

THE 3 MINUTE MORTGAGE HERO™ WISDOM SERIES

Are you ready to purchase an
investment property?



BROUGHT TO YOU BY THE 3 MINUTE MORTGAGE HERO™

Why should I refinance?

Refinancing in the first Nine Months of 2020 has seen a 27% increase on previous year volume, so why is this?

The main driver has been the record low cash rates with lenders competing to offer clients the lowest interest rates, with another major contributing factor being the larger lenders in particular offering substantial cashback offers to entice clients back to them.

What are the benefits to refinancing?

Refinancing your loan is dependent on your individual goals and circumstances, some of the common benefits of refinancing can include:

Swapping to a lower interest rate to reduce the loan payments on your mortgage.

Consolidating debt into your home loan. Expensive high interest debt such as credit cards, car loans, or personal loans can be paid out and included into one lower monthly repayment. Your Mortgage Broker will be able to work out the savings and benefits for you.

To access equity in your property for a specific requirement ie to buy an investment property, renovate your existing property, or just to have some cash in the bank for future requirements.

Potentially to get a competitive interest rate by refinancing to a major lender after fixing up previous credit issues.

Are there any negatives to refinancing?

Why should I refinance?

Not many to be completely candid. As long as you ensure you are refinancing to suit your needs and circumstances and your financial position is better than when you started then there is no real downside.

Are the cashback offers worth refinancing for?

You should not only look at any refinance cashback as this is only a one-off payment, but you should look at the overall package you are refinancing to. At a minimum you should be reducing your interest rate and loan repayments or reducing debt via consolidation to increase cashflow for long term financial benefit.

What is the process?

Your Mortgage Broker will manage the end to end refinance process for you. This includes the initial meeting to understand your requirements, the collection of the required paperwork, organising of valuations and then ensuring the loan is approved and settled with new lender.

The actual process should take 4-6 weeks from loan submission, but as lender service levels vary a more exact timeframe will be communicated to you by your Mortgage Broker when your application is submitted.

What does it cost to refinance?

Refinancing does unfortunately come at a cost, so it's essential to weigh up and understand the savings of refinancing against the expenses involved. Generally speaking, these one-off upfront costs are offset by the thousands of dollars that you may potentially save on interest and other fees over the life of the loan, especially if you are consolidating and removing high interest debt. Your Mortgage Broker will confirm the fees applicable to you.

What else do I need to know about refinancing?

Only that it can be a massive benefit to your financial wellbeing and its really not that stressful as your Mortgage Broker will manage the whole process for you in a timely and professional fashion.

**ALL INFORMATION PROVIDED AS A GUIDE ONLY, IF
YOU NEED SPECIFIC HELP WITH YOUR LENDING
REQUIREMENTS PLEASE CONTACT ME BELOW.**



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