

## Back to Basics

### 13 Investment Loan Tips

Thanks for requesting this Free Report.

Please feel free to email us at [finance@pebgroup.com.au](mailto:finance@pebgroup.com.au) or contact us on 1300 187 894 to discuss your personal circumstances and your borrowing capacity.

We love to assist people in realising their dreams and look forward to speaking to you soon!

**PEB Finance**  
Keeping things simple

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# 13 Investment Loan Tips

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1. If you have 15% - 20% equity in your home, then it might be time to start looking at investing in other properties. This will assist in creating family wealth.

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2. With many lenders, it can be rather painless to leverage the existing equity in your own home - the equity is used to secure the investment property. On the investment property, you might be able to lend anywhere up 105% of the purchase price.

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3. Do not cross securitise your properties - in simple terms, do not link your properties as it is important to protect your family home when investing.

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4. Consider interest only payments on your investment loan - the interest portion on your home loan is not tax deductible, but the interest on your investment loan is! Your tax professional will be able to guide you in this area.

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5. Cash flow benefits: by paying interest only on the investment, you will be able to direct extra funds to your principal and interest home loan.

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6. What is your plan?? Short term or Long term? If it's long term, you might wish to consider fixing rates, which will allow you to plan and project your cash flow and expenses. But, by locking in rates you might incur exit penalties should you break your loan early.

7. "Honeymoon" and "Introductory Rates" and advertised special rates usually sound good - but as an investor you need to consider the true cost of the loan from the second year onwards (as once the introductory rate wears off, costs can often escalate beyond what other products may have cost).

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8. If your plan is for the short term - please ask us to investigate exit penalties and costs when looking for the right product for you.

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9. Accountants will be able to provide the best advice on tax advantages with regard to your personal situation, and we often work closely with accountants to assist mutual clients.

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10. Complete a budget exercise to determine what amount you would need to contribute, whether the property was rented out or not.

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11. Run a Property Investment Cash Flow report to see what the cash flow on the investment property really looks like.

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12. Know the exact cost of stamp duty, fees, etc... by speaking with us today on 1300 187 894.

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13. Protect yourself! If you would like more information with respect to Investing, please contact us on 1300 187 894 or email [info@pebgroup.com.au](mailto:info@pebgroup.com.au).

Disclaimer: This information is to be used as a guide only. We recommend that you speak to us with regard to your unique personal circumstances.