

Presented to the ALSA 2016  
lawyers conference

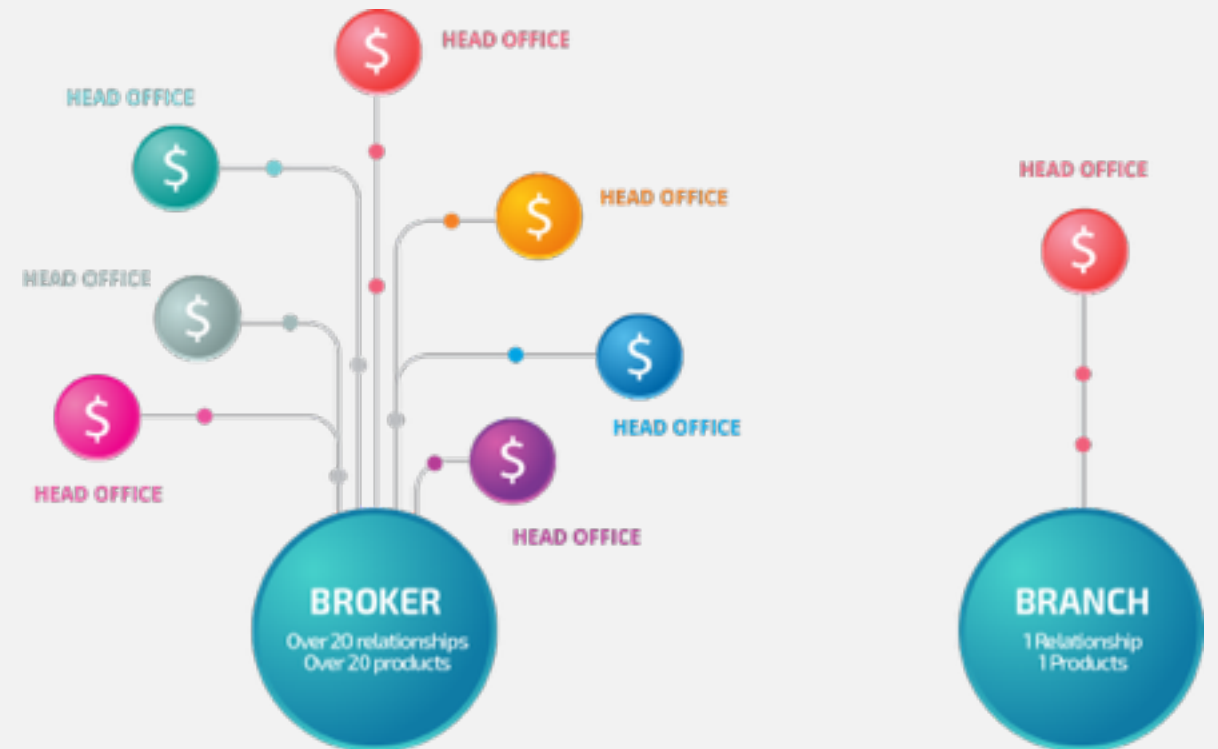


Richard Glynn B.Com



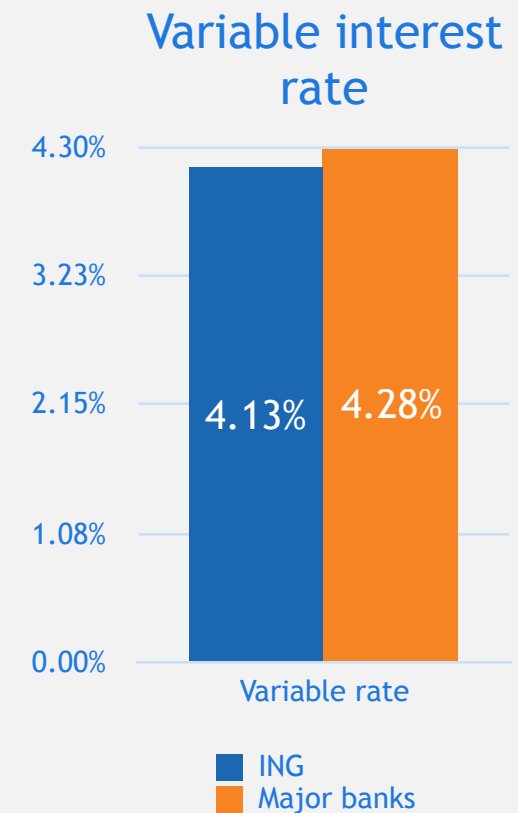
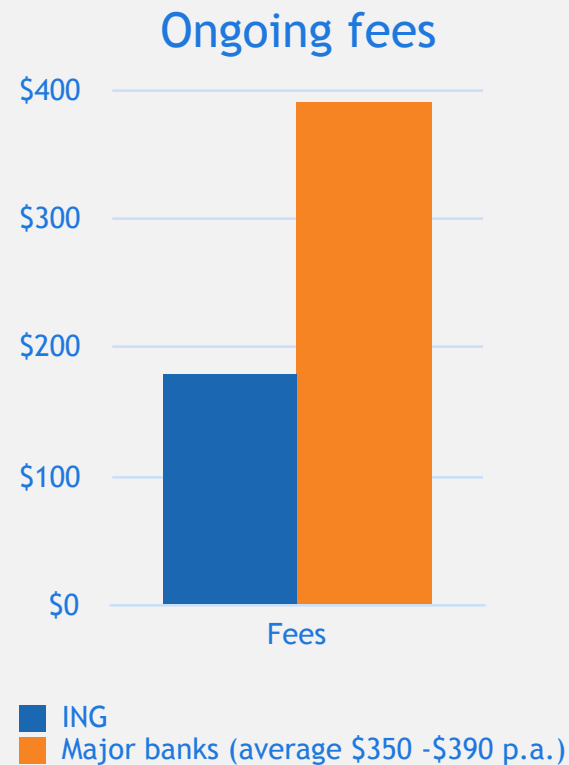
# Why use a Finance/Mortgage Broker?

- One subsidiary IN one subsidiary OUT
- Need to view the Broker as a branch for all banks
- Less expensive costs to run a broker business compared to Branch
- Choosing client suitability from hundreds of products
- Serviceability / Borrowing capacity
- This creates more competitive pricing / more choice
- The bank you choose compensates us for the introduction
- Private Banking - costly, as they view superior service equals high interest rates and more fees.



# Home Loans (Non -Super)

- **Owner Occupied Loans**  
(Fees waived in first year. Includes off-set account. min \$250k)
- **Major banks average**  
(St George, CBA, NAB, Westpac, ANZ)



\*Comparison rate (based on a loan amount of

# Investment Loans

## Recent APRA Legislation Changes Has caused decreased demand for major banks appetite for investments loans

### Reduce maximum LVR

- St George 80%
- Macquarie Bank 80%
- Nab 90% including Mortgage insurance
- Liberty - Up to 95% LVR plus the full LMP fee capped (up to 99%)

- Increase in variable rates to between **4.39%** (comparison rate: 4.5%\*) and **4.6% p.a.** (comparison rate: 4.82% p.a.\*) for investment borrowing
- Tighter credit guidelines

\*Comparison rate (based on a loan amount of \$150k)

# Loan Structures

## Fixed loans

- Security of guaranteed rate for period 1-5 (more at some banks, generally expensive)

## Variable loans

- Flexibility
- 100% off-set account

## Split Loans

- How much fixed, How much variable?
- Financial advise

## Interest only

- Tax deductible for Investment loans
- Less expensive than P&I
- Good hardship fall-back

## Principal and interest payment

- Reduction of debt

# SMSF Property Finance

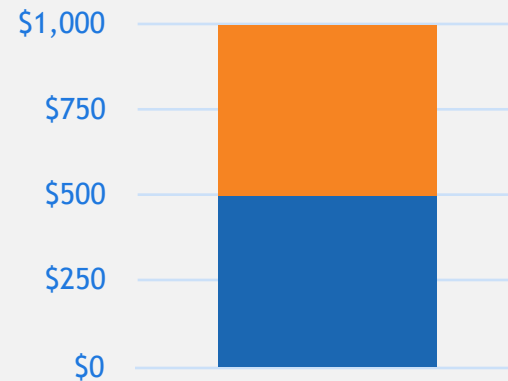
## St George

- SMSF residential Variable Interest rate 5.69% p.a. (comparison rate: 5.94%\*)
- Max LVR 70%
- \$12 monthly ongoing

## Liberty Finance

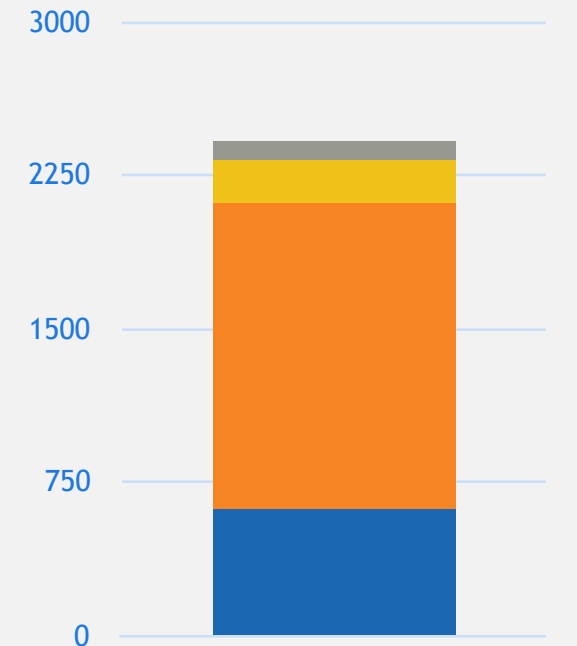
- SMSF residential Variable Interest rate 5.49% p.a (comparison rate: 5.69%\*)
- Max LVR 80%
- \$10 monthly ongoing

\*Comparison rate (based on a loan amount of \$150k)



Setup Fees for SMSF include:

- \$495 Processing fee
- \$495 Setup fee



Setup Fees for SMSF include:

- \$100 settlement
- \$205 per additional trustee
- \$1500 establishment fee
- \$615 guarantor