

Get more out of your hard-earned cash

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At Blue Key Finance we feel it's important to identify the top 20 traps to avoid so you can keep more of your hard-earned cash.

- Triggering capital gains tax on your home when you have a home office
- Not providing your tax file number to your super fund
- Panicking when the share market falls and realizing your losses
- Not specifying contents on your home insurance policy
- Taking a cash advance from your credit card
- Arranging car finance at the dealer without shopping around first
- Not personally choosing your superannuation investment option
- Claiming an immediate tax deduction on rental property improvements
- Not updating your will if there has been a change in your life circumstances
- Agreeing to be a guarantor or co-borrower
- Overdrawing your bank account or going over your credit card limit
- Being late on your credit card repayments
- Refinancing without taking into account the costs
- Falling for scams
- Overcapitalising on renovations
- Not knowing how to cancel a direct debit from your bank account or credit card
- Not paying an interest-free deal by the due date
- Locking into a fixed rate at the wrong time
- Buying a second hand car without doing a RACV check
- Underinsuring your home to try to save money



If you need clarification on any of the following 20 traps please feel free to email us at enquiry@bluekeyfinance.com.au for a detailed answer.



Enjoy a coffee while taking in the following facts ...

“Think of a credit score like a grade at school; calculated from test scores, homework and participation.”.

Did you know ...

\$537,000 is spent by a typical family raising two children from birth to 21 years.

The average age for dads is 33.1 and 30.8 for mums.

67% of children under three are in child care. 14 hours a week is the average.

15% of workers will change jobs for a higher income to purchase a home, even though they're happy where they are.

37% of Australians are likely to be 41 and over when they buy their first home, compared

with 28% in 2007.

23.8% of working Australians have been selling off unused items (such as electrical goods, bikes, furniture) more often than they were three months ago.

23% of income is spent by middle income families on the costs of raising children.

18.1% of working Australians buy more lotto tickets than they did three months ago.

Source: *September, October, and November Money Magazine*

Your credit score

At Blue Key Finance, we want to help you achieve an approval for your loan requests and the first step is for you to understand how the lenders “credit score” your application.

Think of a credit score like a grade at school; calculated from test scores, homework, and Participation. Weight each category according to its importance, and roll all of them into a single number—the score.

An approximate breakdown of how credit scores are determined:

- 35% based on your payment history
- 30% based on outstanding debt
- 15% based on the length of time you have had credit
- 10% based on the number of inquiries on your report
- 10% based on the types of credit you currently have

Like anything, there are benefits and limitations of credit scoring.

Pros

- It produces a consistent result
- It is efficient
- It reduces bad debt
- It facilitates the automatic capture of data for management information systems

Cons

- It is not always correct
- Predictive models use data from the past to predict the future
- It requires ongoing monitoring and adjustment.

Victorian Affordability Update

Victoria	June 2008	June 2007
Proportion of family income devoted to meeting average loan repayments	38.2%	34.3%
Average weekly family income	\$1,304	\$1,241
Average monthly loan repayment	\$2,158	\$1,847
Average loan	\$253,860	\$243,030
Number of first home buyers	7,637	8,781
Average first home buyer loan	\$226,700	\$225,200

“The size of the average loan, and average loan repayments increased more than the average family income.”

This article was brought to you by REIA and Deposit Power

Property Update

Although prices have grown solidly, there are still affordable homes within striking distance of Melbourne CBD.

Suburbs selected by RP Data include five within easy commuting distance of Melbourne, and five further out, but still within two hours of the capital.

SUBURB	AVERAGE PRICE	10 YEAR GROWTH	GROSS RENTAL YIELD
Deer Park *	\$250,000	9.6% pa	4.8%
Hoppers Crossing *	\$250,000	7.7% pa	5.2%
Portarlington *	\$292,500	12.9% pa	4.1%
Rosebud West *	\$290,000	13.6% pa	4.2%
South Geelong *	\$282,500	12.6% pa	5.0%
Surf Beach *	\$296,500	18.4% pa	3.5%
Footscray #	\$243,500	14.75% pa	5.3%
Reservoir #	\$299,000	11.8% pa	4.3%
San Remo #	\$264,500	15.4% pa	3.4%
Thornbury #	\$292,500	13.7% pa	4.4%

* Houses # Units

Source: Money Magazine, November 2008

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We are a full member of the Mortgage & Finance Association of Australia (MFAA). We liaise with our panel of 25 residential lenders and 15 commercial lenders offering over 400 home loan products to find you the best finance structure and product to suit your specific needs. We specialise in housing loans, commercial finance, personal loans, lease finance, deposit bonds, general insurance and mortgage protection insurance. We organise immediate preapprovals, unconditional approvals, refinancing and answer any enquiries you may have. You deal with one professional from interview to settlement and beyond.

FAQ

Q) As a first home buyer what monetary assistance am I now entitled to?

A popular question for borrowers

Contract Date	Conditions	First Home Owner Grant	New First Home Owner Boost	First Home Bonus #	First Home Owner Regional Bonus #
From 14 October 2008 to 30 June 2009	Established homes only	\$7,000	\$7,000	\$3,000	\$0.00
	Newly constructed homes in Metropolitan Victoria only	\$7,000	\$14,000	\$5,000	\$0.00
	Newly constructed homes in Regional Victoria only	\$7,000	\$14,000	\$5,000	\$3,000

Additional Condition: To be eligible to receive the Bonus and Regional Bonus, the value of the property must not exceed \$500,000.

Visit:

http://www.sro.vic.gov.au/sro/SROWebSite.nsf/axes_firsthome_bonus_regional.htm to check which shire councils are entitled to the First Home Owner Regional Bonus.