So how do we qualify for a loan?

We all know by know that the criteria for obtaining a loan these days have tightened considerably.

We can help you speak to an expert who will work with you in assessing your overall finance situation before you start applying for any loan. These experts can make suggestions to improve your current situation straight away which will in turn influence your borrowing capacity. Sometimes, by making small changes to your existing circumstances, i.e. reducing a credit card limit, changing the structure of any existing loans, can add tens of thousands of dollars on your borrowing capacity. If you are aware of your financial strengths and weaknesses first, then you will be able to present a hole-proof application to the lenders.

Dave's comments for TAM members; By far the easiest way I know to improve your borrowing capacity is by knowing the right people who have the right contacts. What ever you do get a wealth check first and then do what has to be done to comply with the guide-lines set down by our expert contacts.

When possible explore using non-bank lenders or non-main banks. Most banks are swamped with loan applications at the moment and because they have so much business they are able to pick and choose from the stronger applications rather than first come first serve. Non-bank lenders are not as busy as the main banks, they are more flexible with their credit policies and they can in most cases get your deal done quicker at a reasonable interest rate. In many cases their rates are slightly higher than the major banks, however it's well worth it if it enables you to get the right deal.

Dave's comment for TAM members; I like the points made here as it certainly is looking like non bank lenders are on their way back. We are not sure where they are getting their funds from, but do know that many are funded by major banks which you may find interesting. This allows the majors banks to charge us a higher interest rate and make larger returns. Bottom line is that it doesn't really matter as long as we spend our borrowed finds wisely and make sure the DPG deal you sign up for fits our criteria as well as your own.

Interest rates

The RBA kept the official cash rate on hold on June 2nd, many people are wondering if this means that this is the end of the interest rate drops and/or will rates go up from here... We are not too sure about that. Its a bit of crystal ball gazing but, in our opinion, we believe that interest rates will remain in the low range (being below 6.5%) for the next 12-18 months. We believe that the RBA have kept the rates on hold because they are still waiting to see how the latest stimulus package has affected the market. And of course as we forward this message to our Readers, the Government have announced that there has been 0.4% growth, in the March quarter which has kept us out of technical recession.. so is this a sign of economic recovery? Possibly... but the effect of the rising rate of unemployment has yet to hit. In the past, the RBA have moved quite quickly to increase rates without taking into account the amount of time that it takes for a change of rate to show its effects on the market, I think that they are being careful not to make the same decision with the same amount of haste again. It takes time for interest rate movements and stimulus packages, for that matter, to ripple through the economy.

Dave's comment for TAM members; What for when the next G20 meeting is conducted and take note of what comes out of those meetings. Last G20 meeting saw a world wised stimulus package wrapped up in some fancy words. It looked to me like someone had gone over seas and been told what to do. Note also that without the direct affect of the spending from the stimulus package we would have had a negative 3 months reading and a recession would have been recorded. We have to be vigilant to the world crisis and it is obvious that the major governments and banks and reserve banks are being told to print money and spend it. The antidote to the recession is the same at has been in the past. Governments print and spend more money. The outcome of the recession will be similar to to the past also and that is hyper inflation. Hang on to your britches as we are about to see the results of this once the next round of stimulus packages hit the deck by way of more printed government money. Haahaa! How many properties do you have that will double in value..?