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LOAN FEATURES

Additional Repayments

These are repayments above the minimum required repayment as calculated by your lender. Making additional repayments means you will reduce the principal of your loan. By making additional repayments you will reduce the term of the loan and save in interest costs

Direct Salary Crediting

This feature allows your salary to be paid into your home loan account directly

Interest Only

This loan does not require you to make any principal repayments on the loan, with repayments being calculated on the interest rate and loan amount. The interest only period is usually between 1-5 years and is popular with investors.

Loan Portability

This feature allows you to take your home loan with you when you move house

Offset Account

This is a separate account to the home loan account and can be used as a general transaction account with some lenders. The balance of the offset account is deducted from the home loan balance when calculating the daily interest cost of your home loan. By using an offset account effectively, the interest cost of your loan will be reduced as will the term of the loan.

Professional Package

This feature is added onto your home loan at a cost to the borrower to attract interest rate discounts to your home loan and at times other additional benefits also. As these packages do attract a cost you need to determine if the cost to you will provide an added benefit to you in the long term.

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Redraw Facility

Some loans will allow you to access the funds you have paid into your home loan that are above the minimum loan repayment. Often there is a minimum redraw amount and a cost to redraw funds from your loan.

Repayment Holiday

This feature allows you to either reduce your loan repayments or take a complete holiday from loan repayments for an agreed period of time. This feature is popular for those who are planning a family or circumstances change in the likes of employment.

Split Loan

This feature is for the borrower who wants more than one loan product and is particularly popular for those who want the flexibility of a variable rate loan and the stability of a fixed rate loan. It is also popular for borrowers who want a term loan but would also like to access some equity in their property for the likes of home renovations, a holiday or just to have some ready cash flow for emergencies by the way of a Line of Credit.

Switch

Allows the borrower to switch from the likes of a variable rate loan to a fixed rate loan or a Line of Credit

Top-Up

This feature enables the borrower to increase the limit of their existing loan in the future and is only available on variable rate loans. It is generally not available on a variable rate loan during a honeymoon or introductory period.

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