

# Is your rental property providing you with maximum return?

## Investment finance strategies that are in your best interest.

Rental returns aren't the only opportunity to maximise property investments. There are a few golden rules to getting the most out of the borrowing side of your property investments.

### 1. Using Your Owner Occupied Home as a Deposit

Consider using a line of credit for the deposit amount so that you have flexibility. If you do, make sure you split your loan so you have two facilities, minimising the repayments you make on the tax-deductible investment loan (by paying interest only), and maximising the repayments you make on your non-tax-deductible owner occupied loan facility.

### 2. Review Your Loans Regularly

It is extremely important to review your property investment loans regularly to ensure you are on the best deal available for your circumstances. Over the course of a long-term property investment plan, the type of loans available and your situation may change dramatically.

### 3. Don't Pay for Loan Features you Don't Need

Be disciplined about the kinds of add-ons you pay for with your investment loan. Only get features and benefits you will really use. They all cost you money. Money which you are better to invest in improving your property. Do the math and change loans if there is a long term benefit. Even though the costs can add up to anywhere from hundreds to thousands of dollars, changing to a more sensible structure or lower interest rate now may actually save you quite a bit more over a long investment period.

### 4. No LMI to 95%

NRG Financial Services works with lenders who will do up to 95% borrowing without requiring the payment of the traditional lender's mortgage insurance that is normally payable for borrowings over 80%. This offer can literally save you thousands of dollars that can be used to top-up your loan repayments.

### 5. Money is a Commodity

It makes no difference where you get it from as long as the source is secure so always go with the best deal for your strategy, no matter who the lender is.

### 6. Stay Close to Your Finance Broker

Make sure you use a good mortgage or finance broker who will keep you up-to-date with the finance markets as you move through investments and update your borrowings. A good broker who understands your portfolio is invaluable.

### 7. Find a qualified Investment Finance Broker if you don't have one.

If you would like to talk confidentially with a broker who understands how investment borrowing works, call NRG Financial Services.

