

IMPORTANT NOTICE

For all clients with interest only loans.

- For anyone who has an Interest only loan either commercial or investment residential this is critically important.
- Recent rulings from APRA and ASIC the two governing bodies that oversee the Banking and Investment Industry have placed lenders on notice that they are not permitted to extend the Interest Only Term of Loans beyond the original or remaining term (usually 5 yrs)
- The direction is that after this initial term the loan must revert to Principal and Interest repayments over the remaining term of the loan which will result in considerable increase in monthly repayments and quite possibly cause financial stress on you the borrower.
- The lenders need to comply with this as they are under the microscope particularly given the current Royal Commission into Banking and Financial Services Practice.

There can be a solution:

- Many of you will know or know of Bruce Campbell and his colleague Geoff Mansfield; they are Finance Brokers who have worked with me in my offices for close on 30 years and have assisted many of my clients all who have enjoyed satisfactory outcomes.
- Bruce and Geoff have contacts in the right places with all lenders and have the knowledge and experience to enable them to circumvent these issues in most cases.
- **Please DO NOT** try and do this with your local branch or banker as they are strictly covered by Bank, APRA and ASIC Policy and have no discretion to override or overrule the decision to revert to P&I repayments.
- It is **strongly recommended** that you arrange to speak with either Bruce or Geoff and learn what your options are and what they can do for you. Even if your interest only loan still has a year or so to run it may be very advantageous to let them re-negotiate the facility sooner rather than at expiry to take advantage of some sharp fixed rates and at least lock in for a further 5 years.

Please contact me first if you wish and I can ask one of the guys to contact you for an initial discussion and set up a meeting to establish where you stand and what can be done.

Alternatively contact Bruce directly on 0419 945 228 or bjcfin@bigpond.com
or Geoff on 0402 035 743 or mansfieldtrust@bigpond.com

- ❖ *There is no fee for this advice or service, other than normal bank charges on the actions that may need to be taken*