

From Survive To Thrive In 2021

2. We have the power to negotiate

By refinancing, switching lenders or simply negotiating a better rate with your existing lender, you can potentially save thousands of dollars in interest, repay your home loan quicker, or lower your repayments. By securing a lower interest rate and still making the same repayments, you can pay down your debt sooner. We can step you through refinancing should you go down that path.

Here is a quick calculation to show how you could save almost \$52,000 in interest. Of course, interest rates do fluctuate over time, fixed and variable rates vary from lender to lender as do rates for owner-occupiers or investors.

Loan term	25 years	
Loan amount	600,000	
Payment frequency	Fortnightly	
Repayment type	Principal and interest	
Interest rate	2.54%	3.10%
Fortnightly repayments	\$1,247.40	\$1,327.04
Total cost of loan	\$810,810.43	\$862,575.12
Total interest payable	\$210,810.43	\$262,575.12

3. Structure your home loan and bank accounts for maximum benefit

We mentioned earlier that only 7% of Australians use an offset account for their savings. Many mortgage holders are missing out on potentially massive savings. Here is how:

Let's say you signed up to a 30-year loan and you are five years into your \$600,00 mortgage when you start your 100% offset account. You could save \$24,189.03 in interest and cut 10 months off the term of your loan.

Loan amount	\$600,000
Loan term	30 years
Interest rate	2.8%
Repayment frequency	Fortnightly
Offset amount	\$25,000
Start offset at year	5 years
Interest saved	\$24,189.03
Time saved	10 months
Original total amount	\$887,176.64
Updated total with offset	\$862,987.61

Now that seems a lot to think about, but as you can see by making a few changes to your financial situation (with our help), you can potentially save yourself a lot of money.

The challenges we have faced over the last year left many of us asking ourselves how we can better prepare for an emergency and take control of our finances. This financial health check list could help you – download it today.

If you want to improve your finances this year, call us to book a time to discuss what potential solutions are available to suit you.

Remember to click through to read **'Your 5 Step Financial health check'**



1. Consumer Pulse Report 2020 | Canstar