

8 OPTIONS TO HELP YOUR CASH FLOW SITUATION

Written By: Harry Pontikis

In an environment where interest rates on home, business and personal loans have been consistently climbing and the cost of living has also been increasing, cash-flow is the biggest risks to households and businesses going broke.

The government's objective is to slow down the economy and it does this via the RBA which raises the cash rate. The side effects of this strategy may be a recession, rising unemployment, businesses going broke and people losing their homes or being unable to afford their rental properties.

There are many things which home and business owners can do to protect their situation during these times. Some of the options your Chocolate Money finance broker can advise you on are:

1. Lowering your interest rates on your existing loans.
2. Re-structuring your loans to lower repayments.
3. Extending the loan term which lowers monthly repayments.
4. Change Principal and Interest repayments to Interest Only repayments.
5. Recommend banks or lenders who are significantly more competitive and have lower fees, charges and interest rates but higher loan discounts!
6. Consolidating expensive loans into your mortgage which can slash thousands from your monthly repayments.
7. Splitting all or part of your mortgage into fixed rates, variable or a combination of both to better shield you from future increases.
8. Access equity from your property to act as a buffer for cost of living or working capital pressures.

These options are designed to help you survive the next year or so until the current environment changes and may not be long term or 'forever' solutions.

An experienced finance broker can help provide the most suitable options to you with clear solutions which put you in a financially better situation than your current. They will present the benefit in a clear document with bottom line savings or repayment reductions before you will need to make any decisions.

If you are starting to feel the pinch or believe further interest rate rises may put undue pressure on you, please call us ASAP. With each interest rate rise, your borrowing ability reduces as do your options.

Please note: this information is general in nature and not to be considered specific advice. Chocolate Money holds an Australian Credit License – 387277 and can advise on loans.
For specific advice, call 1300 137 539 or www.chocolatemoney.com.au