

TAKE CONTROL OF YOUR *mortgage*

*keep an eye and
an ear on the market*

Interest rates have been a very hot topic lately, and more people are looking into **fixed rates** as a way to provide security in a volatile time. Fixed rates do **provide comfort** in knowing what your repayments will be, but that security often comes with **less flexibility** than with a variable rate. Speak to someone who can look at your personal situation and give you the best option.

IT ALL ADDS UP – KNOW YOUR FEES

A home loan is not just an interest rate. Take into consideration **all the other fees** such as exit fees, establishment fees, penalties, plus loan costs and legal costs. Make sure you know the ins and outs of the loan so you're not **trapped** down the track.

good debt vs bad

The word "debt" usually sets off alarm bells in most people's heads, but some debt can work in your favour and a home loan is the best example. When you buy a home or investment property, you're usually doing so on the basis that it will appreciate over time. So in effect you're **borrowing money to make money**. Bad debt represents the exact opposite: making purchases on depreciating items. A car is a classic example. The same goes with credit cards. The key is to **know the difference** between good and bad debt and do what you can to mitigate the latter.

write in... Send your finance questions to Mark Bouris at mark@reallivingmag.com.au

A HOME LOAN IS A LONG-TERM RELATIONSHIP

The loan you choose might work well for you now, but how will it fare 10 years down the track? Look for a loan that will **grow with you and adapt** to the changes you and your family might face. An important consideration is a **plan that is portable** and can be moved if you have to relocate. As your family grows and changes, your house and home loan should also grow and change. **Review your loan** at least once a year with a qualified expert to make sure you're still getting the best deal.

*a mortgage is likely to
be your biggest expense...*

...so set a smart repayment strategy from the start. Pay your loan off **weekly or fortnightly** rather than monthly. This will put you ahead over the course of the year, and the life of the loan. Don't take the interest-only option, always **pay principal plus interest**. Get rid of high-cost debt such as credit cards, personal loans and car loans first as they have higher interest rates. Write down all your monthly expenses and create a **household budget**, then cut back where you can and put the extra cash into your loan. If interest rates drop, keep your repayments at their current level to **stay ahead** of your payment schedule. 

Given current economic uncertainties finance expert **Mark Bouris** says now is the time to review your **home loan** and compare what else is out there...



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