

PRO MORTGAGE

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Welcome letter from the Directors...

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Welcome to our winter edition of the ProMortgage newsletter.

Congratulations to our Accounts Manager/ Receptionist Karen Cini who gave birth in March to a little bouncing boy named Joshua.

We would also like to welcome Bob Charlton to ProMortgage. Bob will be operating under our name on a contract basis and we offer his existing clientele all the professional facilities of our business.

Our Managing Director, Keith McLaren has just been selected as one of only two brokers from NSW/ACT to represent the Professional Lenders Association Network (PLAN) on a national level. This is recognition of the vast experience Keith has in this industry and the high regard in which he is held by PLAN. A PLAN Australia Ambassador is a long standing individual member who has been selected by PLAN Australia to act as an advocate and advisor

on strategic activities and as a mentor to their membership.

We also invite and encourage all our clients to review their loan packages. Lenders are forever changing and improving their products and there has been a lot of changes over the past 12 months. With the Reserve Bank recently raising official Interest Rates by 0.25%, most Financial Institutions have now passed this increase onto their customers. Although this is only a minor adjustment, if you feel that you need to review your position because of this movement or possible future increases please do not hesitate to contact us.

We are also proud that ProMortgage has been nominated for Broker of the year in the Australian Mortgage awards.

~ Wayne Pattison

Director www.promortgage.com.au

COOKING WITH GAV ... 'ProMortgage Chili beef stir-fry'

Ingredients:

4 Long red chilies, sliced thinly • 1 tablespoon chopped fresh ginger • 4 (160g) Thai shallots or small red onion • 1/3 cup (75g) firmly packed brown sugar • 1 tablespoon fish sauce • 2 tablespoons vegetable oil • 650g beef strips • 6 green onions (green shallots), cut 5cm lengths • 450g Chinese broccoli, chopped coarsely • 1 tablespoon fish sauce extra • 1/4 cup firmly packed Thai basil leaves

Method:

- Process the chilies, ginger, shallots, sugar, fish sauce and oil until ingredients are chopped finely.
- Stir-fry chili mixture in a heated oiled wok for about 5 minutes, stirring continuously, or until fragrant and browned. Add beef, stir-fry for about 2 minutes or until just wilted. Stir through extra fish sauce and basil leaves
- Serve with steamed rice, if desired. (Not suitable to freeze or microwave)



Serves 4 Cooking time: Less than 30 minutes

At ProMortgage we like to keep our valued clients informed with what is happening in the mortgage industry with our quarterly newsletter.

If you wish to change the way you receive such information from ProMortgage please:

email: reception@promortgage.com.au • post: PO Box 5123, Braddon ACT 2612 • or, call 02 6262 7113.

Name: _____

I/we would like to receive information via email address: _____

I/we wish not to receive further information.

"The biggest compliment you can pay us is to recommend our services to you your family and friends."

INVESTMENT HOMELOANS — WHO

Do you have equity in your home that you would like to put to use? The table below sets out a generic investment for purchase in the ACT, purchase price \$450,000 borrowing 100% plus costs and the purchaser is an individual person on gross taxable income of \$60,000pa. The loan facility is over a term of 30 years with interest only payments for the first 3 years converting to principal and interest over the remaining 27 years. Call ProMortgage to make an appointment so we can work out a scenario based on your personal circumstances.

SUMMARY

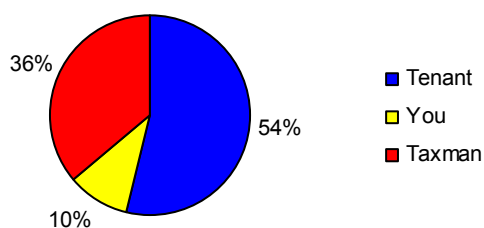
Assumptions		Projected results over 5 years	
Property value	\$450,000	Property value	\$509,134
Initial investment	\$0	Equity	\$49,338
Gross rental yield	4.53%	Net present Value	\$-2,257
Net rental yield	3.43%	IF SOLD	
Cap. growth rate	2.50%	Selling costs & CGT	\$32,956
Inflation rate	2.00%	Equity	\$16,382
Interest rate	7.00%	After-tax return / yr	-53.12%
Taxable income	\$60,000		

Disclaimer: Note that the computer projections listed on this page simply illustrate the outcome calculated from the input values and the assumptions contained in the model. Hence the figures can be varied as required and are in no way intended to be a guarantee of future performance. Although the information is provided in good faith, it is also given on the basis that no person using the information, in whole or in part, shall have any claim against ProMortgage Pty Ltd, its servants, employees or consultants.

COMPUTER PROJECTION

Investment Analysis	Projection over 5 years					
	2006	1yr	2yr	3yr	4yr	5yr
End of year						
Property value	\$450,000	461,250	472,781	484,601	496,716	509,134
Purchase Costs	\$19,750	19,750				
Investments/principle	\$0				6118	6560
Loan Amount	\$472,473	472,473	472,473	472,473	466,356	459,796
Equity	\$-22,473	-11,223	308	12,127	30,360	49,338
Capital growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gross rent/week	\$400	20,384	20,792	21,208	21,632	22,064
Cash deductions						
Interest (I/O & P & I)	7.00%	33,073	33,073	33,073	32,879	32,437
Rental expenses	23.71%	4,932	5,030	5,131	5,234	5,338
Pre-tax cash flow	\$0	-17,621	-17,312	-16,997	-22,599	-22,271
Non-cash deductions						
Deprec. of buildings	2.50%	7,000	7,000	7,000	7,000	7,000
Deprec. of fittings	\$19,300	2,181	1,911	1,678	1,477	1,303
Loan costs	\$2,723	545	545	545	545	545
Total deductions		67,481	47,559	47,427	47,135	46,623
Tax credit (single)	\$60,000	13,725	8,432	8,260	8,115	7,969
After-tax cash flow	\$0	-3,896	-8,880	-8,737	-14,484	-14,302
YOUR COSTS/(INCOME) PER WEEK:		75	171	168	279	275

Who pays the cost (1st year)?



Average contribution (5 years)

