The smart guide to fees and charges

There are costs associated with buying a property and you should be aware of these when you are working out your budget.
Below is a general guide to the typical costs. Your local United Permanent branch can help you fully understand what applies in your circumstances and estimate costs based on the price of your property.

Duties, stamp duties and transfer fees

- There is a government stamp duty charge that is based on your property purchase price. This is payable after exchange but before you settle.
- A second type of government stamp duty is payable based on your loan amount. The stamp duty doesn't apply in NT and the ACT. This stamp duty is generally charged at settlement.
- Some states transfer fee – check with your legal representative
- First home buyers are given some relief on stamp duty costs – again, your legal representative can advise you on this.

Documents transfer and title registration costs

- These are government fees applied to each document that is lodged for registration on the property title. Typically there is one transfer document, and one mortgage document that you will need to pay at settlement.

Legal fees

- You will have to pay for solicitors or legal representative services such as reviewing the purchase contract and advising you on your mortgage documents.
- The cost of this service varies widely and it's best to ask what they are upfront.

Property Inspections and other documents

- It is in your interests (but not compulsory) to get a pest or building inspection completed on the property you are interested in buying.
- Sometimes surveys and searches may also be required.
- Your legal representative can arrange these or you can arrange them yourself.

Mortgage Insurance

- Depending on what your deposit is, you may have to pay mortgage insurance.
- This protects the lender against the costs associated if you default on your loan.
- Mortgage insurance does not cover the person who borrows the money.

Application fee

- United Permanents application fee covers the approval, set up, valuation and our solicitors costs of preparing the loan documentation and attending settlement.
- Our solicitors may incur expenses at settlement, for example bank cheque fees. You will be responsible for these costs.

The smart guide to fixed or variable rates

When you choose a United Permanent home loan you'll have many choices including whether you pay a fixed interest rate, a variable rate or a mixture of both.

The variable rate loan

This type of loan enables you to make additional repayments whenever you want to. That means you could pay off your loan faster, own your home sooner and save many thousands of dollars in interest.
When rates go up your repayments increase and when interest rates go down, your repayments decrease.

The fixed rate option

This option allows you to fix the interest rate on your loan for a period of time. This means your repayments are fixed for this period – so you know exactly what your fortnightly or monthly costs are regardless of what happens to interest rates generally.
By choosing a fixed rate home loan you loose the opportunity to make additional repayments to the loan or to increase your loan repayments above the minimum monthly amount without costs.
If you wish to make additional repayments, reduce or pay out a fixed loan, there is a fee payable called 'break costs fee'. Your loan contract will outline how this fee is calculated.
When the fixed rate term expires, the loan reverts to the variable rate current at the time of expiry.

Split loans

Sometimes people choose a mix of both fixed and variable.
This means they fix the interest on one portion of their loan and pay a variable rate on the other.
United Permanent's split loans can provide this flexibility.

Ask yourself these questions

- Is paying the mortgage off quickly your most important priority?
- Do you believe that variable interest rates will go higher than the fixed rate that's on offer?
- Are you prepared to make any extra repayments throughout the year?
- Can you afford to live with loan repayments that fluctuate?

Choosing what's best for you

Consider things like your overall financial goals; setting a target date for paying off your loan; your likely investment plans.
Then ask your United Permanent lending manager to take you through the different loan repayment scenarios and options.
From here you can choose the interest rate options and repayment plan that best meets your needs and delivers your objectives.

Step by step

- What are your overall goals and plans for the property?
- How much flexibility do you need?
- What can you afford?