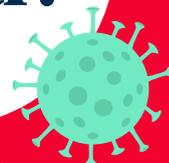


EDUCATE YOUR CUSTOMERS ON MANAGING THEIR MORTGAGE THROUGH COVID-19 WITH THIS FREE BLOG ARTICLE

**Call Your
Broker!**



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How to manage your mortgage through COVID-19

If you're like most Australians, your mortgage repayments take the largest chunk from your household budget. Whether this COVID-19 situation has dented your income or completely obliterated it, your broker can help you navigate your way through your available options to best manage your loan. Our key tip here is to be proactive in managing your home loan through COVID-19, and don't wait until you're in arrears to act.

Most common tactics to support your home loan repayments during crisis

Restructure

Home loan interest rates have never been so low, which could make restructuring your loan an attractive option. By moving to a fixed rate, or a split variable/fixed rate, or an interest-only loan, you could alleviate some of the pain on your household budget. Your broker can tell you what fees or charges would be involved in restructuring, and whether your lender is waiving loan restructuring fees due to COVID-19.

Refinance

Depending on your situation and which lender you are with, you may be better off refinancing and having your broker find you a different lender better suited to your new financial situation and with a competitive interest rate. Your broker can also lay out any fees or charges involved in refinancing. Keep in mind that unemployment can make approval for restructuring or refinancing more difficult.

Redraw

If you are ahead of your payments, you may be able to access your redraw balance to help your household budget through this period.

Offset account

If you have funds sitting in a linked offset account, you may be able to access these funds to help you through this period.

Minimum repayments

If you are currently paying more than the minimum repayment amount on your loan, you have the option to reduce your repayments to the minimum and reclaim some cash to supplement your household budget.

Interest only repayments

Can you switch to interest-only repayments for the short-term? And if you can, should you? You would likely have to pay more interest over the life of your loan, and fees might apply. Ask your broker whether it's an option with your lender, and whether it will suit your situation.

Repayment pause

Repayment pauses, or mortgage holidays, involve you requesting a pause in your home loan repayments for around three-six months. During that time, unpaid interest will be capitalised monthly, which means the interest continues to accumulate and is then added to your loan balance. So, while the repayment is paused and gives you reprieve in the short-term, you will end up paying more in the long-term. That could be through higher regular payments for the remainder of your term, or through your same repayments but for an extended term.

The long-term impacts of a mortgage holiday

The reality is, under either of these options, you may end up paying more interest over the life of the loan. And the more recent the loan, the more you'll pay. Your mortgage broker can calculate the exact figures based on your loan balance, lender terms, and how long you've had your loan. By laying out your options in cold hard dollar figures, you will understand the true cost of a 'mortgage holiday'.

Speak to your broker about your specific situation. Whether you have been financially affected by this crisis yet or not, there may be opportunity to get you into a better position with your mortgage.

Call Your Broker!

