

# 5 TOP TIPS

## WHEN BORROWING MONEY



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# 1 THINK BEFORE YOU BORROW

Never borrow money in the spur of the moment. If you're strapped for money or need emergency funds it's best to try and avoid 'quick money solutions'. These lenders prey on this type of scenario and generally charge a very high interest for the privilege. Also known as "pay day lenders" by enquiring with these businesses this can drastically reduce your overall credit score and profile.

# 2 CONSIDER THE OUTCOME

Although a lot of the time it can make sense to 'roll' all your expenses in to one simple payment and consolidate, sometimes you can end up worse off and even pay more interest than what would've originally been charged. It's always best to sit down with someone and run the figures to make sure there is a financial benefit to consolidating your loans.

# 3 WATCH OUT FOR PAYMENT HOLIDAYS

The banks can sometimes offer payment pauses or holidays over certain period of the loan term (Christmas etc) just recently during the pandemic most banks were offering these payment pauses during the nations full lockdown. Most people were unaware at the time that this actually affected their borrowing capacity and they had actually entered into a 'financial hardship agreement' with the lender. Post COVID some people found it harder to obtain credit as lenders were cautious and a lot of borrowers has just come off payment holidays.

# 4 BUDGET!

Before you look a purchasing something substantial sit down and work out your budget. How much can you afford each week/fortnight/month, can you pay for it in cash if need be? Do you need to borrow the whole amount?

# 5 KNOW THE DIFFERENCE

Know the difference between secured and unsecured loans. Secured loans basically mean that the bank will take interest in the security your looking to borrow for (car loan, house). Unsecured means that the lender is happy to give you the money without taking security over anything. Generally unsecured attracts a higher interest than secure, but this all depends on your overall credit score.

**GET IN TOUCH FOR LENDING ADVICE**

**+ CALL 1300 080 811 ++**