

The Loan Flag

We have competitive finance waiting for you.

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The five warning signs of predatory lending

The following actions and questions are a good indication that someone could be misleading you about a loan and its costs:

1. Being encouraged to include false information on a loan application, or to leave out information you consider important to the prospective lender.
2. Being asked to leave signature lines or any other important line-item on any form or document blank.

3. Are there any unexpected costs not being mentioned?
4. Is the loan amount being obtained higher than the value of the asset?
5. Do documents, or regular statements from the lender reveal that interest rate calculations, repayments or terms are different from what was signed?

Recommendation, all loan dealings should be through a recognised and accredited broker who can safeguard you against such action.

Source | La Trobe

Looking for car finance or need new equipment for your business?

Did you know that your Australian Loan Company representative has access to Online Asset Finance and Personal Lending Comparison Software?

With five different lenders on the system, it will assist you in getting a competitive loan that meets your current financial circumstances.

Here are some of the features of this software:

For Asset Finance

Full doc and lo doc loans on chattel mortgages, operating and finance lease, commercial hire purchase:

- Motor vehicles
- Trucks
- Yellow goods
- Plant and equipment
- Online submission

For Personal Lending

- Full doc loans only
- Motor vehicle only
- Ability to add residual value on one of the products
- Online submission

For more information or to get a quote please speak to your ALCo representative.

Source | Australian Loan Company

Business mogul



The ability to maintain a healthy cash flow by using the clients who owe you money

Also known as Cash Flow Finance, Debtor Finance is a highly flexible and increasingly popular way to control the amount of cash flow a business has available to meet ongoing commitments.

Why not find out more by contacting your ALCo representative?

Source | Australian Loan Company

The loan process explained

If you are a first time borrower, you may wonder what exactly is involved in obtaining a loan. To help explain the loan process, here is a summary of typical phases in getting a loan:

1. Seek advice from a broker. Your broker can help assess your situation and help decide on the right lender and product for you.
2. When you wish to proceed to obtain the loan, your broker will assist you in gathering all documentation and preparing your application. The faster you can gather the documentation the faster you will get an answer from the lender.
3. If all documentation is in order you will then go onto what is known as conditional approval. That is, the lenders state they will give you finance subject to their conditions being met. Your mortgage broker will advise you of this and what to expect in the next steps.
4. Your mortgage broker will help arrange a valuation of the property, prepare loan documentation, advise you of formal approval, assist in arranging building/pest inspection and building insurance and ensure you receive your loan documents.
5. Providing that you have returned all relevant documents to the lender, the next stage is known as "settlement", when your loan is drawn down. Your lender will provide details of settlement amounts and loan repayment information. Your broker will liaise with your lender and solicitor to ensure the documentation process has been completed.

The documentation required will vary depending on the loan you choose. A good broker will explain the loan process in detail and keep you informed along the way. Speak to your Australian Loan Company broker for more information.

Source | www.thelendingshop.com.au

"A good broker will explain the loan process in detail and keep you informed along the way"



Top five tips before buying a home

1. Do a budget, work out how much you spend on items and how often you buy those items. When you do this budget remember to not only include the necessities such as electricity, petrol, insurance and food but also include the non essentials such as beauty therapy, magazine purchases, a night out at the movies etc... You need to decide what you would be willing to sacrifice and what things you simply can't live without.
2. Once your budget is completed work out how much you could afford to spend on mortgage repayments. Look at what you currently pay in rent and work out how much more you could pay without too much financial hardship. This will give you a good indication of how much you can comfortably repay.
3. Arrange a pre-approved loan. Seek professional mortgage advice, a mortgage consultant will do all the analysis of the various loans available and assist you in receiving a pre-approval. A pre-approval is where the lender agrees in principle to lend the borrower an agreed amount. The conditions of the pre-approval usually include; a satisfactory valuation of the property by the lender's valuer, evidence of income from the borrowers and acceptance of the loan by the mortgage insurers and if mortgage insurance is required (the loan amount is over 80% of the value of the property).
4. Be aware of the additional costs involved with buying property. You may need to cover stamp duty (first home buyers are currently exempt from stamp duty), registration fees and legal fees. You may also need to pay for mortgage insurance. Generally these additional fees – will cost approximately 5%

of the property's value. There are also ongoing costs such as bank fees, maintenance of the property, building insurance and strata fees if you buy a property under strata title (multiple living areas such as units). All states have concessionary stamp duty rules for properties - speak to your mortgage consultant to find out what you may be eligible for.

5. Research, research, research. Look high and low for a property that suits your needs and your budget. There are often bargain homes to be found with a little persistence – be wary of deals where the offer is over a short time frame 'today only'.

Source | Australian Loan Company

Contact your local office for further information:

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