

## ***The smart guide to applying for your home loan***

**When you apply for a home loan, your United Permanent lending manager will need certain information and documents from you. These will help clarify how much money you can borrow and make the approval process faster and easier.**

### **Your income**

The first thing we need to do is understand how much you earn.

Try and find as much of the following as possible:

- A recent tax assessment
- Current records of your salary and other income
- Your employment history
- A statement of service for your current employer
- Proof of identity – passport or drivers licence
- Details of your current and previous address
- Bank account statements for the past 12 months
- Details of your current assets (things you own) and liabilities (things you owe)

### **Your costs**

After checking your documents we'll calculate how much you can borrow. This is based on your surplus income after your regular costs have been deducted. It might be helpful to write all your living costs down and then add them up.

Include things such as:

- Bills (electricity, gas telephone)
- School expenses
- Credit card interest
- Car running costs
- Food
- Insurance

Consider all your living requirements and do your own budget to make sure you can still afford those things you don't want to live without.

### **Approving your loan**

We'll help you complete a loan application based on your needs.

Approval of your loan will take into account:

- Your ability to make the payments and service the loan
- The impact on you if there is an interest rate rise in the future to ensure you don't borrow more than you can afford
- Stability of your employment and income
- Your credit history and savings history
- The value and type of property you want to buy

### **Step by step**

- [Your income](#)
- [Your costs](#)
- [What you can afford](#)

## ***The smart guide to Business options to pay less interest***

Business owners have a number of choices and things to consider when determining the best way to finance their business needs.

One opportunity often overlooked is small business owners using the equity in their home to maximise their borrowing potential, and minimise their interest costs? How?

- Lenders will generally lend you more against a residential property than commercial or other property (as a percentage of its value)
- Loans against residential property are generally the cheapest form of finance.
- The type of property you offer as security largely determines the interest rate (rather than what the funds are used for).

So for many people this means business finance at home loan rates.

### **Business debt at home loan rates**

United Permanent gives business owners the option of financing business debt at the same interest rate as their home loan debt. This means:

- You can keep your overall interest costs down
- You can keep your home and business finance separate – through United Permanent's split account options that are available on certain loans. This can help you meet any tax or accounting requirements.
- You have the option of making interest only payments
- You can make lump sum payments to your loan from your business cash flow. Many business owners like to put money aside regularly to meet commitments such as tax. Any extra repayments can also be available for you to access later.
- You have flexibility and ready access to any funds using a line of credit facility. Our cheque book, MasterCard access and online services are available for you to make payments to suppliers and others.

### **Overcoming the paperwork hurdle**

Sometimes small business owners and self-employed people do not have all the tax returns and paperwork needed by banks.

United Permanent gives business owners the option of low documentation finance, or what is commonly known as a "Lite Doc" loan

### **United Permanent Litedoc Loan:**

- Is available for home purchase, investment or business purposes
- Provides all the benefits of United Permanent

## ***The smart guide to owning your home faster***

### **Your home could be the cornerstone of your financial future.**

Not only can you live in it, you are likely to get some capital appreciation over time. This means you may be able to borrow against this asset to finance future business or investment opportunities.

### **Whatever you decide to do remember the best loan is the one you pay off the fastest and with the least amount of interest. Here's how you do it:**

#### **Set a budget and stick to it**

Understand what your living costs are and budget for the things you want to buy

#### **Make your payment every fortnight**

Your interest is calculated daily, by paying every fortnight you are not letting the interest accumulate for a full month before paying it. Ask your United Permanent branch how this can save years off your mortgage.

#### **Use your salary smartly**

It may be in your interests to have your salary paid directly into your home loan account and redraw your living costs as when you need them. Your principal and interest gets paid before anything else and your savings can actively reduce your home loan. Your United Permanent lending manager can help explain this further to make sure it's the right strategy for you.

#### **Lump sum payments when possible**

Try and contribute tax returns, cash gifts, inheritances or anything else you can to your home loan. You'll be surprised at the huge difference this can make.

#### **Paying a little bit extra helps**

Chances are your income will increase over the course of your home loan. When this happens allocate a percentage of your increase to your loan repayment. Again this will save you a fortune over time.

#### **Get rid of your expensive debt**

If you do have a debt accumulated in credit cards you should talk to us about how you can use the equity in your home to drastically reduce your interest costs.

#### **Regularly review you loan with United Permanent**

As your circumstances change you should review you loan and ensure it still meets your needs. Call us at the branch or contact your customer service team every six months to make an appointment for a loan review.