

## The ProLoan Newsletter

March 2009

### Why are we Unique?

I want to be with a group that adds value to my client sales process, who can de-commoditise the sales process for me and my clients and who comes up with innovative ideas for selling.

ProLoan can offer all of that! Terrific!

In this current market having an **alliance with a bank** is crucial to ensure that your clients are taken care of. ProLoan was created as a separate Business in July 2002 and has benefited from the Bongiorno Group's special 33 year relationship with Westpac. This ensures that you, and your clients, continue to receive the very best service and advice.

ProLoan is unique because;

- All you have to do is refer the opportunity your bank manager and they will take it from there. You will always own the relationship with the client and there will be no interference from the bank once the deal is written.

- You have a **non-competitve agreement** with the Bank. For example with a Broker if you directed your client to ANZ, there is nothing stopping ANZ from marketing other products to your client, now or in the future, particularly as the banks become better at cross selling products.

- We are able to secure **higher loan to value ratios without mortgage insurance**- such as; Medical, dental and vets owner occupied—**90%**

Medical, dental and vets— investment property—**90%**

All other professionals—owner occupied & investment—**85%**

**Currently this is not available to people outside of our group!**

- **Ongoing trail commissions are guaranteed for the life of the loan.** Even if our agreement ended tomorrow with Westpac, as long as your client stayed with Westpac, your trail is guaranteed - this is not the case in the broking system.

- **ProLoan tracking system** - this is a unique tracking system to allow you and your client to view the progress of your loan online.

- We are able to assist you with **unique strategies and structures** so your client does experience outstanding value and service. We are also able to assist key staff with learning the basic structures and strategies too.

- **Multi level market opportunities** - this results in you benefiting from any other relationship you introduce to us being included as they all form part of your threshold for Residential loans in a calendar year

- The **loan packages are extremely competitive** and the service we obtain from the Westpac bankers is why people deal with us.

- We have the ability to assist your clients with Residential, Commercial, Leasing and low Doc loans.

- **RP data information system** - you now have access to the RP Data base - which will give you a significant sales advantage.

- **Training days** - we have 2 formal trainings a year. We are also available during the year to train new staff.

- Quarterly newsletters to help you market to your clients



Did you know....

Westpac are very competitive on the deposit front!

2009 promises to be a year of great economic uncertainty. The RBA has cut interest rates to levels unseen for many years, and whilst this has been good news for many people with mortgages, it has created challenges for those investing in cash accounts and term deposits. The speed with which interest rates have been cut has created an unprecedented situation where customers with maturing term deposits will find themselves rolling off to rates much lower than their previous rate. This is likely to create confusion and anxiety for customers, many of whom rely on term deposits as an important source of income.

In terms of investing your cash, this means you need to consider your investment time horizons and objectives before deciding the best move right now. Certainly the likelihood of further rate cuts may make it attractive to lock in current term deposit (TD) rates right now, however if you are considering moving back into riskier asset classes when markets recover, you may find an 'at call' or shorter term TD better suited to your circumstances. A combination strategy, with fixed and at call (variable) elements is another option to consider.

The other factor to consider with TD's is that you can fix for a period as short as 7 days, allowing you to secure a guaranteed return\*, without compromising too much flexibility.

**Why are rates now so low?**

In order to help minimise the impact on Australia of the Global Economic Crisis and provide conditions to stimulate our economy, the RBA has aggressively cut official interest rates over the last few months. Indeed the Cash Rate has been cut from 7.25% in early September to 3.25% currently, with a likelihood of further cuts in the coming months. This cut in rates and the general state of the economy is reflected in lower lending and deposit rates.

**Why should I keep my deposits with Westpac?**

As a term deposit investor, security of your capital and certainty of return is likely to be very important to you. It should provide you peace of mind to know that Westpac, Australia's first bank, is one of only 13 banks globally to have a AA credit rating from Standard and Poors. Of course, making your money work hard is paramount, and you will find Westpac's rates are very competitive. Plus you can choose the frequency and method of receiving your interest payments and enjoy the convenience of one of Australia's biggest branch networks.

**At a glance - Term Deposits v eSaver**

Term Deposits	eSaver
Guaranteed return* - rates locked in (known in advance)	Variable return, rates can go up or down
Money locked away until maturity - re-terms are reduced for early access	Complete access to money
Choice of terms, ranging from 7 days to 5 years	No fixed term, complete flexibility
Choice of interest payment frequency and methods	Interest paid monthly only, direct to eSaver account
No account fees	No account fees on eSaver (fees may apply to linked account)
Can be taken as a standalone account	Must be linked to a Westpac transaction account
Can be set up and operated in branch	Account operated online

\* The rate is guaranteed for the term of the investment, subject to terms and conditions (e.g. returns may be reduced if an amount is withdrawn before maturity).

*This information has been prepared without taking into account your objectives, financial situation or needs. Before acquiring a Term Deposit, eSaver or Cash Management Account, you should read the Product Disclosure Statement, available on request at any branch or by phoning 132 032 and ensure that the product is appropriate*



**“The secret of financial success is to spend what you have left after saving, instead of saving what is left after spending!”**

- Unknown

**Stop Press—Investment Allowance**

There has been a Draft Bill introduced 25 Feb 2009 (small business and general tax break) Bill 2009.

The tax break, in the form of an investment allowance will provide:

- an additional tax deduction of 30% of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, after 13 December 2008 and before the end of June 2009 and installed ready for use by the end of June 2010.
- an additional tax deduction of 10% of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, between 1 July 2009 and 31 December 2009 and installed ready for use by the end of December 2010.

The allowance of 30%/ 10% is in addition to normal depreciation.

For example—if an eligible client purchases a new tangible asset to be used in carrying on a business which would qualify for depreciation under Div 40 for a cost of \$10k.

- Depreciation would be calculated on \$10k.
  - An additional deduction in the relevant year of \$3k would be available
- The allowance has no bearing on balancing adjustments at the time of disposal.

Therefore effectively the equipment could have a write off of 130% (or 110%).

It applied to eligible persons for eligible items.

