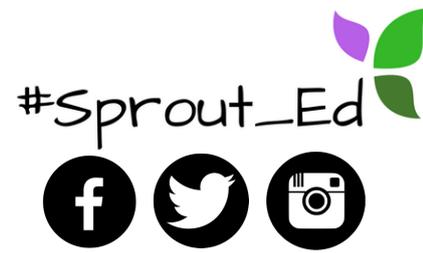


The Lunchtime Money Club



JANUARY 2019: DEBTBUSTERS

WEEK 2: INFORMATION IS POWER



KEY FACTS

- Paying off debt is not only good for our financial wellbeing, but can also be good for our mental and physical wellbeing.
- There are three foundations for paying off your debt faster: pay a lower interest rate, pay more than the minimum repayment, pay more often.
- Visit www.moneysmart.gov.au and check out the debt calculators to see the difference these changes can make to your loans.

WEEK 2 TASKS

- Review last week's worksheet. Look at the interest rates you pay on your loans.
- Do some research into the interest rates charged by other lenders for similar loans. How does your interest rates compare?
- Get in touch with your current lender to see if they will negotiate a lower interest rate.
- If you need some moral support, ask a friend or family member to help you with the process.

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JANUARY 2019: DEBTBUSTERS

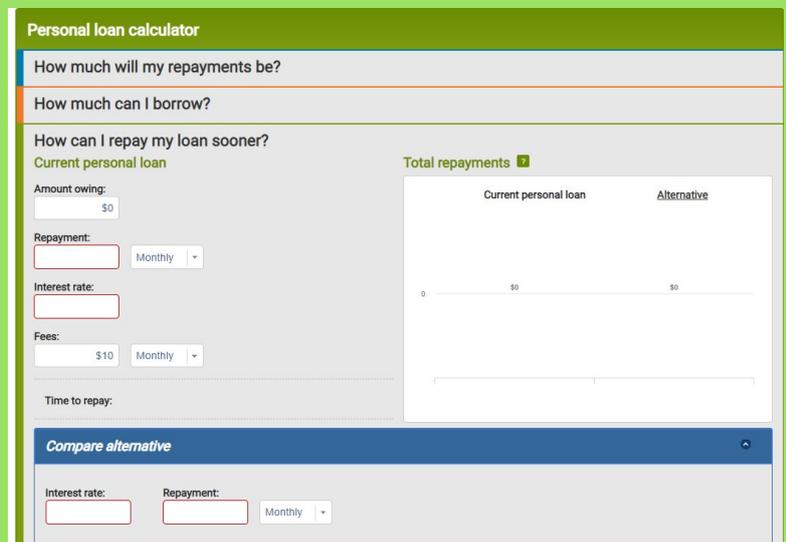
WEEK 2: INFORMATION IS POWER COMPARISON WORKSHEET

| | Type of loan | Interest rate (advertised rate and comparison rate) | Fees | Terms/ conditions/ restrictions |
|---------------------------------------|--------------|---|------|---------------------------------|
| Current loan with existing lender | | | | |
| Alternative loan with existing lender | | | | |
| Other lender #1 | | | | |
| Other lender #2 | | | | |
| Other lender #3 | | | | |

Go to www.moneysmart.gov.au and use the 'How can I pay my loan sooner?' option on either the Personal Loan Calculator or Mortgage Calculator.

Enter your current loan details and find out the difference a lower interest will make by using the 'Compare alternative' tab below.

What difference will it make to your term and interest paid?.



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JANUARY 2019: DEBTBUSTERS

WEEK 2: INFORMATION IS POWER COMPARISON WORKSHEET EXAMPLE

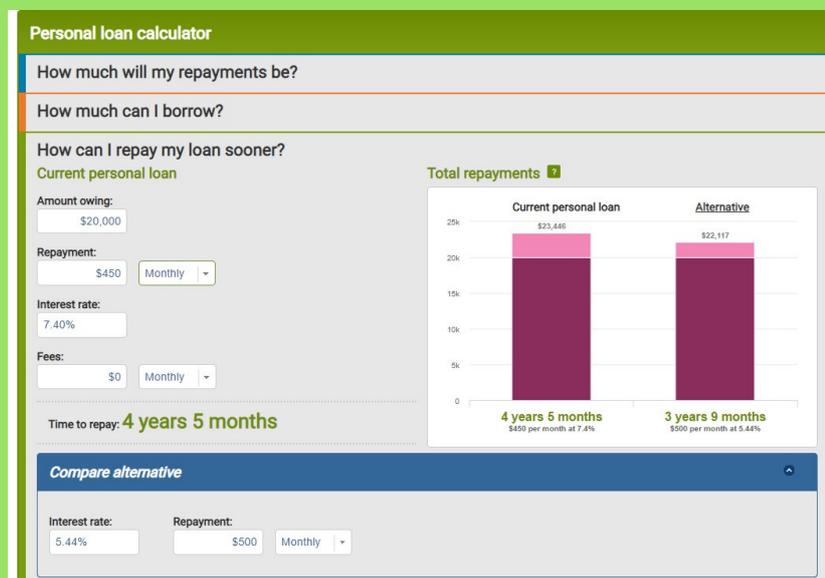
| | Type of loan | Interest rate (advertised rate and comparison rate) | Fees | Terms/ conditions/ restrictions |
|---|-----------------------|---|------|---------------------------------|
| Current loan with existing provider | Car loan | 7.4% | \$0 | None |
| Alternative loan with existing provider | New customer car loan | Advertised 5.99% Comparison 6.25% | \$0 | Must be a new customer |
| Other lender #1: ABC Bank | Premium car loan | Advertised 6.99% Comparison 8.81% | \$10 | Early repayment fee |
| Other lender #2: XYZ Bank | Used car loan | Advertised 5.67% Comparison 5.91% | \$0 | None |
| Other lender #3: IMH Bank | Used car loan | Advertised 5.44% Comparison 5.99% | \$0 | None |

Go to www.moneysmart.gov.au and use the 'How can I pay my loan sooner?' option on either the Personal Loan Calculator or Mortgage Calculator.

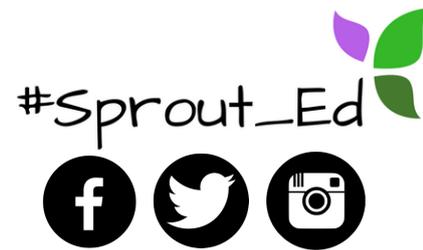
Enter your current loan details and find out the difference a lower interest will make by using the 'Compare alternative' tab below.

What difference will it make to your term and interest paid?.

I could pay off my loan six months earlier and save \$1,329!



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JANUARY 2019: DEBTBUSTERS

WEEK 2: INFORMATION IS POWER CONTACTING YOUR CURRENT LENDER

Name of lender:

Contact details (phone/email/branch):

Contact person:

1. Ask your lender outright if they can offer you a lower interest rates.
If they say no, ask why not?.

2. You've done your homework. If you know that your lender offers a special, lower rate to new customers, ask them to match it.

Don't be afraid to ask why, as an existing customer, you aren't being offered the same lower rate. If you have a good history with the lender, made your repayments on time, and especially if you have multiple accounts with them, remind them of what a great customer you are and why you should be valued.

3. Let them know you've been shopping around.

If they still aren't coming to the party, tell them that you've been looking at other lenders. Quote the interest rates and ask if they can match. Let them know that you'll happily take your business elsewhere.

4. If none of that works, try calling back another time.

Be persistent. Your lender makes notes on your file every time you make contact, so staying in touch lets them know you aren't giving up.

5. If you're still not getting anywhere, consider another lender..

But look into the details. Consider if you have to pay an application fee or other charges, or whether your circumstances have changed as you may not be able to get another loan..