

HOME

YOUR HOME • YOUR LIFESTYLE • YOUR CHOICE



WELCOME HOME

Welcome HOME to the first edition of our new newsletter. After a few years absence we felt it was time to rejuvenate and re-launch a regular quarterly newsletter. We hope you enjoy the mix of articles within the four pages. Our aim is to keep you, as our valued clients and referral sources, informed about developments at The Home Loan Centre and the industry in general. However, we didn't want the newsletter to be a boring publication purely filled with finance information and company advertising, so we've aimed to include a mixture of different, and hopefully interesting and enjoyable, articles.

In this edition we give a brief overview to the use of family equity to purchase a home, with spring approaching we have some gardening tips, our initial community corner provides an overview of some community activities we are involved in. There is an interesting timeline on the evolution of tax, we gain an insight into Camulla the De Brazza's monkey from the National Zoo and Aquarium and finally, we put our Operations Manager Craig Gordon under the spotlight for a personal profile.

In February 2008 our business will celebrate its 10th anniversary. The business has certainly changed and evolved over that period. We

initially commenced trading as 'Australian Capital Mortgages' and changed to 'The Home Loan Centre' branding in 2000. Since then we have won the REIACT Mortgage Provider of the Year award for four consecutive years and we have grown the services we offer and expanded our geographic presence to three offices in Civic, Gungahlin and Tuggeranong. The Home Loan Centre group of companies remain privately owned and Canberra based. In 2005 we launched HLC Properties, our property management business. Since then we have steadily built up the portfolio
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to include many happy landlords and tenants. We are always looking for ways to be innovative and property management presented us with a good opportunity. Our service is based on a single weekly fee which is the only cost to our landlords. Whilst this innovation took a while to gain acceptance, we now find that our landlords embrace the structure as they know exactly what to expect each month. The service has been backed by the hands-on management of the very experienced Nicole Bush.

In July 2007 conveyancing was added to our one-stop service offering. The new firm is called Conveyancing Canberra and is a joint venture with the well respected Chamberlains Law Firm. Since its inception we have found that clients electing to use our conveyancing service along with our mortgage broking service, enjoy a smoother path to settlement. Our aim is to make the trying process of buying a property less stressful for our clients. We are now several hundred clients old and the service continues to grow.

Earlier this year we finally responded to a question that has long been asked by clients and supporters 'when are you going to sell real estate?' In May we felt the time was right to launch The Home Loan Centre Realty. We have a number of qualified real estate agents on staff and recently our senior Mortgage Consultants have undergone the training to attain accreditation as registered real estate sales people. We now have several sales under our belt and the future is looking very exciting.

We also offer a range of insurance products throughout our group companies. These include deposit bonds, life and income protection insurance, loan protection insurance and house and contents insurance.

Our 'one call does it all' service offering is now complete. With just one call to our main line (02 6214 8500) you can access all of our services.

For more information please visit our newly revamped web site at www.homeact.com.au or call our friendly Client Relations Manager, Anne Lynch. If you would like to be included on the electronic version of this newsletter, please contact Anne at alynch@homeact.com.au If you do not wish to receive future editions of HOME, please drop Anne an e-mail. ●

FOUR SEASONS

Spring is almost upon us, and it's now time to enjoy all the hard work invested in planting bulbs in autumn. Many will make the yearly pilgrimage to Commonwealth Park to enjoy Floriade, where the theme for 2007 is 'Aussie icons, myths and legends'.

It's sure to be another magnificent display, so if you've got time, it's certainly worth the visit. Go during the week if you can, as the weekends can be rather busy.

Spring is not all about fun though! It's time to get those pruners out and take care of your roses. In the ACT August and September are the ideal months for pruning roses. If you wish to expand your rose garden, now is also the time to plant new roses. Any winter flowering shrubs will benefit from a trim once the flowering has ceased. Summer and autumn flowering bulbs should also be planted during the spring months.

Spring is also the time to treat your lawn for weeds and to provide it with some sustenance in preparation for summer. However, with the current water restrictions in place in the ACT where the watering of lawns is not permitted, the task of fertilising is more difficult. The spray on weed and feed products are easy to use, but unless the restrictions are lifted, they'll be off limits this spring. One idea is to use a spot-on

weed killer and a dry fertiliser. Remember to aerate your soil to improve the water penetration, and be careful not to over fertilise, as this may increase your lawn's appetite for water! Weather pundits tell us that the El Niño weather patterns may be behind us and to look forward to the La Niña event later this year. This means that we may have a wetter than normal summer. Fingers crossed! ●



MUM AND DAD, HELP PLEASE!

The issue of declining housing affordability has been well documented in the press over the past five years. Even in the ACT, where the average household income is the highest in the nation, there are impediments for first home buyers.

The combination of escalating property prices and rising rents creates a vicious cycle that is locking many first home buyers out of the market. In short, first home buyers cannot save additional deposits at a fast enough rate to outstrip the rising house prices and at the same time are being subjected to increasing rental costs.

As an example, in the Belconnen area within the past six months many homes that would traditionally be purchased by first home buyers have increased in price by up to 10%. Very few people can save that sort of money in that period of time. As a result those home buyers who were close to affording a home six months ago, now may find themselves outpriced.

With this reality many are turning to their parents for help to break into the property market and most lenders now have a variety of flexible products that can facilitate this process.

The stamp duty exemption offered by the ACT government to first home buyers has a very low threshold and does not provide relief to a majority of purchasers. By comparison, the NSW concession is much more generous



but many ACT residents are less inclined to consider purchasing in Queanbeyan or other NSW locations. The Federal Government's \$7,000 First Home Owners Grant does provide some assistance, although this is generally absorbed into the stamp duty payment.

At present the availability of credit is at historically flexible levels. Frequently first home buyers in and around the ACT qualify to borrow as much as 105% of the purchase price of the property. There are some signs that credit criteria may be tightening, but this is not a significant issue at present.

Why then is parental support still an option that is well worth pursuing?

Certainly for some first home buyers parental support is the difference between being able

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BLAST FROM THE PAST

As we are all sitting down to prepare our annual tax returns, it's timely to reflect on the evolution of our taxation system. Did you know that the concept of taxation has been around for a very long time? Would you believe 47BC? Below is a timeline of some interesting tax events:

47BC Caesar establishes 1% sales tax

20BC Augustus establishes 5% inheritance tax and increases sales tax on slaves to 4%

1662 Introduction of Hearth Tax in the UK. The Hearth Tax was introduced in England and Wales by the government of Charles II. At the time the government was in financial trouble. Each liable householder was to pay one shilling



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to borrow or having to wait. For the majority of borrowers the parental support can represent a considerable saving which makes it easier to handle and manage the loan, without undue financial stress.

There are several ways that parents can offer support to their first home buying children:

- Offering additional security to the lender, by way of a mortgage over their home or investment property. This will remove the cost of lenders mortgage insurance, which is charged where the loan exceeds 80% of the value of the property security available.
- Providing servicing support, where the child has insufficient income to support the loan solely.

for each hearth within their property. Payments were due twice annually, on 29 September and 25 March. The tax was repealed in 1689.

1794 Anti-excise Whiskey Rebellion in US. Backcountry farmers raised grain from which they distilled liquor for export and for use as a medium of exchange. They had long defied the state's efforts to collect an excise, or luxury tax, on their liquor, but starting in 1791, the Federal Government introduced a National Excise Tax to help pay national debt. As a result a rebellion against the government ensued in 1794.

1851 Death duty introduced in NSW

1901 Federal Customs Duty on imported petroleum

1915 First national income tax in Australia

1944 Pay As You Earn (PAYE) introduced in Australia and UK

1983 Federal excise on heating oil, fuel oil and kerosene

1985 Capital gains tax was introduced

2000 Federal Goods and Services tax (GST) in Australia

Benjamin Franklin was right when he wrote a letter to Jean-Baptiste Leroy in 1789: 'In this world nothing can be said to be certain, except death and taxes.' •

* Source: <http://www.caslon.com.au> <http://www.bookrags.com>
<http://www.phrases.org.uk>

- Providing a combination of the security and income guarantees outlined above.
- Taking an independent loan in your own right and on-lending it or gifting it to your child to overcome any deposit shortfall.

It is possible to structure the support so that the risk to the parents is limited and manageable but the assistance to the children is invaluable.

One of the immediate benefits of security support is the avoidance of lenders mortgage insurance, on a loan of 95% of the purchase price of a \$400,000 property this would be in the range of \$7,400 to \$9,910.

A second benefit often available is that once the lending ratio against total security value is reduced (by adding a parents' property) the range of products available to the borrower is expanded making it easier to access the best possible deal.

As a parent if you are considering offering this type of support to your children, then prior to making any decisions you should seek appropriate legal and financial advice and be aware of the scope of your obligations under the facility that is chosen.

If you would like to find out more, contact one of our qualified consultants who can outline all the options for you. •



FITNESS TIPS

Regular physical activity

Exercise has many benefits for the body. Not only will regular exercise help you reduce body fat it will also help to increase your strength, bone and mineral density, increase your energy and make you feel more alert, healthier, and happier.

An active body and mind

Maintaining an active body is an excellent start to keeping an active mind. Physical activity also helps regulate your mood and provides you with a sense of being in control, contributing to your long-term wellbeing.

Eat well

Foods rich in antioxidants help protect your cardio- and cerebro-vascular system. As always reach for the fruit and vegetables and fish. Eat less saturated fats.

Train S.M.A.R.T.E.R

Your goals should be Specific, Measurable, Achievable, Responsible, Targeted, Empowering, and Revisable. Use these principles to evaluate where your training is going.

Results

If you want new results, you must take new actions. Unless you change how you are you'll always have what you've got.

Melanie Hrusik
Personal Trainer
P 0400 481 221
E vigourpt@fwi.net.au



MEET OUR STAFF

Craig has been with The Home Loan Centre for in excess of three years. This is Craig's second stint with the company and takes his service to over five years. Previously Craig worked for the Colonial State Bank for eleven years followed by his first stint with us. He then took a break from finance ... but finance was in Craig's blood and three years ago Craig returned. Whilst Craig's experience and expertise is in Mortgage Lending he is also a qualified Financial Adviser.

Away from the office he is kept busy by his two year old son and planning for the construction of a new family home at Bungendore.

Position Operations Manager

Life highlight Being at the birth of our first child and now waiting for the birth of our second in late September

Favourite TV show Any game the Roosters are playing in

Favourite movie Toss up between 'The great escape' and 'The man from Snowy River'



What inspires you The success of others around me, seeing them grow and develop and knowing that I have contributed in some small way.

Three people you'd invite for dinner Steve Waugh, Lee Kernaghan, Dave Hughes

Three words to describe yourself Down to earth

A must do Watch an Ashes Test at Lords

And one day I hope to own a farm ... I am still trying to convince my wife, a city girl at heart ●

COMMUNITY CORNER

As we approach our 10th anniversary in February 2008 The Home Loan Centre Group continues to maintain a philosophy of giving back to the community that supports us.

Some of our new sponsorship initiatives include commencing a three year commitment as the principal sponsor of the Canberra Cancerians. The Canberra Cancerians have raised over \$1 million in the last six years for the Australian Cancer Research Foundation ... stay tuned in next edition for details of the August 18th gala fundraising ball.

At the end of 2006 The Home Loan Centre raised over \$8,000 at our Christmas party for the Canberra Hospital. We have since worked in conjunction with the Canberra Hospital as one of the founding sponsors of their new charity to raise money to supplement government funding. Our next commitment will be as the major sponsor of the Charity's fundraising fashion parade to be held in November.

In support of good health and an active lifestyle, we have recently agreed to a three year deal as the major sponsor of the Ainslie Football Club. This sponsorship will expand our sports associations. We have been a Gold sponsor of the Tuggeranong Vikings for over five years and are currently finalising a deal to once again work with ACT Cricket as a sponsor. We are also about to embark on our fourth year as the major sponsor of the ACT Catholic Primary Schools Netball carnival.

Through our relationship with the Canberra Theatre we are able to couple support of the arts with enhancement to disability access. This is achieved through our sponsorship of the award winning Access and Special Assistance initiatives of the Canberra Theatre, which provides access to audio described performances, live captioning, FM hearing loop and mobility assistance.

Our environmental effort is channelled through our support of the National Zoo and Aquarium (see the article opposite about Camulla, the De Brazza's monkey).

Over the years The Home Loan Centre has supported many charitable and community based organisations. Our total commitment over this time is approaching the million dollar mark. This is no mean feat for a privately owned Canberra based business. Our philosophy has always been to give back to the community that supports us and we hope we set an example for other organisations to follow. ●



MEET OUR STARS

Do you recognise this face? It's Camulla (pronounced Ka-moo-la)! He's a De Brazza's Monkey and he kindly offered his services to us in the filming of our newly released TV advertisement. The De Brazza's are primarily found in flooded forests and swamps throughout equatorial Africa. Generally speaking De Brazza's are shy monkeys; they actively avoid contact with other animals and prefer to remain quiet. Although

you wouldn't know that after witnessing Camulla's acting prowess!

Camulla lives at the National Zoo and Aquarium with his little brother Sam. He was born in 1990 at Taronga Zoo and after living in Sydney and then in Mogo, he decided Canberra was the place to be, and has made his home here for the last six years.

As with most other species, human intrusion is the primary threat to De Brazza's in the wild. Logging destroys their natural habitat, and they are hunted for their meat and skin. These factors, combined with a high infant mortality rate, means that approximately one in four De Brazza's in the wild will not survive their first birthday.

We are proud supporters of the National Zoo and Aquarium and we'd like to thank Richard and Trent for welcoming us to the Zoo and allowing us to film its residents. Also, a special thanks to Bec for helping us with 'animal direction'. The Zoo is more than just a place to see some really cool animals, it is a place of conservation and education. For more information on the National Zoo and Aquarium, visit www.zooaquarium.com.au If you've missed our ad, visit our web site www.homeact.com.au and look under 'Media'. Stayed tuned for our next newsletter where you'll meet another 'animal actor'. ●