

LATEST NEWS, INFORMATION AND FINANCIAL TIPS

Winter 2015

'TAKING THE FIGHT TO THE BIG BANKS'



AWA TAKING THE FIGHT TO THE BIG BANKS.

AWA has dropped their mortgage loan rate 0.25% effective 20 May 2015. Mortgage Loan rates have never been this low at 4.39% Comparison rate* 4.41% (See comparison Rates Pg 4).

If you have a \$300,000 mortgage loan with AWA Alliance Bank this reduction equates to a \$16,056 saving over the life of the loan.

AWA is committed to providing quality price, competitive products and is currently 1.05% lower than the average of the four Major Banks.

The following table clearly shows the large differential with Standard Variable Home Loan interest rates in the market.

Bank	Interest Rate	Mthly Amount	Interest Paid
AWA	4.39%	\$1501	\$240,183
ANZ	5.38%	\$1681	\$305,105
NAB	5.43%	\$1691	\$308,477
CBA	5.45%	\$1694	\$309,828
Westpac	5.48%	\$1700	\$311,857

As mortgage loans usually consume a large proportion of the family income and as interest usually represents a major component of each repayment, it is essential that borrowers continue to monitor the interest rate and on-going fees that apply to their home or investment loan to ensure that they maximize the benefits of interest rates that are at an historical low.

When taking out a mortgage loan with AWA Alliance Bank you can be assured that you are getting a great interest rate and have the flexibility to structure your loan so that it suits your needs.

Does your current Mortgage offer you :

Free Loan Redraw - AWA gives you the option of making extra repayments on your loan and then having the flexibility of being able to redraw these extra repayments. The minimum redraw is \$1. This facility is free of charge and allows you to pay extra funds off your loan, thus saving you interest and providing the flexibility to redraw if required. You can redraw on-line through Internet Banking or over the phone via Telephone Banking.

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No monthly or annual account keeping/service fees - Unlike some other institutions, we do not charge any account keeping or service fees on our loan accounts.

Mortgage Offset - By opening a Mortgage Offset and linking it to your Savings Account, you can use your savings to help reduce the amount of interest payable on your home loan. The balance of your Savings Account is 100% offset against your loan balance when interest is calculated. There is no fee to transfer your existing Mortgage Loan to a Mortgage Offset and no change to your interest rate.

If you would like to transfer your Mortgage Loan to AWA or you are in the market for a new loan, call us on 1300 056 953 or visit our website www.awaalliancebank.com.au where you can apply online.



BUYING PROPERTY IS GOOD DEBT

ADVICE FROM OUR TEAM ON WHY BUYING PROPERTY IS A GOOD DEBT.

You've heard it before, that buying property is quite possibly the largest single investment you will make in your life. And for most of us, this statement is true. So if you are going to commit yourself to years of paying off a home loan and have been looking to buy in your local area, you will want to ensure you are buying the right property to suit your budget, your lifestyle and your foreseeable future needs. Property investors must also choose carefully to ensure their investment choice is an asset they can afford to maintain.

ASSESS YOUR NEEDS!

Once you know what kind of property you are looking for you can then get realistic about the budget you have to spend. Most lenders expect a 10% to 20% deposit based upon the purchase price. It is wise to develop a budget to ensure you can afford to pay your usual expenses plus the added expenses of the property, and also the mortgage repayments. Our experienced lending staff can help you to prepare your budget, with this being a particularly useful exercise for first home loan borrowers to help you gain a thorough understanding of their true financial position.

WHERE CAN YOU GET HELP?

We have branches in Geelong, Portland, Sydney and Mandurah where an AWA Alliance Bank staff member can guide you through the varying home loan options, and discuss which home loan is the right loan for you.

AWA Alliance Bank can also advise on government incentives available to first home buyers, such as the First Home Owners Grant.

Interest 2014/2015.

All AWA Savings Accounts (with the exception of Christmas Club Accounts) have had interest credited to them as at 30 June 2015.

As a result of our alliance with Bendigo on the 1 March 2015, you may find when completing your 2015 tax return that the interest earned on your AWA accounts is showing as either AWA interest or Bendigo interest or a combination of both. Your June statement will indicate the total interest earned on all your AWA accounts for the year.

You can also access this information via the Phone Banking and Internet Banking products. We also take this opportunity to remind members that we are obliged

to deduct withholding Tax from interest earned unless you have quoted your Tax File Number (TFN) to us.

Under taxation legislation we are required to deduct and remit tax at the rate of 48.5% from any interest payment of \$120 or more per annum if a TFN has not been quoted.

When the account is a joint account both TFN's must be quoted. You then have the opportunity to treat this as a credit when you submit your tax return to claim this



interest back, but it is obviously simpler and more timely to quote your TFN.

If Children's accounts earn over \$420 per annum in interest they will also be liable for this tax.

By reference to the enclosed statement you are able to easily confirm whether or not a TFN has been quoted on your account.

I HAVE SIGNED A CONTRACT OF SALE WHAT HAPPENS NEXT?

When you have your Contract of Sale from the vendor or agent you may now choose to involve a conveyancer or solicitor to carry out necessary checks and to complete the transfer of the property.

It is at this stage that your lender will arrange finance based upon the agreed price stated in the contract. Once checks are done and details of the sale are clear, the contracts are "exchanged" and you will be required to pay a deposit, but there is still a cooling-off period if you do choose to change your mind.

The next stage is "settlement" where your lender provides the full loan, the title deeds are transferred into your name and you officially become a home owner.

NOW I AM MOVING IN.

Finally, you have your prized possession and probably a big debt... but this debt is considered to be "good debt". Bricks and mortar will hold you in good stead over the following years as your asset improves in value, you pay your mortgage down and your equity increases.

This equity can be used to fund other purchases such as home renovations or even to purchase an investment property.

AWA offers professional advice and support to help reduce your mortgage debt and to help you grow your wealth. We will be happy to discuss the options you have.

WANT TO FIND OUT MORE?

Visit us at:
www.awaalliancebank.com.au
or call our friendly loans staff
on 1300 056 953.



L to R: Graeme Scannell, Alicia Ball (AWA), Cassie & Lauren Gravett (Hearts to Harmony founders), Lou Stepins, Cara Bongiorno and Paul Brennan (AWA).

HEARTS TO HARMONY UPDATE

What's been happening with the team from Heats to Harmony?

Having Lauren & Cassie Gravett (Hearts to Harmony founders) recently returned to Geelong on a public speaking/fundraiser tour and caught up with AWA staff at one of their functions. It was great to catch up with the girls and see their passion and drive for the foundation is alive and well.

Hearts to Harmony is a Non-Government Organisation (NGO) based in Siem Reap, Cambodia. Their aim is to enhance the lives of individuals in pursuit of education, and to create a healthy and safe environment for them. They provide education scholarships from primary school through to university. Their outreach program consists of regular health workshops, assistance with dental care and food packages to many families in rural Siem Reap. Hearts to Harmony is registered with the Australian Charities and Not-for-Profits Commission (ACNC).

AWA donated \$1000 to this worthy cause. If you would like to make a donation you can transfer funds to their AWA account number 41170 or visit their website www.heartstoharmony.org

NEW STAFF MEMBER'S

AWA is pleased to welcome John Lehman to our Geelong office and Jenny Farrell to our Portland office. John comes to AWA after working with the State/Commonwealth Bank for the past 28 years. He is married with two children and is an avid Geelong Football Club fan. Jenny has a similar finance background having worked for Westpac for the past 16 years. She has four children and is actively involved in the local netball and basketball associations.

We look forward to John & Jenny having long and successful career's with AWA Alliance Bank.



John Lehman



Jenny Farrell

INTEREST RATES: Effective 01/07/2015

S1 - GENERAL SAVINGS ACCOUNT Balance Range	0.10%	S21 - BASIC SAVER ACCOUNT Balance Range	0.10%
\$1 - \$99,999	0.00%	\$1 - \$99,999	0.00%
\$100,000+	0.10%	\$100,000+	0.10%
Cheque Book available upon request. Redicard available upon request. Interest calculated on daily balance and credited 30 June and 31 December each year.		Interest calculated on daily balance and credited 30 June each year. Basic Saver accounts only available to existing account holders. New Basic Saver accounts are no longer available.	

S2* & S22** - PENSIONER ACCOUNT Balance Range	3.25%	S23 - MONTHLY INCOME ACCOUNT Balance Range	1.50%
\$1 - \$48,000	1.75%	\$1-\$9,999	0.50%
\$48,000+	3.25%	\$10,000-\$49,999	1.00%
		\$50,000+	1.50%
*Cheque Book available upon request. Redicard available upon request. Account only available to members who hold a Pensioner Concession Card. **S22 accounts only available to existing account holders. New accounts are no longer available. Interest calculated on daily balance and credited 30 June and 31 December each year.		Interest calculated on daily balance and credited at the end of each calendar month. Monthly Income accounts only available to existing account holders. New accounts are no longer available.	

S3 - BILL PAYING ACCOUNT	0.10%	LOAN INTEREST RATES	
Interest calculated on daily balance and credited 30 June and 31 December each year. Interest calculated daily on debit (overdrawn) balances and debited to the account at the end of each month.		Mortgage Loans	
		Interest Rate	Comparison Rate
		Standard Variable	4.39%
		Interest Only	4.41%
		Line of Credit	4.69%
			N/A

S5 - BONUS SAVER ACCOUNT Balance Range	2.00%	Personal Loans	Interest Rate	Comparison Rate
\$1 - \$99,999	1.75%	Secured	9.99%	10.09%
\$100,000+	2.00%	Unsecured	10.45%	10.55%
Interest calculated on daily balance and credited 30 June and 31 December each year. Minimum balance \$1,000.		WARNING: These comparison rates apply only to the example or examples given. Different amounts and terms will result in different comparison rates. Fees and charges apply.		

S4 - CHRISTMAS CLUB ACCOUNT	0.70%	COMPARISON RATES	
Interest calculated on daily balance and credited 30 November each year.		Mortgage Loan Standard Variable & Interest Only	

TERM DEPOSITS		\$5,000-\$49,999	\$50,000-\$99,999	>\$100,000	COMPARISON RATES	
I1	1 Months	1.75%	1.75%	2.00%	Mortgage Loan Standard Variable & Interest Only	
I2	2 Months	1.75%	1.75%	2.00%	\$30,000	5 years
I3	3 Months	2.65%	2.75%	2.85%	\$50,000	7 years
I4	4 Months	2.20%	2.30%	2.40%	\$70,000	25 years
I5	5 Months	2.20%	2.30%	2.40%	\$100,000	25 years
I6	6 Months	2.80%	2.90%	3.00%	\$130,000	25 years
I7	7 Months	2.10%	2.20%	2.30%	\$150,000	25 years
I8	8 Months	2.10%	2.20%	2.30%	\$200,000	25 years
I9	9 Months	2.75%	2.75%	2.75%	\$225,000	25 years
I10	10 Months	2.10%	2.20%	2.30%	\$250,000	25 years
I11	11 Months	2.10%	2.20%	2.30%	\$275,000	30 years
I12	12 Months	2.90%	2.95%	3.00%	\$300,000	30 years
I24	24 Months	3.00%	3.05%	3.10%		

Deposit fixed for the term of the investment. Interest calculated on daily balance and credited on maturity. For terms greater than 12 months, interest also credited annually. Minimum balance \$5,000.					COMPARISON RATES	
LOAN ESTABLISHMENT FEE					Personal Loans	
Personal Loans					\$150.00	9.99%
Mortgage Loans					\$500.00	10.45%
					\$5,000	2 years
					\$10,000	3 years
					\$15,000	4 years
					\$20,000	4 years
					\$25,000	5 years
					\$30,000	5 years
					\$50,000	7 years

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