



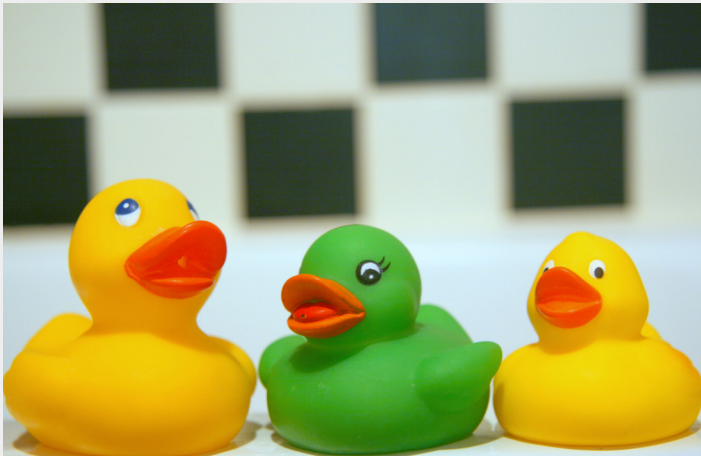
# HOME LOANS NEWSLETTER

December 2015

## Reserve Bank interest rate announcement

Today the Reserve Bank of Australia met to review the official cash rate. They have decided to leave the rate steady at 2.00% again this month. We expect that most lenders will leave their rates unchanged, in line with the Reserve Bank's decision.

## Property purchase: get your ducks in a row



Being prepared at each stage of your property purchase can help to ensure everything runs smoothly, saving you a lot of time and stress. By now we have already discussed building your deposit, getting all the assistance available to you if you are a first home buyer and knowing how much you can borrow. The next steps include loan pre-approval and calculating your loan costs.

### Pre-approval

Now is the time to apply for a pre-approved loan. Gaining a pre-approved loan is free, it is valid for up to six months and you will have certainty around how much money you can spend when you are house hunting. You may also find it gives your real estate agent confidence that you are a serious buyer.

On the flip side, if your pre-approval is declined it can help you address the reasons. Addressing the reasons for a decline at this stage may be easier, and a lot less emotionally stressful, than doing it after the purchase has been made.

### Loan costs

Another aspect of the property purchase to consider is to make sure that you have enough funds to cover not only your deposit but also other property and loan costs.

These costs may include:

- Stamp duty: this is typically 3% to 5% of the purchase price (First Home Buyer Concession reduces this, if eligible).
- Lawyer / Conveyancer: typically between \$1,000 and \$3,000.
- Upfront loan costs: application fee, government registration and legal costs can range between \$200 and \$800.
- Lenders Mortgage Insurance (LMI): if you are borrowing more than 80% of the value the LMI will vary between 0.6% and 5.0% of the loan value.
- Building insurance: your lender will ask you to take this out prior to settlement.
- Mortgage protection insurance: this is not necessary but could be handy to protect yourself in case of illness or injury.

### We can assist with your home loan

Shopping around, comparing and negotiating may save you thousands of dollars. We can assist with this research and decision making process free of charge.

At Harvest, we provide independent advice about home loans based on your personal financial situation, and therefore, do not favour any particular lender. We have access to 27 loan providers to make sure you get the best value home loan by customising a package for you that best meets your needs.

### Our current best interest rates

The best home loan rates we currently have available:

- ➔ Variable rate of **3.99% pa**
- ➔ 1 year fixed rate of **4.14% pa**
- ➔ 2 year fixed rate of **3.94% pa**
- ➔ 3 year fixed rate of **4.04% pa**



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