

AFS MONTHLY NEWSLETTER

MORTGAGE

NEWS

THIS MONTH
August Update from Anita
Investors Club Meetings
Improvement is imminent

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August 2008

Update from Anita

I have been working madly this month – I have totally changed our website – www.advancedfinance.com.au, started competitions up for our clients (see the competition page of our website for details), started a blog on our website and in the midst of all that I have changed our aggregator group to AFG (Australian Finance Group). AFG will now be supplying the all important software which allows us to search for the best products available for our clients and also work out borrowing capacities and whether a client fits a lender's approval criteria. It also allows us to submit loans electronically to the lenders (which most of them require now instead of a paper application form). The reason for the change is that I feel the AFG software is superior to any others available and will serve us better going forward.

The not so good news for us was that most lenders have cut our commission back by about 25% of the upfront commission and most lenders have cut our trail altogether (the ones that haven't have cut it almost in half). They are expecting about 30% of existing brokers to exit the industry. The good news is that we are definitely here to stay. It will just mean some adjustments in our advertising budget as well as the introduction of some alternative products available for our clients such as general insurance through Allianz and life insurance through Tower (see insurance page on website). These products will be available for our clients as an option when considering insurance.

We have also been doing quite a lot of guest speaking at various events – if you would like one of our staff to speak at one of your events please contact us.

In amongst all that we had school holidays. I went to the

Myall Lakes with mum, dad, Blake and some friends for a short break – we booked into a waterfront cabin.

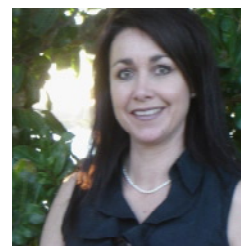
As most people that regularly read this newsletter would know I head up there many times throughout the year. Winter is completely different to summer – this time we went bushwalking, played totem tennis, read books, watched DVD's and had a lovely Christmas in July dinner in the restaurant with the open fire going – magic.

One of my valued clients Karl provided me with a very interesting link within the property website – www.domain.com.au – INVEST tab. Domain and InvestSMART have teamed up with APM (Australian Property Monitors) to create an invaluable research tool for finding and evaluating investment properties. I had a play with this site and it's definitely worth a visit. It allows you to search for the best performing postcodes by both capital growth and rental yields as well as reviewing the postcodes where you currently have property.

I also managed to get into the top 200 brokers in Australia list again this month (138 to be exact) and also in the top 25 in NSW.



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Mortgage Planner
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Mortgage Planner
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It's also been a very busy month for John. The change over to the new Aggregator, AFG, has been a breath of fresh air for him but, along with it, a lot of learning. The change-over is going well. He has seen and spoken to many new clients who are proceeding with new loans and properties over the next couple of months. On a lighter note, John, an avid Holden supporter, says "Although FORD seems to be dominating the V8's I have still got faith in Team Red that we will win again some-day. I have considered changing over to Ford and have become the "Chauffeur" for Anita and Jacqui on our road trips to Sydney. I am still finding it difficult driving a FORD. Holden's forever."

Leanne has a new addition to the family, a 6 week old red cattle dog named Bundy that amused the kids all holidays and despite having a couple of acres to run around wants to be her constant companion now the kids are back at school.

Jacqui has had a month of getting everything up to date and has already got her tax ready for her accountant. We can all take a leaf out of Jacqui's book and get organised - especially investors who are going to get a sizeable tax return.

Leslie Shaw, a client of Jacqui's, is a very talented artist. If you have any free time in November I recommend you visit her display. Leslie has had her art on show in July but she is also showing it again from 1st-30th Nov from Wednesdays to Sundays at No 13 Café & Gallery, 13 Belmore Road Lorn, 49335213.

Leslie says "My love affair with art began as a child, but was forgotten until a trip to Italy reignited my passion. I am inspired by the colours of Raphael & Chagall. I am at peace painting, to me it is like coming home, because I never meant to forget what gave me so much joy when I was younger. With classes at the gallery, along with good music & a paintbrush in my hand at home, I paint happy in my own world".

Jacqui & Leslie and one of her paintings



Well, that was a lot of news wasn't it. I hope you all enjoy August and we look forward to your feedback on the new website.

Anita

Quote of the Week

"The fact is, that to do anything in the world worth doing, we must not stand back shivering and thinking of the cold and danger, but jump in and scramble through as well as we can." -- Richard Cushing

Advanced Finance Solutions Will be Speaking at the Following Investor Club Meetings in August

Advanced Finance Solutions will be speaking at the Following Property Investment Seminars. If you are interested in buying an investment property or would like to know more about investment property finance/wealth creation through property then the following meetings are very informative.

They are free (unless otherwise stated) and there is no obligation or high pressure sales.

One of the Advanced Finance Solutions Staff will be speaking at each of the following meetings. If you would like us to speak on finance at one of your meetings or for you and your group of friends please contact us.

Sunday 3rd August 1:00pm - 4:45pm Cardiff

Inspirational Women in Property Cardiff

Cardiff RSL

The cost is \$35 incl afternoon tea, handouts, give aways and lucky door prizes

Time is 12.30 registration

Contact 0418 447 815 or 02 8883 0382

invest@atkinskr.net.au

Anita is speaking at this event.

Saturday 16th August 1.30pm - 3.00pm Raymond Terrace

Free Investors Club Meeting

Raymond Terrace Bowling Club

Contact Jenny Stead – jenny.stead@tic.com.au or

John Rayner Ph 0411104817 john.rayner@tic.com.au

Jacqui is speaking at this event

Sunday 17th August 12.30pm – 4.30pm Morningside

Inspirational Women in Property Cardiff

Colmslie Hotel

Cnr Wynnum & Junction Roads

Morningside

The cost is \$35 incl afternoon tea

Time is 12.30 registration

Contact Kirstyn Marriott 07 3821 7238

kirstyn@ezi-invest.com

Anita is speaking at this event.

Wednesday 6th August Kahibah

Free Investors Club Meeting

Kahibah Bowling Club

CNR Kahibah Road & Kenibea Sts, Kahibah

Contact John Rayner Ph 0411104817

john.rayner@tic.com.au

Jacqui is speaking at this event

Monday 18th August 6.00pm - 8.00pm Singleton

Free Investors Club Meeting

Singleton Heights RSL Club

Dorsman Drive, Singleton

Contact Stephen Koosman 0429 702 406

Stephen.koosman@tic.com.au or

Nancy Watson 0416 265 767

nancy.watson@tic.com.au

Jacqui is speaking at this event

“Improvement is imminent”

Better times ahead

With interest rates starting to hurt homeowners, turmoil still affecting credit markets and housing affordability at an all-time low, FBAA National President Peter White looks at whether it is all ‘doom and gloom’ for the mortgage and housing market or is there an end in sight.

The general consensus is that the recent interest rate rises are starting to take effect with consumer confidence and spending adjusting accordingly. Given this, it’s widely anticipated that we won’t see the RBA further increase official rates. While I’m by no means an economist I agree with the market’s sentiment and believe rates have reached their peak. If the RBA is confident it has successfully applied the brakes on inflation then the next official interest rate movement could be down.

With that said, there has been a continuation of interest rate increases independent of the official cash rate as lenders look to compensate for the re-pricing of risk and subsequent higher cost of funds from the credit markets. At the time of writing, the majority of the major banks had moved to increase their variable mortgage rates for a second time and the remaining major banks looked poised to follow suit.

While this is obviously bad news for borrowers and the mortgage industry alike, I believe the extent of these increases will be capped and the credit markets will experience some relief. My personal view is that we are past the half way mark with respect to the current instability and I’m quite convinced that investor confidence will re-emerge within the next 12 months, bringing some much-needed liquidity back into the credit markets.

Regardless of the impact to date, and what the lingering ramifications will be, I hold the view that improvement is imminent. Notwithstanding the housing affordability issue (which is a whole other topic of discussion and can’t be covered in this piece), the Australian economy is fundamentally very robust and one of the best performing in the world. We have record low unemployment and there seems to be no end in sight for the resources boom.

Peter White is the National President of the Finance Brokers Association of Australia (FBAA)