



mortgage SELECT

Hi to all,

This is our 4th Newsletter. I am thrilled that so many of you feel there is value in the articles and enjoy them. I am in touch with all of you and you already know how busy we are so am happy to report that I am currently interviewing for another full-time loan

writer/assessor to join the team. The last six months has seen another 4 offices open, (2nd agent came on board Jan last year) - 2 brand new and 2 existing that have elected to be part of the MSA network. All people are handpicked having to demonstrate competency in all areas, police checks, full accreditations, testing and longevity in the industry.

Marnie is travelling well and is a great asset to the company. She is invaluable to me as once the loan is structured and the product decided upon, Marnie then packages, lodges and follows up the loan to settlement. Any problems are brought to my attention in order for me to get involved if I need to argue with those pesky lenders and clarify complicated scenarios. The last 2 months have been a nightmare with 90% of the lenders having assessment problems and taking much longer than usual to approve loans. Thank you for your patience and understanding.

Your main question is still whether to fix or not. I so wish I had a crystal ball. One thing I can tell you is that the 3 yr and 5 yr rate is very, very low. Much lower than the standard variable rate at present. We can get a 3 yr rate for 5.99% and a 5 yr rate for 6.19%. Pretty good value. Make sure you ring us to discuss the pros and cons before taking any action and we organise the switch or you

will find a telemarketer who does not know your situation making wrong choices and charging fees which can be avoided.

Hope you've had a brilliant Easter break and thank you all for your amazing support - we value each of you and look forward to speaking in the near future.



SELF EMPLOYED BORROWERS

When applying for a loan please note that all 2002 company and personal tax returns and financials must be complete. Many self-employed clients automatically send us a copy of their full returns (co & personal) as soon as they are done. This enables us to do a full assessment when you make loan enquiries.

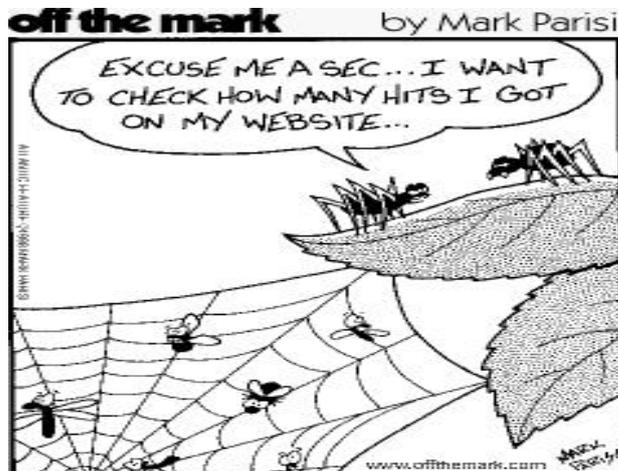
Deposit Bonds What are they?

Why do we hand over a 10% deposit to the vendor when signing contracts? This is to ensure the sale takes place. If the purchaser does not honour their contract, they lose their 10%. A deposit bond replaces the 10% cash deposit. The most common is through Royal Sun Alliance (RSA), (www.depositpower.com.au). They will issue a Certificate (for a fee) which the vendor is able to cash in if settlement does not occur. It is then up to RSA to chase the purchaser to recoup the 10% deposit. The advantage for the purchaser is not having to hand over their 10% cash 3 months early. In many cases, purchasers are using the equity in their current property but do not have liquid cash for the deposit. This practice is widely used in NSW and becoming more popular in Vic. We at MSA do not charge for this service. It is worth noting that a Deposit Bond is only available for purchasers who can show finance approval.

JUDITH GOORJIAN

www.mortgageselect.com.au

We finally set up the website. It is mostly for you, our loyal clients. It will enable you to determine all the stamp duties and govt costs for any purchase in any State of Australia. Also Principal & Interest payments on loans at any interest rate/loan term and how your loan is affected by extra or lump sum payments. Please feel free to contact us through the website. Would love to receive some feedback.



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No matter how desperate you are to get into property do not Get sucked in by:

"TWO-TIER MARKETING"

This is where "promotional" companies, not registered real estate agents, rush you into **bargain** property deals - including providing lightning-speed finance and "paralegal" advice - at way over market value. The 'scamsters' typically target people who have no idea of actual property values and could easily believe that

an \$80,000 Gold Coast apartment, for example, was worth \$120,000. Tougher laws are now in place in Queensland to combat these rip-offs, but people are still getting burnt. Don't let this be you.

Sunday Life, March 9, 2003

Note: I have had a number of customers, "sucked-in". Please call us to discuss.

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"The finest compliment I can receive is a referral from my clients and friends"

While we are not property experts, at least we can give you some tips of what to look for, what to ask and where to get advice. Although by not buying the property - we do not get the loan, we prefer to wait and have you buy the right property and be secure in your wealth building future...

ROGUE BROKERS

There has been much publicity lately regarding the standards of the mortgage broking industry. It is unfortunate that the publicity is largely correct. When I first started in the industry in the mid 90's (broking as we know it has only been around for about 10 years) we were licensed. Licences are no longer needed which has opened the door to any 'Tom, Dick and Harry' in the marketplace. They join a large aggregator who offers them their limited supply of lenders and trains them minimally and expects a high personnel turnover. These brokers drive anywhere, anytime, desperate for every bit of business they can scrounge up. Often dishing out poor advice and rarely keeping in touch in the long term. The following is a list of questions which help to differentiate brokers:

Questions to Ask

- MIAA accredited?
- How many lenders on their panel?
- Can they add lenders whenever they wish?
- If so, how?
- Do they trade through an aggregator?
- If so, who?
- How long have they been broking?
- Why suggest one product over another?
- Will the broker charge a fee for their service?
- Can they supply references from satisfied clients?
- Do they carry \$1m - \$3m in prof indemnity insurance?
- Do you know where the broker lives?
- What sort of ongoing service do they provide?
- How do they get their leads?

Our Answers

- Yes
- Over 3 dozen & growing
- Yes, we are in control of who we use
- Analyse new products, do training & testing
- Sometimes, but in house
- AMAG P/L (Judith is a Director)
- MS - since 1998, Judith earlier.
- Able to give clear features/benefits
- No
- Many
- Yes
- Yes
- 2 newsletters and 3 phone calls p.a.
- Personal referral only, no advertising.



BankWest Clients

For those of you with this bank - pls call us. We are very angry that the fees have risen by 50% from \$8 p/mth to \$12 p/mth. For some with split facilities there are possibilities of reducing these fees. I have negotiated a reduction for my clients in certain situations so if you have more than one loan ie split between fixed and variable, pls call so we can explain what to do. We will speak to all of you in the coming months (b'day and loan anniversary) and will explain then but no need to wait. It is still much cheaper than paying \$300 p.a. (\$25 p/mth) or more with the majors but lets cut costs if we can.

Adequate Cover is a Prudent Move

Property buyers are rightly concerned about insurance cover in the period between signing the contract and settlement.

Solicitors and insurance companies generally recommend that purchasers take out fresh cover as they should not rely on vendors to be adequately covered. The vendor's policy might have expired or not have been updated. If the property is not insured for its full value the cost of repairs might exceed the insured amount.

The purchase contract may be modified so the risk passes to the purchaser immediately the contract is signed. It is therefore **prudent** for the purchaser to take out new insurance cover.

Enzo Raimondo, CEO of the REIV, Sat 5/10/02 The AGE.



New Investment Opportunity in Elwood

Thank you for the fantastic response I received from the last newsletter. The property is still waiting for permits which are expected to be forthcoming in the next three months or so. I have listed your interest and will most definitely be contacting you once permits are received and the properties are ready for purchase.

