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# REFINANCE AND DEBT CONSOLIDATION REPORT

Meet Debbie and Peter...

We helped them get their life back on track with a refinance



**Learn how to extinguish crippling debt,  
get a better home loan rate,  
pay down your mortgage fast  
and begin to take control  
of your life!**

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## Congratulations for requesting

### The Ultimate Guide to Refinancing and Debt Consolidation.

We have helped many people take control of their life by finding a way to free up their debt and begin living with better financial habits.

***“If you are now experiencing financial pain thru mortgage or consumer debt, now is the time to do something about it.”***

Like Debbie and Peter, if your life is seemingly spiraling out of control there is a way to get back on track.

The key to unlocking the process is by using your current mortgage to revitalize your finances into a lower interest rate environment, where loan commitments are easier to pay down.

If you don't have a mortgage, don't despair, there are still some strategies to employ which can immediately help your situation.

### **T**he Concept

There may have been times where you make good decisions and other times where you take on debt which is not to your overall financial benefit. Banks throw high interest debt at us and we're at the mercy of this highly incentivized landscape to buy now and pay later.

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In the case of your home mortgage, this is a good thing because in a way when you buy your first home you become part of a giant savings scheme (paying down your mortgage), which for one, saves you rent and gives you the independence of your home, that will in time become your biggest financial asset.



Other things you buy are not so good and fulfil a short-term desire to possess. The new vehicle bought thru high interest finance, big ticket store purchases on store cards, personal loans for holidays (enjoy the now and pay later...).

***“Other things you buy are not so good and fulfil a short-term desire to possess.”***

Some even try to put out the building debt fire by establishing another credit card or personal loan, which in the end exacerbates the problem, bit like throwing petrol on the fire. It doesn't work, it roars higher!!

**Does it sound familiar!**

The end result is debilitating DEBT and lots of it. It builds like a form of cancer around your financial wellbeing, eroding its banks. We know it's there and sustain it but there comes a point, like a fire, it rages hotter and higher.

The items you bought with the debt don't help you either. The vehicle quickly depreciates so much so that if you sell it you still have money to pay out on the loan. The holiday is gone, memories on a photo card, good but gone and the personal loan still lingers for another 2,3 years.

Store cards sit in the background, sniping away, the amount not big enough to pay off but enough to make a difference over a year. Regularly the financier throws out an extra hook, looking to increase your limit and drive the hook deeper!

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The Credit card the white knight for Banks, which has raked in billions over years, uses its insidious charms to inveigle/extort your cash from you each month in a never-ending evergreen loan cycle, never to be paid off!

If you're self-employed, again there's Tax Office payments to be made on outstanding debt or PAYG installments.

You may be victim to some or all these debt channels. The house is good debt, at least you live in it, save on rent and it mostly appreciates in value over the years and the mortgage you pay is a forced saving like no other. The rest of it is cancerous DEBT and should be looked at as so, and the sooner it is cut out, the better and more fulfilling your life will be...

## The Action

Before we can look at strategies to douse the debt fire, it is advised that you undertake and implement a budget strategy. Most people don't budget full stop. Mainly because people are too apathetic to try. They also don't see the point and theorise that they are already good at budgeting without a plan.



You get paid right? You then pay your bills, direct debits like mortgage repayments come out themselves, and the rest is yours to spend and of course you do! There is an absolute smorgasbord of choice...You can make a purchase literally in seconds right now with your phone, it's just too damn easy to spend your cash.

Facebook, TV, billboards, shopping centers, internet, iphone...they're all geared up to sell you stuff you absolutely need. Well, you think you do.

There's your house to fix that costs a bomb if you need Tradies, holidays each year, car maintenance, registration and if you have children, wow you've spent the lot each month.

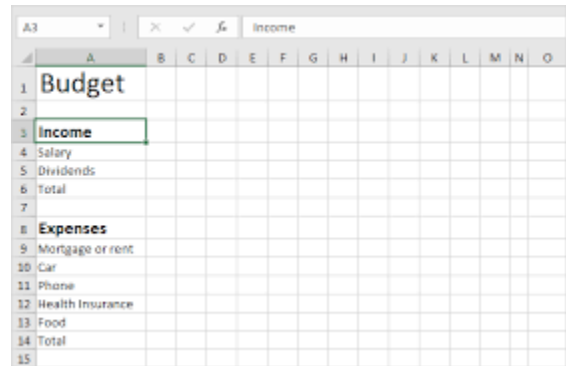
The cycle then perpetuates, and you find in 1 , 2 or 5 years you go up and down on the spot! You're not saving, so you turn to short term debt to make purchases to satisfy instant gratification. That debt becomes a higher percentage of your income and the stress cracks appear...

After a while regret kicks in and you wish you had done something earlier, much, much earlier, so why not now? get serious and take this on.

**That's find out how much are we spending? Here's a simple way to start on the road to redemption.**

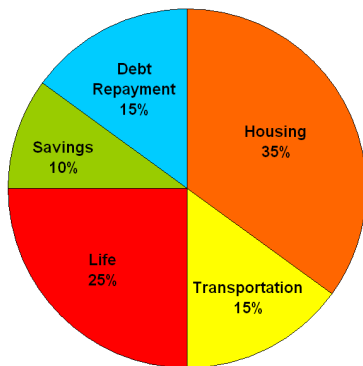
**Step 1**

- Download your bank statements from your Internet banking site in excel format or other so you can export into Excel.
- Separate out your costs of living into columns (food, insurances, internet, fuel, rego's, repairs, medical, entertainment etc)
- Total up each month and continue to do this for several months and create this data as a pie graph thru Excel.



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Budget														
2															
3	Income														
4	Salary														
5	Dividends														
6	Total														
7															
8	Expenses														
9	Mortgage or rent														
10	Car														
11	Phone														
12	Health Insurance														
13	Food														
14	Total														
15															

Compare your results and consider its consistency...You now have a 'snap shot' of your living expenses. It should then be clear what is debt, what is compulsory living and what is impulsive buying and incidental spending.



**You now have the power! You can see your spending habits tabulated in front of you and can make decisions about what YOU need to do to free up cash and reduce your spending on items you don't really need.**

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So before we try and fix our debt problems we needed to fix our budgeting habits or at least have a 100% knowledge on where your money goes. It's not hard to do and is an imperative part of healing your financial wounds.

By doing these simple first steps we will guarantee you will feel a lot more empowered knowing exactly where your money goes.

You can then start making decisions about how to save more and spend less. One



**YOU  
HAVE  
POWER**

fantastic strategy is to set up direct debit or bank transfer arrangements for upcoming debts and future expenditure. You can nominate bank transfers of a certain amount to go to Utility accounts (water, power, rates) each week/month so that the funds go out before you can see them in your account and divert them for unnecessary spending.

***This is a powerful strategy so don't underestimate it!***

After a while you will embrace this new way of managing your money and become proud, taking ownership of your growing savings acumen and money management skills.

So before you consider refinancing and consolidating debt, it is highly recommended that you take control of your finances using the above mentioned practices. They are, by far, the most important skills you can possess to stabilize and increase your financial position.

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The next step is to consider refinancing your mortgage and consolidating other consumer debt into your home loan to pay a lower rate and one easy payment.

## The Refinance Process

Our first action is to ascertain if you can consolidate that debt into your home loan and secure a suitable refinance to another Lender at a lower rate.



Firstly, you need a home loan! and preferably one that you've had for 3-5 years that contains equity within the house that can be accessed to secure extra debt and make the refinance possible.

To be able to refinance, ideally the loan considered should not be more than 80% of the property's current valuation. For example, if your house was worth \$500,000, 80% of that is \$400,000, so total lending should not be over this amount.

If the lending rises above 80%, lenders mortgage insurance applies, meaning, the Lender will take out insurance you will pay as an upfront premium, to insure against defaulting on your loan within the first 4 yrs. This expensive premium will make any refinance less palatable as any savings calculated by moving to a lower rate will be negated by the insurance premium.

***Potentially on a \$400,000 paying 50 basis points less on your mortgage, you could save \$1400 per annum and maybe pick up a "cash rebate" of \$2000.***

So our promise to you is that we will explore the best possible avenues for your situation to avail the best outcome.

- If you don't have any personal debt to consolidate, we will report on the lowest home loan rates available for your situation and importantly, any 'cash back' offers for incoming clients.

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Cash backs of \$2K - \$3K are offered at times by most Lenders. This could potentially save you \$100's per month less in repayments and is also an opportune time to consider whether you need to borrow extra for home renovations or other reasons.

- We will arrange at our expense, a full valuation of your home so that we have a solid number to do our refinance sums with.
- If you do have accumulated debt that is burning a hole in your pocket we can consider a strategy where we roll over your personal debt into a refinance structure to encompass it and access very much lower home loan rates.



We will generate a report outlining the strategy we propose to refinance your home and if required, encompass the higher interest debt in a separate loan at home loan rates so you can pay it down fast.

### **It's a FACT!**

Your current interest rate could be a long way off what is available in the market now, meaning you could be saving literally hundreds of dollars every month.

This can help you:

- Help pay off your mortgage sooner
- Reduce personal debt
- Assist with cashflow during peak spending periods
- Help save for that one-off big-ticket purchase, like a holiday or home renovations



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## What's the Process?

If you would like to know more, please get in touch for further information.

You can book in a 15 min Strategy Call here –  
<https://calendly.com/vehiclefinance/15-min-call>

If we can't help you out now or you just aren't happy enough to take up our offer of support, we can guarantee this –

- We will provide you with a free Property Report of your house
- Organise a full valuation of your house that Banks will recognize
- Provide a Refinance Report outlining the absolute best rates out there, your borrowing capacity and a strategy to follow to improve your financial standing
- Send you a free copy of The Essential Guide to Finance, Property and Money.
- Keep in touch with you offering the latest in mortgage and finance through our monthly magazine.



**The ball is in your court!**

