **Free Review** of your **Existing Financial Situation** and provide you with a **No Obligation Best Solution**. If you do want help implementing or managing your new financial plan, we are here for you.

The Most Frequently Asked Question?

"Why should we use your loan or insurance services, and do you charge a fee to help us?"

We work solely for the benefit of our clients, keeping your best interests in mind and saving you money wherever possible. For example, on a 25 year mortgage the correct loan structure can save you literally thousands of dollars.

Our services go well beyond the normal transactional nature of applications for loans or insurance cover. We spend time with you and analyse your needs and financial situation before formulating a suggested overall plan.

You are spared the difficulties and the precious time involved in trying to research and analyse the complexities of different products and options, and you are not restricted to the offerings of one insurer or lender.

We are an accredited mortgage and risk advisory business and we work with most lenders and insurers, who pay us a commission. Therefore 95% of the time our services are absolutely FREE to our clients. In very unusual circumstances lenders do not include any brokerage in the transaction, and we have to charge our client a fee. This fee is always discussed and defined at our first meeting.

Life-N-Loans is an accredited mortgage and risk advisory business and we work with most lenders and insurers.

Call us to discuss your individual circumstances:

- first-time home buyer
- self-employed
- low (or no) deposit
- KiwiSaver deposit
- credit impairment
- lo docs
- bridging finance
- family equity.

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Loan Options and Banking Jargon

Feel free to call us now – or you may prefer to be more familiar with loan options and some banking jargon before discussing or going ahead with any form of financing.

The information on the following pages will give you a brief overview of loans for:

- **Residential Home Ownership**
- **Personal Reasons**
- **Vehicle Ownership.**

Types of Residential Home Loans

When considering residential home loan options, apart from the interest rate it is really important to **choose the right type of loan**.

Each type of loan is designed to suit different situations and goals.

With tailored repayments there is an option to gradually increase repayments, which could **save thousands of dollars in interest over the life of the loan**.

- **Offset Loans**

Offset loans can reduce the amount of interest you pay. They do this by letting you subtract (or offset for the purposes of calculating interest) your cheque and savings account balances from the amount you still owe on your loan. This type of loan has a floating interest rate. The total amount in your cheque and savings accounts is subtracted off your loan before the interest is calculated, which means you only pay interest on the difference. For example, if you have a floating interest rate home loan of \$100,000 and you offset \$20,000 of it using your cheque and savings balances, you'll only pay interest on \$80,000 of your loan.

- **Table Loans**

This is the most common type of loan. The regular repayments are the same each week, fortnight or month unless the interest rate changes. Every repayment includes a combination of interest and principal. At first the repayments comprise mostly interest, but as the amount owing begins to decrease the regular repayment is made up of less interest and repays more of the principal. Most of the later loan repayments go towards paying back the principal. With a table loan you can choose a fixed rate of interest or a floating interest rate. Most lenders allow you to select a term (how long it takes to repay the loan) of up to 30 years.

- **Interest Only Loans**

An interest-only loan can be ideal when you need a home loan, but would prefer not to pay off any of the principal in the initial stages. They're often used for property investment. Some people take an interest-only loan for a year or two, and then switch to a table loan when they have more income available. With this type of loan you still make regular payments (weekly, fortnightly or monthly) but you don't repay any of the principal for an agreed interest-only term, after which the loan can be switched to a table loan or repaid in one lump sum.



Quick Tips

Borrowings can be split over more than one type of loan

For example, some people choose to divide their loan between an **offset loan with a floating interest rate** (so they can use their daily cheque and savings accounts to help reduce the interest on their loan) and a **table loan that has a fixed interest rate** - for the certainty that fixed loan repayments provide.

Did You Know?

- **Residential home loans** can also be referred to as **mortgages**.
- **Principal** is the term used for the **original amount borrowed**.
- **Floating** interest rates are also known as **variable** interest rates.

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• Revolving Home Loans

A revolving home loan is sometimes called a line of credit, or revolving credit loan. It's like having a large overdraft. You can achieve financial flexibility because you have access to some of the equity in your property.

The idea is for you to save on interest by keeping the daily balance of your loan as low as possible – a great incentive for you to only spend what you need to! All your income is directly credited to this account and your bills and everyday expenses are paid from that account as required.

Revolving home loans have a floating interest rate and you can mix and match a revolving home loan with a fixed interest loan.



Residential home loans are secured against residential properties to:

- Buy a family home - usually the lenders will restrict the borrowing to up to 80% of the value of the property, but in some cases it is possible to borrow up to 95% of the value of the property.
- Invest in a rental property.
- Re-finance an existing home loan for better terms or debt consolidation.
- Upgrade your home by renovating.



Quick Tips

A Revolving Home Loan can give you financial flexibility and help you save

With a bit of discipline you can keep the daily balance of your loan as low as possible, saving interest – a great incentive for you to only spend what you need to!

Common questions about buying property

1. Should we apply for a pre-approved home loan if we want to buy at a property auction?

Going through a pre-approval process will give you a clear indication of how much you can afford to pay for your dream house. However, pre-approved loans are conditional, and lenders can withdraw their offers at any time. When you are ready to bid at an auction, it is essential to work with your mortgage adviser in advance to get an unconditional finance offer letter for that particular property from the lender. We assist our clients with this process and ensure that it is simple and seamless.

2. We are concerned about the Agreement for Sale and Purchase – what conditions should we have in place before signing a contract to buy a property?

A “due diligence” clause is very helpful. If having that clause proves to be a hindrance to the deal then it is essential to at least have these time period conditions in your contract:

- Finance – a minimum of 10 working days
- Building report – 10 working days
- LIM – 15 working days
- Solicitor’s approval – 3 working days.

3. The estate agent is insisting that we provide a deposit when signing the Agreement for Sale and Purchase – is that really necessary?

Not usually. In fact, in most circumstances we highly recommend that an agreed deposit is only payable when the contract goes “unconditional”. Ask us to explain what this means if you find legal terms confusing.

Before you sign on the dotted line

Check that there are appropriate time period conditions in your Agreement for Sale and Purchase to allow you to –

- **Arrange finance**
- **Organise a building report**
- **Get a LIM**
- **Obtain your solicitor’s approval.**

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Personal Loans

A Personal Loan can be used for countless reasons, such as a new car, home renovations, a holiday, or a special family occasion. Or you can combine any existing debts into one easy-to-manage Debt Consolidation Loan.

If you have all of the required information at the time we arrange your application, we can usually let you know the outcome by the next business day.

It's that simple!

Secured and Unsecured Loans up to \$30,000

- Secure a better rate of interest by using an asset as security, such as:

- ✓ A vehicle or recreational boat up to 10 years of age
- ✓ Government Superannuation Fund contributions
- ✓ A life insurance policy with surrender value
- ✓ A term deposit account.



Competitive interest rates available and decisions made fast, with your best interests in mind.

- We can access various types of unsecured loans for your needs.
- Let us tailor the loan for your specific circumstances.
- Flexible payment options allow for up to 5 years to repay the loan.
- Benefit from making weekly, fortnightly or monthly payments.
- Save interest by matching payments to your pay day.
- Repayment terms are based on the amount you borrow and how long you need to repay the loan.

Vehicle Loans

- Negotiate a better deal for your new car or boat, or even a motorbike.
- With a pre-approved loan you will have greater flexibility and a wide range of options from being able to shop privately, at a dealer, or at an auction.
- As a cash buyer you have a good chance of driving away with the right car to suit your needs and aspirations at a reduced purchase price, or indulging in luxury extras.
- You may be able to borrow up to 100% of the purchase price.
- It is also possible to include the cost of a mechanical warranty and the loan administration fee in the total loan amount, for increased reliability and peace of mind.
- If you find yourself stuck with a high interest Vehicle Loan from previous financing, talk to us about re-financing using the competitive rates that we can get for your Vehicle Loan, and save yourself some money.
- Just like the Personal Loans, we can arrange flexible repayment options to suit your individual circumstances.
- You can take up to five years to repay the loan and you can make repayments weekly, fortnightly or monthly - we can even match your repayments to your pay day.
- We'll work fast to give you an answer - if you have all of the required information at the time that we arrange your application for a vehicle loan, we can usually let you know the outcome by the next business day.

We look forward to discussing your needs and providing the best solution.