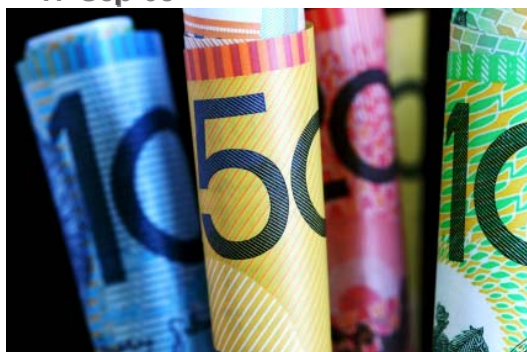


17-Sep-08



Their objective is to pay their home loan as quickly as possible and to add to their investment portfolio. Unfortunately under their current structure their home and investment property loans are mixed. As a result of this, their accountant has to manually apportion the amount of deductible debt allowable. Added to the fact that the loan is a Principal and Interest loan, their tax benefit is constantly reducing.

If they do nothing more than refinance all of these loans into an Investor Advantage facility @ 8.90% p.a. they will reduce the remaining term of their home loan to 69 months instead of 180 months as is the present case. This assumes they will continue to pay \$8,570 per month (their current total commitment) into the Investor Advantage facility. The reduction in the home loan term also represents interest savings of \$318,625.

In addition they have the capitalising Line of Credit accounts as a buffer should they need to meet any shortfall in costs on their investment

## Investor Advantage Case study ...

David and Joanne are self employed and have the following assets and liabilities:

### Current Assets

Asset	Value	Loan Amount
Home	\$850,000	\$200,000
Investment Property	\$350,000	\$350,000
Business Loan		\$200,000 (cash flow loan)
Shares	\$200,000	\$100,000 (margin loan)

### Current Liabilities

Loan Type	Amount	Interest Rate	Monthly Repayment	Remaining Term
Home & Investment Loan (P&I) (mixed loan)	\$550,000	9.33%	\$5,687	180 months
Business Loan (I/O)	\$200,000	12.50%	\$2,083	N/A (I/O)
Margin Loan	\$100,000	9.60%	\$800	N/A (I/O)
Total	\$850,000		\$8,570	

### Investor Advantage Structure

Loan Type	Amount	Interest Rate	Monthly Repayment	Remaining Term
Home Loan (I/O)	\$200,000	8.90%	\$3,749	69 months
Investment Loan (I/O)	\$350,000	8.90%	\$2,596	10Yrs IO 15yrs P&I
Business Loan (I/O)	\$200,000	8.90%	\$1,483	10yrs IO 15yrs P&I
Share Loan	\$100,000	8.90%	\$742	10yrs I/O 15yrs P&I
Total	\$850,000	8.90%	\$8,570	

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