

TOP 10

HOME LOAN MYTHS



1. **CHEAPEST RATE IS BEST.**

A low rate may come with high ongoing fees or high exit fees & less flexibility. You need to look at the whole package.

2. **Refinancing costs you money.**

Yes it can cost some money but in the long run it can save you thousands. In fact on a \$250000.00 mortgage over 30 years you could save almost \$20000.00 by refinancing with a .35% lower rate.

3. **A poor credit history in the past will stop you getting a new home loan.**

Not necessarily the case. If you have a stable job and some deposit, talk to the team at Fox Finance Group about your home loan options.

4. **You need at least 20% deposit.**

There are some lenders who are prepared to lend up to 106% of the property value for qualifying customers.

5. **100% home loan means no money upfront.**

If you get a 100% home loan, you will still need to cover the costs of stamp duty & your legal fees etc.

6. **I'm self employed, it will be harder for me to get a home loan.**

Today, there are many lenders who cater for self employed customers. It is now much easier to get a home loan if you are self employed.

7. **You need plenty of assets to get an approval.**

In fact, whilst assets are important, the lenders also look at many other things including your ability to repay the loan.

8. **Personal debts can be included in the new home loan.**

In most cases you will need to wait till the value of the property has increased sufficient to include these.

9. **Mortgage insurance protects the borrower.**

No, it actually only protects the lender. We recommend you consider having your own insurance. Your Fox Finance Group consultant can discuss these options with you.

10. **Paying minimum monthly payments is best.**

No. The more you pay & the more often (i.e. weekly or fortnightly) you pay, the less interest you will pay.

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