

The 7 Steps To Refinance Your Home And Save Thousands Off Your Mortgage



When you got your home loan it may have been the best at the time but more than likely you're paying more than you should. In Australia a lot of loans that are given to customers are called 'honeymoon' loans.

At the time they offer the best bang for your buck and have incredibly low interest rates usually for between 1-3 years. After this initial period the interest rate for these loans jump up and can be as high as 1% above the initial interest rate you were given.

Let's be honest, if I asked you right now what is your interest rate, could you tell me?

Most people can't because it's not something they think about. They have so many things to take care of in life that as long as the mortgage is getting paid, everything will be ok.

With how hard you work, should you settle for just making ends meet when financial freedom is so close you can nearly touch it?

If you were given 6 hours to ride a bike around Rottnest Island, would you start riding now as quick as you can or spend five minutes pumping up the flat tyres on your bike first? It might take you a little longer to get going but it will be a much more enjoyable ride and you will end up completing your journey much quicker with a lot less effort.

Mike MacKenzie has put together a short guide "The 7 Steps to Refinance Your Home and Save Thousands Off Your Mortgage".

Invest five minutes of your time now to have a much more enjoyable ride through your financial journey.

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1. Recognise that you need to make the decision to change something. Without that nothing will happen and it will be more of the same.

Making a decision to change is a very powerful thing. Until you reach that point where you say, "Enough is enough," nothing will change. Everyone is busy in life and we do miss the little things if we're not careful. If you're reading this, then you're halfway there to making a change for the better.

In today's society we are told regularly through advertising that we deserve the best. Even though we don't have the money now, with the use of credit cards we can live how we want when we want.

The problem comes when we get to the limit of the credit cards and we find out that the interest bill that we have to pay each month is now causing us distress. After paying the mortgage and the interest bill on the credit card, we don't have much left over for fun.

Once you recognise that you need to make the decision to change and to remove the financial burden you currently have, you will be empowered to put a plan into action.

Now it's time to find out what the action plan is and how can you do it quickly.

2. Understand that the banks have rules and you need to follow them, if you're going to beat them at their own game.

You can't hope to beat the West Coast Eagles in a game of AFL, if you're playing soccer. You need to be playing by the same rules to have any chance of beating them (unless you're the Dockers, just give up now :P).

It's the same with the banks, they have lots of rules you must follow for refinancing. Now they all do slightly change depending on the bank but for a good rule of thumb you should be up to date in all your payments for the last six months.

Simply by missing a credit card payment, being short by \$50 on a home loan repayment or going into overdraft by \$10 can be enough to stop a refinance going through.

Now you might be thinking, that's all well and good but I'm up to my eyeballs in interest repayments and I can't see myself completing six months good conduct, because I'm being killed with interest repayments right now.

As a stop gap measure, I may be able to get you a personal loan to get your head above water, so we can refinance you in six months and take care of everything.

You need to be proactive with this, because the deeper you dig the whole, the harder it will be for me to assist you. Once you make the decision to change it will all fall into place.

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3. Have a chat with your current lender to see what they can do.

At a birthday party for one of my children's friends, I got talking with one of the other dads. He told me that his fixed home loan just expired and his new rate was 4.21% and that he went in and had a chat with the bank manager and he was able to negotiate the interest down to 3.89% which is the very best the bank could do.

This was a great first step, as long as you don't lock yourself into another fixed rate with your bank. My client was able to save him self 0.32% before he asked me to save him even more.

Luckily for him I was able to help because with the same bank I had just got a client in the previous month 3.8%. The bank knows that if a person asks for a lower rate generally speaking if they lower it a little bit they will be happy and stay. Most people wont take the time to do a whole new application with another bank to save 0.09%.

However with Mike, they know that the client has all ready filled out the paperwork and with a tap of the keyboard, that client can go to one of 42 different lenders, so they give me their *best* rate the first time.

Most people just take what the bank gives them and if my client had done that he would have been paying 4.21% for the rest of the loan. By taking charge himself and making a phone call to the bank he saved \$31,000. By having a chat with me he saved himself *another* \$8,500. That's an exceptional hourly rate for making two quick phone calls and he didn't have to change banks.

4. Find a new lender who will offer you the best terms for your current situation.

I have access to 42 lenders who are all trying to compete to get your business. A few of them are actually paying you between \$1,250-\$2,500 to refinance your loan to them. I have access to all of this information though the software that's updated by the banks on a frequent basis.

Technically, you could go onto google, find out the interest rate and then look up there policies and procedures. If you do it properly it will take you hours and if you make a mistake it can cost you thousands of dollars over the life of the loan.

The real question is, why would you bother doing it yourself?

For home loans I don't charge a fee for service, everything I do is complimentary. I do however have costs and every time I order credit checks or bank statements I get charged including some valuations.

So I don't charge and it costs me money, this sounds like a really bad business model doesn't it?

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Well, it's not all doom and gloom. I do get paid a commission from the bank, once your home loan is approved. So if I don't get you the loan I don't get paid but it still cost me money to try and make it happen.

This is one of the key reasons why I will fight every step of the way to ensure you get the loan you need to get the dream you want.

When I put forward my choices for which loan would best suit you, it will tell you how much commission I will make from each of the loan options, so you will always know what's going on.

Out of the 42 lenders I deal with for residential home loans, most of them have the same commission structure and are very similar. There is not much difference, if any at all, between what I get paid by taking your loan to one of the big four.

If you go to the bank direct you get the same rate or a higher rate than what I as a refinance specialist can get you. I have the power to do pricing requests allowing me to get a lower rate than what the bank advertises. It's even lower than what the bank manager can get you. I know it sounds crazy but it's true.

In the previous example I told you the client was able to negotiate with the bank manager from 4.21% down to 3.89% With the same bank I got his interest rate down to 3.8% but better yet I took him to another bank that I knew he would qualify for and got him 3.69%. This saved him a further \$11,000. That brought his total saving by refinancing to over \$50,000 which is a brand new car and all it cost him was two phone calls and an hour meeting with me.

Also by using Mike, you're assisting a small Aussie business to grow instead of giving the money to a large multi national company that makes billions of profits every year.

5. Make the decision to invest the time to put your plan into action.

Congratulations to getting to this point and not falling asleep :D Just taking the time to read a long article about finance instead of watching cat videos on facebook, puts you ahead of most of the population.

People will spend over 30 minutes talking to Telstra to get a better deal on their phone plan without thinking twice. It makes sense to spend 30 minutes to save \$20 a month on your plan or to get an extra 5 GB of data for the same price.

So doesn't it also make sense to spend 15 minutes to see if you can save hundreds of dollars every month off your home loan repayments that potentially can add up to be over \$100,000 over the life of the loan?

Of course it does, but people keep delaying because they think, "What if I don't get it?" or "It's too hard" or "I don't know what I'm doing".

That is why you deal with Mortgage Broker In Perth who does this on a daily basis.

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You don't have to know what you're doing. I take care of all the numbers and I will explain it all to you as many times as you need.

I'm very creative and I have 42 lenders that I deal with, so the chances are I will be able to find someone that can help you and if for some reason I can't, then I will help you to develop an action plan to ensure you will be able to refinance soon.

I talk with a lot of people about finance, both in person and on facebook. When I ask people would you like to pay less on your home loan, personal loan or credit card debt, it's a resounding yes.

When I ask would you like to follow a straight forward proven method to save money but it requires you to follow a checklist and about 1-2 hours of your time, I get crickets.

Everyone is hoping for a magic wand to make their problems go away or winning 30 million in the Powerball. The fact is refinancing your debt and using the strategies I have discovered through my experience in the financial markets, will make you financially free. It may not be instantaneously like the Powerball but this *will* happen instead of *might* happen (The Powerball chances are 1 in 292,201,338 by the way).

I need you right now to make the decision to change. All I ask is for a few hours of your time to save thousands of dollars off your mortgage. The reason is we're all busy and there will be a thousand little distractions that will stop you from filling in a short form or chasing up a payslip from your boss.

With the professional team at Mike Mackenzie My Finance People they will assist you all the way and will make the process as simple as possible.

6. Learn the three ways to supercharge your mortgage and make it work for you instead of the bank.

The first way is to refinance to a lower interest rate. Obviously, the lower the interest rate then the less interest you have to pay over the life of the loan. With the money you save on your monthly mortgage repayment you have two options. For simplicity we're going to use \$400 per month as the example.

Option 1 Allows you to have an extra \$400 per month which can be used on anything you like, which sounds like fun.

Option 2 You could put that money you saved back into your mortgage as an extra repayment, which sounds really boring... or is it?

Choosing option 2 will allow you to pay your mortgage off over 20 years instead of 30 years which will save you even more cash. When your 40 years old, you don't really think about the future but it's the difference between having no mortgage when your 60 compared to 70. I don't know about you but I hope I'm not having to work when I'm 70 to pay \$1800 a month for a mortgage.

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The second way is using your offset account and credit card to its full potential. Most credit cards have between 30-55 days interest free terms before the 20%+ interest rates kick in. If you use your credit card for all of your purchases and pay it off completely every month, you will not get charged any interest and that whole time your money will be sitting in your offset account saving you from paying interest on your home loan.

If you have a \$400,000 home loan at 4% interest you will be charged \$16,000 in interest for the year or \$1,333 per month. By having \$10,000 in your offset account and owing \$10,000 on your credit card (paying it off within the 30-55 days) you will save \$400 a month on interest you would have had to pay otherwise.

If you then didn't touch the \$400 you saved in interest then next month you would save another \$400 as well as \$16 for interest saved on having money in your account leaving you with \$814. Then next month it's at \$1248 and so on. As long as you are disciplined, an offset account can work wonders for you and really get you ahead of the game.

Running a good budget and using your credit card effectively, can shave years off your home loan as well as saving you thousands in the process.

The third way is to pay 'weekly accelerated'. When going for a loan you normally get the options to pay weekly, fortnightly or monthly. Interest on a home loan is calculated daily, so the more often you pay, the less interest you need to pay.

The banks are very intelligent and what they do is the lower the repayments, which is why paying weekly still takes you thirty years to pay off a loan.

Not many people know about 'weekly accelerated' but as a Refinance Specialist I can assist you in setting this up. Very few banks offer this option because it's not in their interest for you to know how to save money.

On a \$400,000 home loan at 3.89% it's the difference in paying \$435 per week or \$472 per week which is only \$37. Over the life of the loan this means you will save \$43,000 in interest and pay off your home loan four years and five weeks sooner.

Do you remember seeing all of those click bait ads and books telling you how to pay off your mortgage in 15 year or less without putting in an extra dollar?

This is how they did it, by supercharging your mortgage with these clever strategies. They refinance you to a lower interest rate but you keeping paying the same monthly repayments you normally pay but on a weekly basis while implementing the credit card/offset strategy.

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7. Contact Me.

My focus is to help people just like you, take control of their debt and reclaim their financial freedom with a minimal investment of their time.

Let's talk about how we can resolve the debt cycle, restore your positive cash-flow and remove the financial stress you're experiencing on a daily basis.

I invite you to book in a 15-minute obligation free chat at a suitably mutual time where I can tell you how much you can save each month, how long it will take to arrange, and what your single debt repayment would be.

Sincerely,

Michael Mackenzie

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