

Your Money



Morgans
HOMELOAN SOLUTIONS

Corona Virus and Your Finances

Is the prospect of paying your mortgage or rent giving you a headache during COVID-19?

Are you one of the over one million people who have lost their jobs due to social distancing?

The banks have immediately come to the front in helping people with mortgages.

You might have a mortgage on your owner-occupied home or an investment home loan.

The Commonwealth Bank (CBA) has notified clients that the bank has lowered the repayment to meet the minimum requirement.

If this has happened to you and you wish to still pay extra on the home loan, then go online to your bank to instruct the bank regarding your repayments. Alternatively, give the bank a phone call.

Another option is to put the extra you have been paying over and above the repayment



requirement, into your redraw facility.

Be careful with the redraw facility. Although you may think you have put extra into the facility, the bank will freeze part of that redraw to meet your payment of the interest charge at the end of the month. CBA Netbank will show you how much is in

redraw and how much is available should you need to use it.

Your offset savings account is another excellent place to put extra funds if you would like to pay off the loan debt quicker.

Defer your repayments

Have you got an owner-occupied home loan or investment home loan? Have you been adversely affected by Covid-19?

Then consider giving your bank a ring and have your repayments deferred if this would be a help to you.

ING Direct may grant you a three-month deferment and then, if you're still having difficulties due to the virus, may extend the deferment for a further three months.

CBA may grant you a six-month deferment. It's as simple as a phone call.

Give us a phone call (0408 667 426) at any time if there is anything you might like to discuss. We are here to help you.



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SYDNEY TO NEWCASTLE



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Quick Guide To Relief Packages



Job Keeper: Details of the JobKeeper package: <https://treasury.gov.au/coronavirus/jobkeeper> payment

Job Keeper: Information for Employers: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_Info_for_Employers_0.pdf

Job Keeper: Information for Employees: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_Info_for_Employees_0.pdf

Supporting Businesses to Retain Jobs: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_supporting_businesses_1.pdf

Help For Businesses: Full details for the Government's support package for business (including Sole Traders) can be found below, including changes to the instant asset write-off, cash flow assistance, etc. Call the Business Hotline on 13 28 46 or the Queensland State Government's Business Hotline on 1300 654 687. <https://business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business>

Job Seeker: The Government has temporarily expanded eligibility to income support payments and established a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight on top of fortnightly payments. Eligibility criteria can be found at: <https://www.servicesaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19>

Stimulus Payment: The \$750 stimulus payment will be paid to social security and veteran income support recipients, eligible concession and health card holders, as well as recipients of family assistance and social security income support payments: <https://www.servicesaustralia.gov.au/individuals/services/centrelink/economic-support->

Commercial Rent Relief: States and territories will implement a mandatory Code of Conduct to impose a set of good faith leasing principles that will apply to commercial tenancies (including retail, office and industrial) between owners/operators/other landlords and tenants. Details of the code: <https://www.pm.gov.au/sites/default/files/files/national-cabinet-mandatory-code-ofconduct-sme-commercial-leasing-principles.pdf>.

Residential Tenancies: National Cabinet agreed to a moratorium on evictions over the next six months for residential tenancies in financial distress who are unable to meet their commitments due to the impact of Coronavirus. Residential tenancies will be dealt with by each state and territory. Information on Rental Grants for tenants who have lost their job due to the impacts of Covid-19 and who do not have access to other financial assistance is available: <https://www.qld.gov.au/housing/renting/rent-assistance/bond-loan/covid19-rental-grant>

Child Care: Free early childhood education and care for around one million families, no matter what type of service they use. Details of the new scheme are available <https://www.dese.gov.au/covid-19>

Temporary VISA holders: Those who are unable to support themselves over the next six months, either through work, savings or access to superannuation are strongly encouraged to return home. Details available <https://covid19.homeaffairs.gov.au/>

(Provided by Finance Brokers Australia Association.)

Buying At Auction

Is it a good time to buy at auction? Auctions are still taking place, and the below table shows the success rate of these auctions.

AUCTION RESULTS SATURDAY 18 APRIL

State	Auctions	Clearance rate	Private sales
ACT	13	62%	54
NSW	175	56%	740
Qld	38	39%	565
SA	8	38%	184
Tas	1	100%	97
Vic	95	58%	542
WA	2	50%	305



Thinking about buying at auction? You need to be very, very careful. You may have applied for a loan to purchase at \$600,000. The bidding stops at \$650,000 with yours being the successful bid. The bank will still want to value the property themselves before providing you with the funds.

If the bank valuation comes in at \$620,000 then you may have to provide the gap of \$30,000 by the date of settlement. Once your bid is successful

and the hammer comes down on your bid, you are legally obliged to complete the sale.

If you are unable to complete by the settlement date, you will have to pay the seller of the property 10% of the agreed purchase price. In this case you would be paying \$65,000 to the seller. Of your own funds.

You can see why we say be very, very careful when buying at auction.



We're Still Here For You

While the corona virus has changed the way many people work, we at Morgans HomeLoans are still here for you.

Talking to our clients, new and old, is done through the phone, both mobile and landline, and also the computer and video link. Documents are scanned. Even your signature on a loan application can be scanned and sent to us.

However, it is still necessary to sight your identifi-

cation, like a driver's licence with your photo and address, and date of birth details.

For this it may mean a quick trip to the bank you have chosen for your mortgage to verify your identification details.

Ring us at any time up to 8.30pm in the evening, Monday to Saturday for routine calls.

However, if you are in the process of making offers on a property we are also available on a Sunday, when a lot of real estate deals take place.

Disclaimer

READERS should not rely on this newsletter without first obtaining advice from professionals in legal and accounting fields suitable to individual circumstances.

Please note that Morgans Homeloans are not engaged in rendering legal or accounting services.

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Time to Sell Your House?

Thinking of selling your house? Let's take a tour around your house and see if it needs fixing up for sale.

The Garden

First thing the buyer sees when getting out of the car is your front yard. Does the garden need to be decluttered? Remove weeds from set gardens and paths. Trim back rambling bushes. Keep the lawn low and paths tidy.

Maintenance outdoors

Get rid of the mould on the aluminium fences. Remove all cobwebs both outdoors and inside. Clean the windows so they sparkle. Screen doors should be in good condition. Clean the driveway.

Get Rid of Clutter

Phone your Council and organize a kerbside pickup. Getting rid of clutter can make your place feel spacious to the buyer.

Check your sale price

Call in three real estate agents to get an idea of what a possible sale price could be. Then get us to run a property profile report for you. This will help you to see if the agents are being realistic. The agent with the highest sale price suggestion is not necessarily the best agent.

Prepare Inside

Remove mildew and mould from inside the house. Check wet areas like bathroom and laundry. Buyers can be turned off by the smell of mildew. They also want to just move in and worry about changing colours etc, after they have adjusted to their new home.

The buyer and their valuer will check the stove, micro-

wave, all plumbing, air-conditioners to ensure that they are all working. Do your own inspection as if you were the buyer and repair these items if necessary.

Repair walls that may be damaged, replace tiles in the laundry, kitchen and bathroom if damaged.

Don't spend a fortune

Keep your costing down when looking at sprucing up the yards and the house. If you think a coat of paint will help in the living



room don't be tempted to employ a painter to do the entire house. The reality is that buyers will have their own ideas on house colours and you might just choose a colour that turns them off. Make sure the walls are clean and in good condition without going overboard. How much you spend on renovations and repairs for the sale will depend entirely on how much you are prepared to spend without hurting your budget too much.

Backyard swimming pool

Do you leave the above ground pool standing or collapse it? That is a question that the real estate agent will help you with.

Get the agents in early to have a look at the property and give you some suggestions as the best way to handle the pool.

Over capitalizing

Keep an eye on the market all the time. Look at realestate.com.au on the internet and look at the sold properties. These are the properties that the valuers will look at.

Look at all the photos of the properties and determine for yourself how much work needs to be done to bring yours up to sale standard. Everything eventually sells. It all depends on what you expect for the sale.

Do your homework

Are you thinking of selling to move to a better location? Are you moving in order to downsize? Are you moving because you have outgrown the house?

Do your financial homework before you begin getting the house in order for the sale.

If you are going to need a mortgage to

get into the next house, talk to us first to work out how much you can borrow. You also need to work out what your expenses will be in getting into the new house. Then you would know how much you need to put your house on the market for. This will help you to know how low an offer for your current house you can accept. It also helps you with knowing how much you can spend on the new house, remembering to factor in expenses like Transfer of Title costs.

Still working

Are we still working during the corona virus? Absolutely yes, we are working. Give us a phone call if there is any way we can help you. 0408-667-426