

# PRO M MORTGAGE



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## Welcome letter from the Directors...

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Well here we are off and running for 2007 and already we are approaching the end of January. Trust that everyone had an enjoyable Christmas and those lucky enough to have some extra time off are recharged and ready to face the new year.

**Did you Know?** For every home lost as a result of fire 4 are lost due to death of the breadwinner and 48 are lost through disablement. Any one with a mortgage has their home insured but most do not insure themselves against loss of income, death or disablement. If you were unfortunate enough to be disabled temporarily or permanently what would be your position?

**Investment:** In my opinion the equity you have in your home is like having money in an account not earning interest. Have you considered using the untapped equity you have as a method of building wealth. Rental vacancies are at all time lows in most major cities in Australia and in Canberra are at an incredibly low 1.1%. Now is an excellent time to consider property as an investment. Property investment is not for everyone but there are many other ways to invest for your future. Too many people wait to long and miss opportunities.

**New Year Resolutions:** Just a couple of hints for the new year that are worth thinking about:

**I will find my lost super.** If you have changed your job, name or address in the past 10 years you could be one of the

thousands of Australians with missing super. The Australian Tax Office (ATO) has a service available to locate lost super funds - log onto [www.ato.gov.au](http://www.ato.gov.au) go to the "For Superannuation" page and click on "Find your lost super".

**I will organise 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 do your tax return? Get organised through creating a simple tax organisation system - it can be as simple as a shoe box where you place receipts, bank statements etc to a more in-depth filing system. The ATO web site also has advice outlining which records should be kept and filed as a deduction

**I will have a mortgage health check.** Over time your circumstances change and your existing mortgage may no longer suit your needs. On most mortgage checks we carry out where a change is warranted it is as simple as changing from one product to another or getting the discounts now available on your current loan that was not available when the original loan settled.

All the best for a happy healthy and prosperous 2007

Keith McLaren  
Managing Director.

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## NEED A MORTGAGE HEALTH CHECK?

Put your loan through its paces once a year to make sure it still meets your requirements  
Here are four issues worth considering

### Could I be paying less interest?

Although the interest rate alone is not the only consideration for choosing a loan, it makes sense to check that you're not paying more for a product than you need to.

There is always competition between lenders to offer the lowest rate, so even if you had the cheapest loan a year ago, things may have changed. Before switching to a lower rate just make sure you take break costs into consideration, or you could end up worse off.

### What's different in my life?

Has your personal situation changed over the last year? Maybe you've been promoted, had a pay rise, or gone from contract work into a permanent position. Different mortgage products are tailored for different situations, so you may be

better suited to a different loan. For example, if you were previously self-employed, but are now a salaried employee, your Low Doc loan could be switched to a lower interest product.

### Do I need to unlock equity?

Over the years you accumulate considerable equity in your home as you repay your mortgage. But you may be able to tap into the value that's built up in your home without having to sell. Australians can use equity from their homes to fund many requirements— from putting children through University to increasing assets through purchasing an investment property. As long as you are able to service the loan repayments, you may be able to borrow up to 80% of the value of your home without having to pay lenders mortgage insurance.

### Could I be paying off my mortgage faster?

Some mortgage products are designed to help motivate borrowers repay their mortgages quickly. If you're striving to be mortgage free, for example, there may be a more effective product than your existing loan to drive your mortgage down.

A "Basic" loan usually comes at a lower interest rate, but its lack of flexibility may restrict certain mortgage reduction techniques. Equity lines, off-set accounts, and redraw facilities all allow borrowers to pile extra funds into their mortgage on a regular basis, which may result in taking years off your repayments.

*Make an appointment with your Pro-Mortgage consultant to give your loan a 'check up' today.*

# DEALING WITH DEBT

## UNDERSTANDING THE DIFFERENCE BETWEEN GOOD & BAD DEBT, & STICKING TO A BUDGET ARE THE FIRST STEPS TO KEEPING YOUR HOUSEHOLD IN THE BLACK

Although many Australians despise the thought of being "in debt", debt should not always be seen as a negative.

Good debt can include anything you need but can't afford to pay upfront, without wiping out cash reserves or liquidating all your investments, such as a property.

Alternatively, loans taken on items you don't really need (and can't afford) could be categorised as a bad debt. Wherever bad debt arises, you'll find that a credit card is never far away.

So if you're concerned about rising debt levels in your household, what can be done to regain control?

**Chop up the card:** Once safe from temptation you can set about reducing the outstanding amount without adding to the problem. Remember, the minimum repayments on a credit card are designed to keep you paying interest for longer.

**Work to a budget:** Spot the gaps where the dollars have been leaking by recording what you spend

each month. Once you know where your income is going, you can set a budget to keep you on the right track. Note down all regular commitments, including loan repayments. Anything that's left is your disposable income, although it's a good idea to try to channel as much of these funds into additional loan payments.

**Change spending habits:** Changing your behaviour is the only sure way to safeguard against slipping back into trouble. Stop impulse buying, which means make a list of items you need before going shopping. Also look for money saving opportunities, like taking a packed lunch to work, or cutting out the morning cappuccino. And if in doubt, be honest with yourself and ask 'can I really afford this?'

**Consolidate debt:** If you have multiple debts, consolidation may be the answer! One monthly repayment can be easier to manage than several. What's more, credit cards are charged at a higher interest rate than most other loans, so it may be worth paying off the debt with one hit and switching to a cheaper rate. One option worth exploring is to consolidate debts into your mortgage.

## ...water smart gardening techniques...

With the ACT and NSW Tablelands on some level of water restrictions, it seems that water conservation will be a staying issue in Australia. But if you choose your plants wisely and water properly you can still maintain a beautiful garden.

- Choose native draught resistant plant species—you'll save on water while contributing to maintaining Australia's unique plant systems.
- Water your plants at their root system—not their leaves—and do so less frequently but for a longer period. This will encourage healthy plants with deep roots.
- Install a rain water tank you can water your garden or wash your car at any time.
- Give your garden a makeover. For example, reduce the amount of grassed area with some hardscaping—paving, decking, gravel and stone beds—that don't need watering.
- A water-efficient nozzle for your hose that ranges from a high pressure jet down to a mist spray will let you control the output of water. When you've finished watering turn the hose off at the tap to avoid leaks.

Sources: [www.bhg.com.au](http://www.bhg.com.au)  
[www.sgaonline.org.au](http://www.sgaonline.org.au)  
[www.watercorporation.com.au](http://www.watercorporation.com.au)

## COOKING WITH GAV ... 'Stir-fried prawns in oyster sauce'

### Ingredients: (Serves 4)

16-20 green prawns • 20-30 trimmed snow peas • 1 red capsicum, thinly sliced • 2 plum spring onions incl. some green part • 3 tbs veg oil • 1 clove crushed garlic • 3 tbs Chinese oyster sauce • 1 tbs lemon juice • 100ml dry white wine • Good pinch sugar • 2 tspns cornflour dissolved in 2 tbs water • 1 tbs chopped ginger

### Method:

Combine sauce, lemon juice, sugar cornflour mixture and wine in a saucepan; bring to the boil and cook gently for a few minutes to get rid of the starchy cornflour character. Set aside.

Stir fry the prawns and vegetables quickly in the oil and garlic, stirring continuously. Fold in the sauce and ginger, stir fry for another half a minute. Ideally serve with plain rice.

