

# barrettlendingsolutions' 10 Tips for a Better Loan Decision

This collection of tips aims to address the concerns and problems which we most commonly see people experiencing during the "which loan will suit me" decision making process.

## 1. Consider all the lending alternatives

These days, you have many alternatives. The choice is huge. From the 4 major banks through to Specialist home loan companies like RAMS.

If you are reading this page, you have realised the choice that utilising a mortgage broker can provide to you. Offerings of thousands of products from over 50 lenders mean not only do you get choice but we help you through the process to find a lender who offers a product that suits **you**. The best thing is that this service we provide to you is totally FREE. It is the chosen lending institution that pays us a commission for the introduction of the business. It does NOT cost you either directly or indirectly.

## 2. Compare loans

The right loan for you will have a particular combination of features, service and interest rate. It's unlikely to be the first deal that's offered to you. There's plenty of help available. At **barrett** lending solutions we can help you with comparisons of loan rates and features.

Everyone has different needs. You may hate the idea of monthly loan fees. Or you may think a few dollars a month is fine – but only if you can pay extra funds into your loan and take them out when you need them at no extra cost. You may want the option of moving to a fixed interest rate down the track. Or you may want to buy as much house as you can possibly afford, even if that means a low-flexibility no-frills loan.

Deciding which of these options suits you is one of the hardest things about taking out a home loan but it is also one of the many aspects of the loan application process that we happily assist you with.

## 3. Don't judge a loan on its rate alone

Your best loan probably won't have the lowest rate around. The features and service you get can be much more important. For instance, a few of the cheapest loans won't let you make extra repayments. And those cut-rate loans typically have the highest application fees and it is very important to be aware of any early exit fees that may apply.

## 4. Seek out experience

Older friends and relatives will often provide valuable advice as soon as you tell them you are looking for a home loan. Don't be afraid to tap into their experience. Once you have done that give us a call and we will be only too happy to assist you to understand your options.

## 5. Find a loan you can live with

Many of today's loan products let you take money out of your mortgage for needs like a car or school fees. These are great features – as long as they don't stop you paying off your loan. Will you be strong enough to resist the temptation to use the money that's available? Now's the time to know your limitations: if you can't discipline yourself to repay fast, you might be better off with a less flexible loan. And because it's less flexible, that loan will probably have lower rates and fees.

Line of credit loans whilst providing the greatest flexibility can often do more harm than good.

## 6. Do a health check on your existing loan

When you check your existing loan against what else is out there, you may find worthwhile savings. Such "refinancing" works particularly well if you can add other debts into your home loan, letting you pay off a car loan or personal loan at lower home-loan rates. But make sure you don't end up paying your debts off more slowly. Take the refinancing savings and use them to pay off your loan faster.

Whilst talking about refinancing, before going down this road, talk to your existing lender first. Although refinancing your loan can slash your borrowing costs, the benefit obtained needs to be greater than the cost to refinance. Some fixed-rate loans will cost you more to refinance than you could possibly save. In some cases, you'll be better off doing nothing

## 7. Service does matter

Lenders may promise quick service, yet take weeks to process your loan. Big banks can be as slow as you are just a number to them. Paperwork gets lost or delayed. In these cases, it helps to have someone who can push the lender along on your behalf. As a mortgage broker we only get paid if your loan gets approved. It is in our best interest to get your loan approved and impress you enough so that you refer us to family and friends. At [barrett](#) lending solutions – we provide the service you'd expect from your "old style bank manager"

## 8. Don't take too much notice of "unbelievable rates"

Some lenders offer "honeymoon" rates as low as 5.99%. But those eye-grabbing rates "revert" to a much higher standard rate after a few months, and the fees can be fierce. The loan with the amazing rate may leave you paying more for years afterwards. Or it may only be available under very strict conditions – conditions you don't want to meet. Part of what we do for you is sort the "chaff from the hay"

## 9. Watch out for exit costs

Some loans carry a hefty fee if you pay them off early. One of these products may be your best loan – as long as you know you want to keep your mortgage for many years.

## 10. Don't buy features you won't use

Many people find that a highly-featured loan perfectly suits their needs. But you pay higher interest rates and fees for all those features. After talking with us, some past clients have decided that they don't need as many expensive features as they thought they did. Many basic loans these days come with many useful features that you don't necessarily need to pay for. It's always important to ask yourself: "what am I really going to use?"

Everyone has different needs. You may hate the idea of monthly loan fees. Or you may think a few dollars a month is fine – but only if you can pay extra funds into your loan and take them out when you need them at no extra cost. You may want the option of moving to a fixed interest rate down the track. Or you may want to buy as much house as you can possibly afford, even if that means a low-flexibility no-frills loan.

Deciding which of these options suits you is one of the hardest things about taking out a home loan but it is also one of the many aspects of the loan application process that we happily assist you with.

Barrett lending solutions assists you through every stage of the loan finding and application process.

We provide guidance and assistance through all the stages and considerations as mentioned above.

At barrett lending solutions we truly can say that we love "*making it happen*" for you.