

Welcome to our first client update for the 2004 financial year.

## Compulsory Comparison Rate Legislation – How does it affect you?

**Did you know.....**From July 1 2003 the Federal government introduced legislation to protect consumers against misleading marketing. The legislation is known as the *Compulsory Comparison Rate Legislation* and it covers all residential home loan customers. Basically this legislation requires all financial institutions to quote the true rate of interest including all non-government fees and charges.

**Example 1:** Our most popular home or investment loan product has a standard variable interest rate of 5.95% with a \$499.00 application fee and no ongoing fees. The true rate or comparison rate for this loan is 5.98%. This true rate reflects the inclusion of the above fee.

**Example 2:** A product supported by some banks; is the honeymoon rate. Take a honeymoon rate product advertised at 4.99% fixed for 6 months. After the fixed period the loan reverts to a variable rate of 6.57%. Over the term of the loan the true rate is actually 6.56%, inclusive of all bank fees.

As you can see from the examples above fees and charges associated with a loan product can change the true rate of interest you are paying. What may appear to be a cheaper loan may not actually be the most economical option in the long term.

## No Obligation File Review

**Another financial year!** It's a good idea to take a look at your current finance situation.

Acceptance Finance is offering a **no obligation file review** to all clients regardless of which bank or type of product you may have, whether it be a home or investment loan, commercial loan, car or equipment lease.

In most circumstances your current finance structure may benefit from:-

**Restructuring/Refinance** - improve your taxation position or refinance at a lower interest rate.

**Consolidating** - it's important to look at the 'whole picture' to see if you can save money by consolidating all of your finances into one loan.

**Changing** - new products on the market may help you to improve cash flow and free up assets currently unnecessarily tied up.

At Acceptance Finance we pride ourselves on providing you with excellent service and an ongoing commitment to looking after your needs throughout the life of your loan and beyond.

**Give us a call on (03) 9854 3500 to see how we can help.**

## What if?

❖ I paid an extra \$200 per month off my mortgage?

Log on to our website **loan calculator** to find out how much you can save and more.

[www.acceptancefinance.com.au](http://www.acceptancefinance.com.au)

*"Thanks for making 2003 financial year a successful one.  
We're looking forward to continuing our relationship with you in 2004"* . Joe Terlato

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