

March 2011

Astute Home Lending Pty Ltd

# Astute Review

## To Fix or not to Fix your home loan? That is the question.

Hello

Well here we are in March already. To everyone's delight the Reserve Bank decided to leave interest rates on hold for another month. However the general consensus is that interest rates will increase during the year. Now is the time to consider whether or not to fix your home loan. We have some competitive fixed rates on offer so it may be worth your time to give our customer service team a call today.

### Telephone Numbers.

Our customer service number is **1800 101 368** and fax **1800 101 838**. We also have an email address of **customerservice@astutehomelending.com.au**

So if you need help with your loan, call or email us today. Our customer service team are here to help.

### \*\*\*\*\* New Capped Rate Loan \*\*\*\*\*

Concerned about interest rates going up but not sure if you want to fix your loan? Then the new Home Smart Capped loan could be the answer. This is a variable rate loan that is guaranteed not to go above 7.49% in the next 2 years. So if the standard variable rate increases to 8% you will still only pay a maximum of 7.49% for the first 2 years

### Do you have a loan with another lender?

If you have a home loan or investment property loan with another lender have you looked at refinancing it to us? We have some great new loans that we can offer to get you a better deal.

**If you apply to refinance your other home loans to Astute before the end of April we will refund you 50% of the application fee upon settlement.**

**Call us now to see how we can save you money.**



## Do you have an email address??

If you have an email address and would like to receive your newsletter and offers via email instead of Australia Post mail please contact our Customer Service team. You can email your contact details to

**customerservice@astutehomelending.com.au**



Did you know you can access online banking via the Astute website?

Just go to our website [www.astutehomelending.com.au](http://www.astutehomelending.com.au) and click on the tab on the left hand side 'Online Banking' From here you can access Account balances, transaction history, change password.



A man phones a lawyer and asks, "How much would you charge for just answering three simple questions?"  
The lawyer replies, "A thousand dollars."  
"A thousand dollars!" exclaims the man. "That's very expensive isn't it?"  
"It certainly is," says the lawyer. "Now, what's your third question?"

### **This is supposedly a TRUE news story. I have my doubts, but you decide....**

A lawyer in Charlotte, NC purchased a box of very rare and expensive cigars, then insured them against fire among other things. Within a month, having smoked his entire stockpile of these great cigars and without yet having made even his first premium payment on the policy, the lawyer filed a claim with the insurance company.

In his claim, the lawyer stated the cigars were lost "in a series of small fires." The insurance company refused to pay, citing the obvious reason: that the man had consumed the cigars in the normal fashion. The lawyer sued....and won! In delivering the ruling the judge agreed with the insurance company that the claim was frivolous. The judge stated nevertheless, that the lawyer held a policy from the company in which it had warranted that the cigars were insurable and also guaranteed that it would insure them against fire, without defining what is considered to be "unacceptable fire," and was obligated to pay the claim. Rather than endure lengthy and costly appeal process, the insurance company accepted the ruling and paid \$15,000.00 to the lawyer for his loss of the rare cigars lost in the "fires."

But... After the lawyer cashed the check, the insurance company had him arrested on 24 counts of ARSON! With his own insurance claim and testimony from the previous case used against him, the lawyer was convicted of intentionally burning his insured property and was sentenced to 24 months in jail and a \$24,000.00 fine.

## 100% Offset account

One of the easy ways of saving money on your home loan is the offset account. Offset accounts are set against a term loan. They allow you to deposit extra funds into the account and reduce the amount of interest you pay, and you can still redraw the funds out again. Rather than paying you interest, the account reduces the amount of interest charged on your home loan. In the example below the loan amount is \$180,000 over 30 years at 7%. The normal repayment is \$1198 a month. Of that \$1198 in a usual loan \$148 goes to repaying the principal and \$1050 in paying interest. By placing just \$2000 in an offset account the repayment remains \$1198 a month, but \$160 goes towards reducing the principal and only \$1038 in interest is charged

### Interest Calculation

- Standard repayment still made
- P&I Repayments:

Principal \$148	} <b>Repayment \$1198</b> }	Principal \$160
Interest \$1050		Interest \$1038
<b>No Offset</b>		<b>\$2,000 Offset</b>

- Interest-Based Repayments:

Interest \$1050	} <b>Repayment \$1050</b> }	Principal \$11.67
<b>No Offset</b>		Interest \$1038
		<b>\$2,000 Offset</b>

Based on \$180,000 at 7% over 30 years



**ALLSTATE HOME LOANS PTY LTD**



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Not all lenders offer the offset account and it is not always available with every product, such as a line of credit.

If you are interested in using an offset account please contact our customer service department and see if it is available to you.