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**TOP TIPS – for The Sunday Times
STRUCTURING YOUR LOAN AS A FIRST-TIME INVESTOR**

With increased pressure on interest rates and a still-sizzling property market, one of the most critical steps in securing a loan as a first-time investor is making sure the structure is correct from day one.

Zulaika Olomi, finance manager at Image Financial Group, says the structure of a loan can have a huge impact on an investor's future buying capabilities and their immediate cash flow.

Some tips for first-time investors on loan structure are:

- Have a firm plan in mind before searching for a loan and a property. Your property plan will play a big part in the loan structure you choose, for example do you expect to hold onto your property and loan, or might you need to sell and exit the loan?
- If you don't have the cash to enter the property market, don't be afraid to borrow against your own home, doing so may mean you can borrow the full purchase price of your new investment.
- Don't give up. If one bank says no, shop around as all lenders have different credit criteria and ways of assessing your loan.
- If you plan to build an investment portfolio, choose a lender who uses 'negative gearing' in their servicing criteria as it will allow you to borrow more.
- Go for a loan with a cheap rate and no ongoing fees – in a loan for property investment you don't need any extra frills.
- To help you borrow more, consolidate personal debt and reduce credit card limits if possible as lenders base their assessments on limits, not balance.
- An Interest Only structure will help with your cash flow for managing repayments and let you manage more investments.
- Remember that there are experts out there, so if you're not sure about the best options available, seek advice.
- Spread the risk; don't stick with one lender as they may decide there is too much exposure for them and decline a deal unnecessarily

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Media contact:

Natalie Papadopoulos, Capture Media, m 0407 984 435