



Reviewing your finances?

Some money-saving suggestions

Paying down your home loan faster is one of the best ways you can move forward financially, regardless of which way the global and domestic economic winds blow. Many people refinance their homes or investment properties to reduce their monthly home loan repayments. What other aspects of your finances can you review to help save money? Here are our top tips to pay off your home loan faster.

Choice and our partners help our clients achieve their goals by offering a range of affordable wealth management solutions, including:

- ◇ **Accounting Solutions** and taxation planning for individuals and businesses;
- ◇ **Finance Solutions** to help purchase your new home, car, boat, caravan, or grow your business or investments;
- ◇ **Wealth Planning**, including income protection, life and risk insurance, business succession planning and estate planning.
- ◇ **Lifestyle Planning**, including superannuation retirement planning and government assistance including aged and disability pension.

Talk to us today about how we can help you achieve your financial goals. Call 03 5821 5667

1. Make more frequent payments

Make your repayments fortnightly, instead of monthly. For example, on a \$350,000 loan at 8.5% over 25 years; if you halve your monthly repayment amount of \$2,819.29 and pay \$1,409.15 fortnightly instead, you would save a whopping \$123,918 over the life of the loan and be mortgage-free five years earlier.

2. Consolidate debt

If you're paying high rates of interest for debt on credit and store cards—each of which will probably have an annual charge—think of consolidating debt in one place. You may very well be able to access a lower overall interest rate, reducing your monthly outgoings. You will avoid paying duplicate fees. Plus, a single monthly debt repayment is easier to manage than having to pay multiple credit card bills.

3. Don't pay less if rates drop

It's always tempting when interest rates drop (and they will again someday) to quickly claim the savings as part of your disposable income. While it may be difficult to commit to paying your loan repayments above the average cycle (e.g. at 9%), at least try and keep your loan repayments at the old rate if interest rates drop. You won't really notice you are actually paying more off your home loan.

4. Cars

Cars are often the biggest family expense after home loan repayments. But as family needs change over time, and the price of petrol rises, we can find we have

more expensive cars than we need. Could you downsize your car/s, not only reducing monthly repayments, but also potentially saving in maintenance, insurance and fuel costs? Are you getting the best deal for the money you spend on your car insurance and repairs?

5. BYO lunch

Have you ever thought how fast food could be slowing down your mortgage? By packing a lunch box for work and directing your meal money into your loan, you are likely to inject up to \$50 extra a week, or about \$2,500 a year, into your mortgage.

6. Sock away the windfalls

Pay your annual tax return and any pay rises or employment bonuses into your home loan. With the right facility, you should be able to redraw any extra payments if needed.

7. Clear out the shed!

Perhaps you have items of value gathering dust in your shed or garage? Whether you hold an old-fashioned garage sale or go onto eBay, perhaps now is a good time to get money for the belongings you're never going to use.

8. Stay in touch with your broker

Your broker can help you do a home loan health check to make sure you are getting the right loan for your circumstances. Your broker has access to various loans from multiple lenders and is interested in finding the correct solution for you, not the lender.