



All Together Finance Newsletter



Summer Edition 2009



Weathering the conditions - the pros and cons of refinancing or splitting loans

With interest rates the topic of conversation as we eagerly await the Reserve Bank decision each month, more and more of our customers are taking advantage of our services to discuss the option to refinance their various loans and debts into a single loan in order to manage their debt better.

So what does it mean? In simple terms it means just one monthly payment instead of several and in some cases can save you money. But before you take up the option, make sure you know what's involved.

What are the advantages? - Refinancing a loan or a range of debts has several advantages and is often a more practical way of managing your financial obligations, especially if you find you are struggling. Refinancing allows you to:

- Extend your repayment time
- Reduce your monthly payments
- Reduce compiled interest rates
- Improve your overall cash flow

By refinancing your debts you can alter the amount owing on your periodic payments as it allows you to change your interest rates and alter the time frame for the length of the loan period. It will also allow you to compile your debts into one which means you only have one loan to repay and interest on that loan only. In some cases you may be able to reduce your overall borrowing costs.

What are the risks? - There are some risks involved in refinancing though and these are worth noting. Many fixed term debts have a 'penalty clause' attached to them and are activated if you make an early or additional payment on your loan or if you decide to pay it out completely at an earlier date than the fixed term. It's also worth noting that there is usually transition fees associated with refinanced debts. In some cases the savings you make via the refinancing of your debt are lost as a result of these fees. Because of these fees and penalties it is often a good idea to talk to us and source the viability of refinancing your loans first. If we can establish that it's going to genuinely save you money, allow you some breathing space, and not inconvenience you with any change of product or lender then refinancing may be the best option for you.

Competition Winner Announcement

The **WINNER** of our Spring Edition 2009 Newsletter 'Win an Overnight Stay and Show Package' competition is:

TRACEY WEI of Kogarah, NSW

Congratulations! You have won an overnight stay and show package in your Capital City to the value of \$500.

Also in this issue:

- Splitting your loan options
- Financial resolutions for the New Year
- 'Tis the season to be prudent



Splitting your loan options



So what about the option to split my loans when it comes to choosing or refinancing your mortgage?

Homeowners, more than likely will be on an uphill ride with interest rate hikes predicted & it's no wonder many borrowers are looking to protect themselves. Calmer prospects, however, bring with them an opportunity to reboot your home loan's saving potential where rates are concerned. Now is the perfect environment to test the features and flexibility of your home loan. Loan options, such as splitting your rate, can really make a difference to the overall amount you payback.

Split loans - also called 'combination loans'- combine the advantages of variable and fixed interest rates into a single loan. The key to split loans is flexibility - you can decide what portion of the loan is fixed or variable to suit your needs and current market conditions. Just remember that the fixed proportion of the loan will be locked in for a set time frame - usually one to five years - and there may be break costs if the loan is repaid early. Now could be the time to make your move and select a higher variable rate component on your loan: for example: 65 per cent variable, 35 per cent fixed.

Most banks and lending institutions offer fixed and variable rate loan packages - so call us to discuss ways to maximize the different loan features.

Why select a split product? Split loans are versatile and can be used for investment and owner-occupied property purposes. Through splitting your loan you get the best of both worlds - the security of a fixed interest rate coupled with the flexibility of a variable rate loan.

Here are the pros & cons:

Pro - You are protected in times of high interest rates through the fixed rate portion of your loan.

Con - Lenders might charge set-up, account, and discharge fees on both portions of the loan.



'Tis the season to be prudent

Christmas is fast approaching. And, sure as there's snow in Lapland and sun in Australia, your credit card will be called into action over the next few weeks.

Traditionally, credit card debt soars over the festive period, as Australians borrow to cushion the burden of present-buying, party-going and holidaymaking. There's also the post Christmas sales, when the advertisers roll out their Christmas campaigns, the shops unveil those enticing displays, and it can be hard to avoid getting swept up by it all.

However, there are ways of keeping your Christmas spending under control, without resorting to Scrooge-esque stinginess.

How? In a word: budget. Be realistic about your incomings and outgoings. Cover the basics first by allocating money for the household bills. Then, as the present requests roll in, be ready to make tough distinctions between essential and non-essential items.

If the kids want a fancy new plasma TV, avoid putting it on credit. And if you really can't afford it - ask yourself if there is another alternative without getting them too upset.

By taking a step back and assessing what is genuinely affordable, rather than simply desirable - because, hey, it's Christmas - you will be better placed to make informed decisions on expenses.

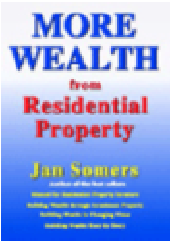
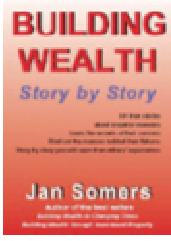
There is nothing wrong with putting smaller purchases on the card, so long as you have earmarked which part of next month's wage packet will cover the debt. As always, the golden rule of credit card spending applies: pay it off as soon as possible.

Christmas parties, whether you are the host or guest, should also be approached with prudence. Also beware the hidden overheads, such as the extra trip to the supermarket, the additional bottles of wine or crate of beer. These things have a nasty habit, in the rush of preparation, of creeping into your next credit card bill.

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If you're going away over Christmas, consider including the expenditure on your holiday in your overall spending budget, rather than filing it away as a special case under "other outgoings".

And perhaps most importantly of all, when the post-Christmas sales start up, don't undo all your good work of the previous month. Take a look at your finances. If there's room left for one or two more bargains, then by all means go for it - but leave the credit card at home unless you're absolutely sure you can pay it off. Have a great Christmas & New Year's celebration.....

<h2 style="text-align: center;">Book Review</h2> <div style="text-align: center;"> </div>	<h2 style="text-align: center;">More Wealth through Residential Property and Building Wealth Story by Story</h2> <p style="text-align: center;">by Jan Somers</p> <p>We are often asked "What books should I read if I want to invest in residential property" These two books, in my opinion, are essential reading if you want to start investing in residential property - or if you want to increase your current property holdings.</p> <p>Inside Story by Story - you can see how real people have built their wealth and in More Wealth you'll find out: How to become a millionaire in 10 years, How to buy property without a cash deposit, How to estimate the amount you can borrow, Where to obtain and how to structure the finance, Why property is better than traditional superannuation, Whether property or share investment is better for you, All of the tax benefits that property investment offers, The relationship between capital growth and rental yield, Why most financial advisors don't recommend property.</p> <p>To purchase a copy go to Jan's web site: www.somersoft.com.au</p>
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Financial resolutions for the New Year

The New Year is a time for reflection on the year gone by while making resolutions for the one to come. So why not take the opportunity to use this time to improve your finances? Here are four finance improving resolutions for 2010.

I will find my lost super. If you've changed jobs, name or address in the past ten years you could be one of the thousands of Australians with missing super. To relocate your lost super contact previous employers to find out whom the super was paid to, then contact that fund direct.

The Australian Tax Office (ATO) also has a service available to locate lost super funds - log onto <http://www.ato.gov.au/superseeker>

I will organize myself for tax time. Despite all your good intentions, did you find it difficult to track down all those receipts when it came time to file your tax return? You could be missing out on some serious deductions. Get organized through creating a simple tax organisation system - it can be as simple as a shoe box where you place receipts to a more in-depth filing system. The ATO website also has advice outlining which records should be kept and filed as a deduction.

I will save. Do it the old fashioned way and get a money box - preferably one you can't open without breaking. Throw a few coins in everyday you'll be surprised how it will add up. By the end of the year you'll be able to splurge on something for yourself!

I will have a mortgage health-check. Over time your circumstances can change and your old mortgage may no longer suit your needs. Speak with us to find out whether there's a better loan product available for your current financial position.

Thank You.....



A note to say thank you for your business and some helpful hints to help you explain how we as finance brokers can help your friends, relatives etc, get their finances in order and find the best deal to match their current financial arrangements.

If they are serious about finding a professional to help them with their finances, particularly if they are looking to borrow money, then finding a broker that is reputable, experienced and well connected is the key.

One thing when comparing other brokers to us, is that we do not charge. We are paid on a commission basis by lenders and providers on a per transaction basis, so as a result both you and your referrals do not need to pay any brokerage fees.

But why use a broker in the first place? Well you know the answer to that - because we can save time and money - and we all want to do that dont we!

As finance brokers we know a lot about the products that are available in the marketplace.

This means that we can save time and hassle of having to do the research - after all we have it all at our fingertips.

If your friends & relatives are prepared to take the time to share the details of their current financial situation with us, we will be able to not only find them a product, but find one that meets their financial and lifestyle needs.

For your opportunity to enter the Newsletter competition, call us today or visit our web site.

Thank you again for your valued business.

Merry Christmas & best wishes for 2010.

Marina Heydon
and
Angela Cardillo



*"Getting it all together
for you"*



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If you have received this Newsletter via the mail and would prefer to receive it via email, please email us:

info@alltogetherfinance.com.au

WIN an Overnight Stay and Show package in your Capital City to the value of up to \$500.

For full details of prize contents, please go to: www.nationalbrokersgroup.com.au/prizelInfo.htm

How to Enter:

Refer a friend, family member or acquaintance to:

Receive a copy of this Newsletter and receive one entry per referral. Make an appointment with someone from our office and receive one entry. Refer a friend, family member or acquaintance for a consultation with someone from our office and receive one entry per referral. Note: for full details of the terms and conditions of this competition, please go to www.nationalbrokersgroup.com.au/termsandconditions.pdf

Authorised under NSW LTPS/09/00882, ACT TP 09/00357

Conditions:

1. All travel is subject to availability at all times and maybe dependent on specific room category availability with accommodation partner. Travel must be completed by the 30 November 2010. Blocked out for travel periods will apply including but not limited to Easter Long Weekend, Christmas School Holiday period and during special event periods. All bookings and documentation regarding the prize must be made via Free-2-Travel Holidays Pty Ltd or their agents. Redeeming the prize is conditional on acceptance of the terms and conditions of travel as detailed by Free-2-Travel Holidays Pty Ltd in accordance with normal travel practices. No portion of the prize is redeemable for cash. The prize is not refundable or transferable. In the event the winner is under the age of 18 years, they must be accompanied by a parent/guardian. Winner is responsible for any amendment fees issued by suppliers once booking is confirmed and ticketed. Additional spending money, meals (other than those included), transfers and any other ancillary costs, including but not limited to insurance and any applicable insurance excesses, not listed in the prize package descriptions above are the responsibility of the prize winner and his/her nominated.

2. Staff & Members of National Brokers Group Pty Ltd are not permitted to enter this competition.

DISCLAIMER: This newsletter is intended to provide general news and information only. Readers should rely on their own enquiries before making any decisions for their own interests. Please do not rely on any part of this newsletter as a substitute for specific legal or financial advice.