



PROPERTY EDUCATION CO.
Home Loan Brokers & Educators

DOORWAY

Decisions

**A guide to smart
mortgage decisions
in Australia**

**7 Biggest Mistakes
Most People Make When
Choosing a Mortgage Broker**

Free eBook Download inside



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Letter from the Founder

Hello and welcome to Doorway Decisions Magazine!

While I have personally invested in property since the late 1980's, I have helped many hundreds of clients buy and successfully build fantastic portfolios, regularly saving them thousands and thousands of dollars with advice that counts.

*At **The Property Education Company**, we don't just talk about loans and rates. We educate, inspire, and ensure that every client feels equipped to make informed decisions.*

We have a passion for demystifying the mortgage process, a team that thrives on empowering clients to achieve their property dreams with confidence.



Whether you're taking your first step on the property ladder or expanding your investment portfolio, our wealth of knowledge and genuine care for each client's journey has made The Property Education Company a trusted name in the Australian mortgage landscape.

So, join us as we delve into the latest tips, insights, and success stories in this magalog edition, where my team and I share our expertise to help you make your next property move with total confidence.

Louise Lucas

Founder and CEO, The Property Education Company
2024 National Winner, Remarkable Customer Service in Finance
& Insurance Services -- Australian Achiever Awards



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7 Biggest Mistakes Most People Make When Choosing a Mortgage Broker

In Australia, approximately over 70% of all loans are written by mortgage brokers, yet less than 50% of first home buyers use a broker when they are the ones who would most benefit from having a helpful guide through this complicated process. Mortgage brokers can help protect your credit score, get you a reduction in interest and fees (sometimes better than going direct to a lender), and refer you to other specialists to assist, like conveyancers and building and pest inspectors.



Choosing the right mortgage broker can be a daunting task, especially for first-time homebuyers.

A knowledgeable and experienced broker can guide you through the complex mortgage process, helping you secure the right loan terms for you.

However, making the wrong choice can lead to significant financial consequences. To avoid common pitfalls, it's essential to understand the most frequent mistakes people make when selecting a mortgage broker.

Mistake #1: Not Checking the Broker's Licence and Credentials

Mortgage brokers in Australia are required to hold an Australian Securities and Investments Commission (ASIC) licence. This guarantees that they follow the law and specific professional norms. Mortgage Brokers also have a legal obligation to provide you with information that is in your "Best Interests", which means, even if we have a product to suit you, but a better product is offered elsewhere, we are obliged to refer you elsewhere. The banks do not have the same obligation.

Verifying the credentials of a potential mortgage broker is the first step towards selecting a reliable one. If you don't check a broker's licence, you can end up dealing with an unskilled broker or, worse, a con artist.

Make sure to verify their registration via the ASIC website. Always request to see their credentials.

Mistake #2: Ignoring the Broker's Panel of Lenders

Some brokers may offer a wider selection of possible lenders, compared to others, simply due to who is available on their aggregators panel of lenders. To make sure they can provide a range of solutions appropriate for your needs, find out from prospective brokers about the lenders on their panel.



You can do this by checking their Credit Guide, which is a document sent to you for signing to ensure you are aware of any fees and rules governing the handling of your data.

A broker with numerous years of experience in the field is probably more knowledgeable about the market and has better connections with lenders.

Mistake #3: Overlooking the Broker's Experience and Specialisation

Specialisation and experience are important. It's imperative that you deal with a broker who specialises in those sectors if you have specialised needs, including financing for investment properties or first-time home buyer programmes. Find out about their background and areas of specialisation to make sure they are qualified to deal with your specific circumstance.

Mistake #4: Not Understanding the Fee Structure and When It Applies

Although some mortgage brokers may charge fees directly to you, the client, most mortgage brokers are compensated by commissions from the lenders. Ignoring a broker's charge schedule can result in unforeseen expenses later on.

Mistake #5: Failure to Request References and Read Reviews

Client testimonials offer valuable insights about what it's really like to deal with a specific broker. To obtain a comprehensive understanding of the broker's professionalism and level of client satisfaction, check internet reviews and request referrals from recent clients.



Mistake #6: Not Assessing Communication and Compatibility

Throughout the home-buying process, your mortgage broker will be your partner, so it's critical that you get along well and collaborate efficiently. Frustration might result from failing to determine whether your expectations and communication style are compatible. In the first sessions, observe the broker's ability to listen to your needs and provide a clear explanation of your possibilities.

Mistake #7: Rushing your Decision without Comparing Options

Selecting a mortgage broker is an important choice that needs careful consideration.

You may miss out on the ideal fit for your needs if you choose the first broker you meet without properly weighing your options.

Meet with a few brokers, evaluate their offers, and decide which one is the most accommodating, knowledgeable, and supportive of your house-buying process.

To download the full eBook, go to
www.propertyed.com/ebooks



Google Reviews

“ Louise and her team made this loan so easy that I even forgot it's there. She makes herself available for meetings on Zoom at convenient times for me (normally way after hours). Great post settlement care from the team. I never need worry... and when I do, I call Louise! AWESOME!!!

Francis, Cheltenham, VIC

★★★★★

“ Having Louise and the team at Property Education help us buy our first home could not have gone any smoother! Answering every question we had as first home buyers & still now nearly a year on continuing to go above and beyond to ensure our needs are met we will be forever thankful!

Laura, Dandenong North, VIC

★★★★★

“ Fantastic service. With prudent strategy, immense financial knowledge, and a friendly but firm approach dealing with banks, Louise and co have helped our family get a massive head start financially. Do not hesitate to contact.

Callum, Western Junction, TAS

★★★★★

“ I can't speak highly enough of Louise and her team, they are like family. Their knowledge, experience and dedication is to be commended. There is not one day they don't have your best interest at heart and strive to get you the best result possible. What I commend the most is their job is never done, they are continually reviewing and touching base to ensure you are getting the best possible deal moving forward with any changes in the market.

Kylie, Cooloolo Cove QLD

★★★★★

CASE STUDY: First Home Buyers Dispel the Myth of How Hard It Is to Buy

First home buyers **Jesse & James** had heard nothing but horror stories about how hard it was to buy a home so were very reluctant to start the process.

Here's their story about how wrong they were and how happy they are to have their own unit in Abbotsford after renting for several years.

How did you find out about Louise and her services as a mortgage broker?

She came extremely highly recommended by a friend.

Did you know much about buying your first property?

We didn't at all. I had done some research online but it's hard to find a simple breakdown of the steps and stages.

What were the sort of things that was Louise able to help you with that otherwise you would have perhaps been in the dark about?

Louise explained everything simply, right from our first meeting. She helped us in obtaining a conveyancer, explained how to bid properly and guided us in selecting properties that were suitable. She was also extremely helpful during the bidding and contracting negotiation process in which she took a lot of my panicked calls out of hours.

How much value do you place on using the services of a mortgage broker? Did you ever consider going straight to the bank?

After the experience we had with Louise I would never think to go directly to a bank. Her services were invaluable. When I discuss my property with other owners they often say how horrible and hard the process was. I have to be careful not to let them know just how easy it was for us, purely because of Louise and the team. We could not have purchased a property and wouldn't have without Louise and the team's help!

How likely are you to recommend the services of Louise and her business?

100%. I can't recommend Louise and the team enough.

We like to think The Property Education Company offers much more than just writing the mortgage loan. Would you agree?

Without a shadow of a doubt.



SO, INVESTORS, you have \$100,000 in equity... Not sure what to do next?



You hit Google and search “property investment” and lo and behold there is way too much information out there and the further you get into it, the more complicated it seems.

Once you start on this process, it becomes harder and harder to make a decision as conflicting information is everywhere. Some will rush to come to your home for a supposed “education session” and those slick salesmen have a ready answer for every objection.

Advice such as:

- ✗ Don't cross-secure your loans as the banks will take it all from you...
- ✗ You must buy “off the plan” as you get better depreciation and save on stamp duty...
- ✗ You should have all your loans at different banks so the big bad banks can't get at your assets...



Your alarm bells start ringing!

So many people saying “do this” or “don't do that” and none of it makes sense anymore and you start to think you had better pay someone the big bucks to do it for you, because it is all too complicated.

The Golden Rule is if you do not understand what is going on then it is the WRONG thing for you to do. So make sure you always understand your finance decisions and what feels right for you. It is a heart as much a head decision.

Firstly, decide who you want to work with and how they can help you. Start forming your team of professionals by starting with finance – it is the basis.



Here are 10 KEY questions you should be asking to help you make good property decisions

01

Do they take commissions when selling property or referring me to someone else who sells it? If YES, then steer well clear as this advice can NEVER be in your best interests when establishing a property investment plan. Whether it is your accountant, mortgage broker or anyone else, be wary.

02



How does the person you are working with decide which solicitors/conveyancers and others to recommend? E.g. are they giving or receiving referral fees? Once again, if they work with people who refer for fees, their advice cannot be independent. We refer only to people who do a good job for our clients and they refer to us for the same reason. If they stuff up, we no longer refer – it's that simple.

Find a good mortgage broker who is independent, has dealt with a lot of property investments, preferably invests themselves and has clients who have lots of success. It is never just about the most suitable interest rate but about service and long-term planning.

03

Do you have an accountant who understands your plans long-term? Not just someone who meets you after July 1st to do your tax each year. You need someone who is interested enough to start with questions about making long-term planning decisions such as how do you intend structuring for asset protection? What is the best structure if you buy an investment property? Whose name or entity should it be held in? This is even more important when you own a business.

However, be wary of anyone who says you need a new Trust and Company structure for each investment – you can be sure that is how they are making their money with annual returns for each entity. Over structuring can be as fatal as under structuring so if it doesn't make sense to you, then DON'T DO IT. The test is whether you can explain it to someone else.



04

Do you have a separate investment loan for your deposit on a house? This is vital BEFORE you start checking real estate on the internet. You should not be redrawing cash from your home loan to use as an investment deposit as that is mixing the purpose of the debt. According to Julia Hartman¹ from BAN TACS, “a recent AAT case decided that if loan funds are intermingled with other funds before being used for income producing purposes they are no longer considered to have their source in the (tax deductible) loan”.

05

Do you spend less than you earn? If you cannot manage to save – even a small amount each week, then you should not be putting your family and yourself under any further pressure because no matter how much advisors say you will save on tax, you need to have money available and it should not just be from borrowing.

06



Are you paying down debt? If you already own your own home, are you managing to pay down debt? Many banks are now offering discounts for owner occupied loans which are paid by principal and interest. Interest rates on investment debt are inevitably higher. If you have no personal debt, start paying off your investments.

Some of my saddest cases are clients in their late 70's – still with owner occupied debt because some accountant told them not to bother paying it off as it was tax deductible debt. The aim of the game is not TAX deductions but building wealth for the long term.

07

Are you using an offset account? Banks now offer many features on loans as part of professional packages. You can have one offset for everyday use and another for longer term savings. Learn how to manage your money well by proper structuring and focus on what you are trying to get out of it.

Finally, it is time to look at what property you should invest in.



08

How many properties can I afford to buy for investment and what sort of return am I trying to achieve for my retirement? Is the plan to make money quickly? Then consider moving into the “property, renovating, selling and moving on” as this way you can avoid capital gains tax. Or, am I holding out for long term growth and rental return so this property can provide me an income in retirement?

The problem for most investors is no long term decision was ever made – they just thought they should buy an investment property because they either inherited it from parents or thought their children might use it when going to university. Most investors fail according to AHURI², the Australian Housing and Urban Research Institute, because they sell too early as the property was costing them too much to hold. When school fees need to be paid, or lifestyle is suffering because of an investment property, you know which one will go first.

09



Where should I invest? According to Terry Ryder³ from Hotspotting.com.au the key criteria is infrastructure – education, medical and transport, amenities – public and private funded lifestyle factors (café strips, new shopping centres and parks from industrial areas) and job nodes, which may be a long way from the CBD but worth considering.

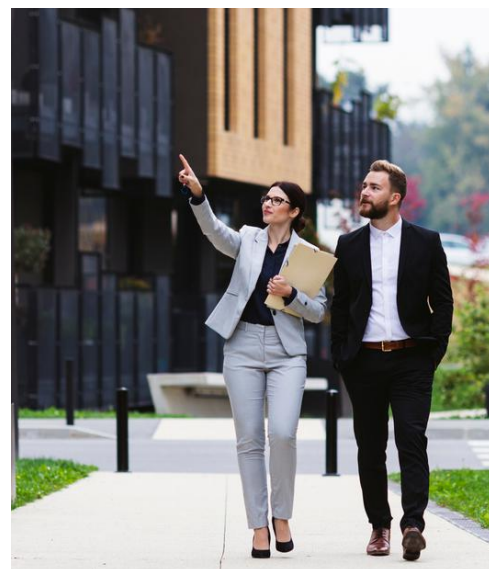
10

What should I invest in? Again it goes back to your plan for this property and if you are renting it out to hold longer term, your first question must be “What do tenants in this area want?” It is no good just looking at the median growth or average property price if most tenants are paying more for 4 bedroom, 2 bathroom homes. Do research with property managers who are the experts in their areas as they need to make sure any property they get they can rent out.

Footnotes:

Julia Hartman¹: <http://www.bantacs.com.au/topics/property-investors/>

AHURI²: <http://bit.ly/2fBvYlZ> Terry Ryder³: Hotspotting.com.au



CHECKLIST: How to Get Quality Support

Does your mortgage broker...



- Streamline the lending process? ☐ YES ☐ NO
- Give you a pre-approval that has been actually assessed not just credit checked? ☐ YES ☐ NO
- Answer your call in the evening or on weekends? ☐ YES ☐ NO
- Assist you in making offers? ☐ YES ☐ NO
- Ask lenders to waive fees? ☐ YES ☐ NO
- Order multiple valuations from different lenders to get the best? ☐ YES ☐ NO
- Apply for a better interest rate discount for you every SIX MONTHS? ☐ YES ☐ NO

WELL, WE DO THESE FOR ALL OUR CLIENTS!

2025 EVENTS: Our Upcoming Webinars 7pm Wednesdays

JAN 22	2025 Breakthrough: The Secret Weapon You Need for Planning a Great Year
FEB 19	Skyrocket Your Property Finance Skills In 2025: The New Investors' Guide
MAR 19	First Home Buyer Boot Camp: The Ultimate Guide to Grants & Schemes
APR 16	The Truth About Buyer's Agents: Are They a Must-Have?
MAY 21	The Smart Way for You to Get Better at Property Tax
JUN 18	From Vision to Victory: Powerful Tips for Portfolio Building
JUL 16	The Renovator's Edge: Smart Strategies with Bernadette Janson
AUG 20	Smart Choices: The Truth About Off-the-Plan vs. Established Properties
SEP 17	Law & Order: A Practical Guide To Property Law
OCT 22	Unmask the Myths: Common SMSF Pitfalls and How to Sidestep Them
NOV 19	Property Investors Under Fire: How to Safeguard Your Success



Contact Us

Are you ready to win at the Property Game?

Claim your complimentary 15-minute session TODAY!



SCAN the QR code to
**book a time to chat
with our brokers!**



SCAN the QR code to
**subscribe to our
newsletters!**



How to Get Started

Experience our streamlined and efficient three-step process to home loan success.



1

Book a Home Loan
Strategy Call



2

Let Us Review
Your Documents



3

Choose the Most Suitable
Loan Option and Submit

We Recommend The School of Renovating

Harness the Power of PROFITABLE Renovating to Live Your Best Life

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Want to grow your renovating for profit business? Here's all of the different ways you can work with Bernadette and the School of Renovating team.



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Why Choose Us

We are mortgage brokers who focus on our clients. It's all about you! We want to help you discover your dreams and ambitions for now and into the future, then we can design finance to suit your changing needs.



98% of Home Loans Approved



Multi-Awarded Mortgage and Finance Broker



We make it FUN!





If you are ready to move through
the doorway of your dreams,
talk to us **NOW.**

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