



every loan everywhere

September / October 2014

Cut the credit: Breaking up with debt!

As many of us know, it's all too easy to get into credit card debt. A holiday here, a Christmas shopping binge there, an emergency trip to the mechanic to keep you on the road. Small debts add up to big interest repayments when not repaid swiftly: the average Australian card holder pays around \$800 per year on credit card interest and has a debt of approximately \$4400. How best can we get out of our collective \$34 billion of toxic credit card debt? Here are some basic ideas to help you chip away at that lump sum.

Get Motivated

In the short term, you'll need real motivation to make the lifestyle changes necessary to pay off your debt. It's easy to ignore your monthly credit card statements as they build up – but it's financially damaging in the long run. Did you know that having a credit card (maxxed out or at a zero balance) negatively impacts upon the amount you can loan from the bank? If you're an aspirant property investor, get rid of those credit cards and enjoy access to larger loans. Know that if you have a credit card debt of \$4,400 and make only minimum monthly repayments – you'll be paying off that debt for 31 years, paying \$14,900 in additional interest. Both are irrefutably good reasons to commit to breaking up with credit now!

Use Strategy

Not all credit cards are equal – some charge higher interest rates than others and have annual fees. If you have multiple credit card debts, consult with your broker to identify which card to pay down immediately and think about transferring your debt onto a credit card offering lower rates. Other options include negotiating repayment terms with your financial institution, consolidating your debt into a personal loan or incorporating your debt onto your mortgage. Debt consolidation strategy using your mortgage can save a significant amount of interest, and is often easier on the budget than attempting to pay off a high-interest credit card directly. Naturally, debt consolidation strategy is only successful if you pay down your debt and cancel your credit cards – and is always best done with the assistance of a mortgage and finance broker who understands your financial position.

Pay Your Cards Off

The time is now! Cut up that card, knuckle down and pay off your credit cards! It's as simple (and difficult) as that. Keep your eyes on the prize: before too long you'll be debt free and able to use your loan potential and ready cash for property investment, saving or improving your lifestyle as you see fit.



HOME LOANS



COMMERCIAL



LEASING



PLANT AND EQUIPMENT



INCOME PROTECTION



RISK PROTECTION



INSURANCE



ACCOUNTANTS



FINANCIAL PLANNING

Keeping it in the family: Loaning to your kids

Everyone wants the best for their family. With the property market relentlessly rising and banks requiring substantial deposits from buyers, many parents are worried that their adult children will never be home owners without a 'hand up'.

Before you decide to assist your child purchase property, think carefully about the structure of the assistance given and work with a broker and financial advisor to safeguard your financial position (and their own).

If you are asset-rich but cash-flow poor, think very carefully about using your home as security to help your children. If you take this route, you are relying on your child to service the loan – if they default, it is your asset that is at risk.

Should you be reliant on a pension, get the right advice before 'gifting' money – as your Centrelink payments can be affected by loaning money to family. A safer option to consider is a Family



Guarantee which is limited to a percentage of the value of your child's property, with the loan remaining in your child's name.

As with all financial investments, take advice from industry professionals – and be realistic about your child's ability to service the loan.

Thrifty Spring savings

Look forward to a relaxed summer holiday and lavish Christmas with a little springtime saving.

Swap movie nights for starlight picnics

Save on expensive movie tickets and popcorn and enjoy the great outdoors. With longer days and milder weather, pack a picnic dinner, grab your friends and family and enjoy dusk in the park. BYO snags, frisbee and drinks!

Negotiate essential services

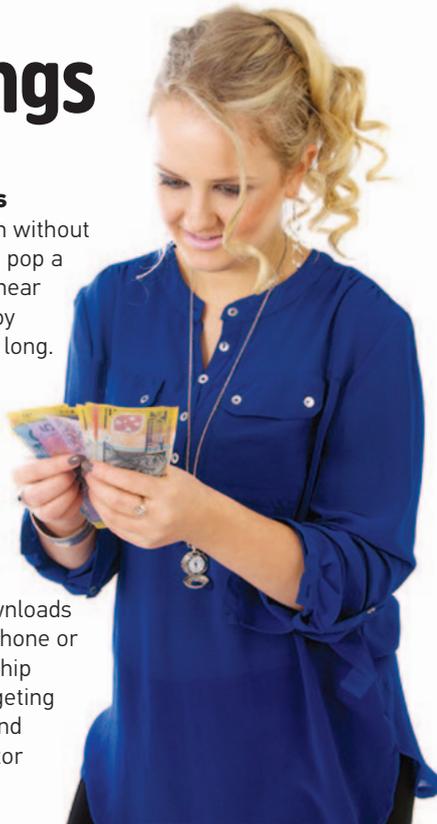
New season, new negotiation! Contact essential service providers such as phone, gas, water and electricity to get a better deal on your bill. Utility businesses hate to lose customers - and if you're a long-term client, you're in a great position to negotiate a new rate.

Green the garden, keep the greenbacks

Keep your garden green without an expensive water bill: pop a rustic rainwater barrel near your downpipe and enjoy lush plants all summer long. Don't spend on expensive plant food – compost responsibly and be proud of an organic home harvest.

Use technology for good

Cut down on movie downloads and instead use your iPhone or Android to benefit your hip pocket. Use clever budgeting apps like Pocketbook and TrackMySpend to monitor expenditure and reach savings goals.



We're here to assist you with:

- Home Loans
- Commercial Loans
- Leasing
- Plant & Equipment
- Marine Finance
- Risk Insurance
- Life Insurance
- Accounting
- Financial Planning
- Income Protection
- Wealth
- Debt Relief
- Investments



Allpoints Finance Pty Ltd

48 Whitehorse Road
Balwyn VIC 3103

Australian Credit Licence No 385280
ACN 120 149 135

Ian McCrimmon – Director
P 03 9817 4887
M 0421 609 378
E ian@allpointsfinance.com.au

Andrew Melling
Credit Representative No 391468
M 0422 865 303
E andrew@allpointsfinance.com.au

Peter Musumeci
Credit Representative No 446158
M 0409 039 893
E peter@allpointsfinance.com.au

James Chapman
Credit Representative No 453119
M 0402 652 511
E james@allpointsfinance.com.au

Some of our lenders include

