



The Keystarter

Keystart Unlocks New Finance Options

Keystart has added three new features to its home loans to assist customers to manage the cost of extra or unexpected bills.

The changes are designed to help people cope with emergency repair bills or to assist those wanting to undertake home improvements.

1) Urgent repairs

We will make up to \$1,000 available to help you manage the cost of urgent repairs - like the hot water system blowing up or the electric wiring becoming dangerous. The funds provided for emergency repairs are added to your existing loan, and do not attract any loan assessment or re-assessment fees.

Keystart General Manager John O'Sullivan said the changes would bring added peace of mind for many people.

"We recognise there are times when something totally unexpected goes wrong - the stove breaks down, the electrics go haywire or maybe the toilet springs a leak," he said.

"These are things you can't put off, yet people often don't have money on hand to pay for them.

"By allowing customers to access emergency funds through their Keystart loan, they avoid having to obtain the money

through other sources, often at very high interest rates."

2) Home improvements

Another new feature is the ability for customers to add the cost of home improvements to their existing Keystart loan.

"A home is the biggest investment most people make, and looking after it makes good economic sense," said Mr O'Sullivan.

"If a customer can manage a larger loan, then we will help them carry out their improvements, particularly where it adds real value to the house."

Some fees and charges may apply, but customers benefit from quick and easy approvals, minimal paperwork, and access to extra funds at home loan interest rates.

3) Access to repayments

Another new feature is that people who are ahead with their Keystart repayments now have automatic access to the extra amount to use for home improvements.

"People who get ahead with their repayments are good money managers, and we respect their ability to make decisions about the pros and cons of investing further money for home

improvements," Mr O'Sullivan said.

"If you think it makes sense, then we do too."

There are no loan assessment or re-assessment fees, and no valuation is required for customers using this re-draw facility.

Mr O'Sullivan said all of the changes were designed to add flexibility to existing loans and ensure that Keystart was responding effectively to customer needs.

Further information on each of these new features is available from your Keystart retailer.



Armadale Set to Dazzle

Keystart has become a major sponsor of a three-year Neighbourhood Improvement Program set to commence shortly in Armadale.

Residents are already seeing changes under the Landstart New Living program, which is progressively renovating and refurbishing more than 200 old Homeswest flats and houses in Armadale.

The next step is to get the whole community involved in activities designed to build civic pride and make Armadale a safe and attractive suburb for families. Keystart and the City of Armadale will work together to jointly fund the projects.

A major initiative will be the employment of a community development officer to consult with residents on an ongoing basis to identify the services and facilities they require to improve community living, and to come up with strategies to make them happen.

A range of activities from neighbourhood events and celebrations through to civic leadership strategies such as access to mentors, youth camps and school visits by role models will be organised to bring residents together.

Keystart spokesman Gerry Costigan said a high number of Keystart customers live in Armadale, making it an important customer focus area. In total, Keystart has provided more than 1,700 loans in Armadale.

"We will be working with the Council to improve lifestyle and neighbourhood enjoyment for everyone," he said. "The aim is to build a sense of belonging, a feeling of community ownership for what is happening in Armadale.

"Individual activities might be as simple as organising a lawnmower club where groups of residents share access to gardening or other equipment, through to providing computers in public places for people to



come together and learn new skills.

"We are particularly keen to help young people, families and those with special needs to actively participate in the community."

Other improvements such as upgrading parks and public open spaces, streetscapes and footpaths will also take place to enhance community living in Armadale.

Comparing Apples and Oranges

Keystart customers have been urged to take great care when comparing the cost of different home loans, particularly where the interest rate being offered seemed to be a bargain.

Keystart General Manager John O'Sullivan said interest rates showed only part of the picture when calculating the real cost of a loan.

"Keystart recently commissioned independent research by Cannex which showed our home loans are very competitive with those offered by other institutions," he said.

"A key factor is the high cost of mortgage insurance charged by other lenders. Keystart does not charge its customers mortgage insurance, which provides a huge hidden benefit to our customers.

"When you add mortgage insurance fees to the cost of a loan, it can very quickly offset any purported saving from lower interest rates. Of six institutions surveyed, the Keystart interest rate was higher, but the total loan cost was lower.

"We also provide a "safety net" scheme to assist people who run into difficulties with their loan repayments, which provides an important additional benefit for Keystart customers."

Mr O'Sullivan said customers should examine all fees and charges before considering any change. He advised them to contact their Keystart retailer for information on their total loan cost so they were able to make a proper comparison with other institutions.

Avoiding the Christmas Blues

Tips from our Money Managers, Olga Cooper & Diane Stephenson.

Christmas DOES come around all too quickly! It only seems like yesterday when one of the New Year's Resolutions was to "Save for Christmas".

Are you nodding in agreement? Well you're not alone. Seventy per cent of Australians do not save for Christmas.

Most of us will use that "wonderful life-saver" - the Credit Card! Australians are now spending a billion a month on their Credit Cards!

Did you know that if you, this Christmas, put \$1,000 on a card that has an interest rate of 15.9% and you only pay the minimum payment each month, it will take 160 months (13.4 years) to pay off!

So what can we do? SAVE!! It may sound "old-fashioned" but it beats paying 'extra' (the interest!) on those bargain presents for the family.

First, write down the names of EVERYONE who gets a Christmas present from you. Next to their name, write the amount you will spend on them. (If you like, you can add other costs like the Christmas dinner and even cards and paper.)

Add up the amounts, and if you get paid weekly, divide it by 52. If fortnightly, then divide by 26. The amount you have calculated needs to be put away.

Second, check with your bank or building society to see if they have a Christmas Club (or equivalent). You could direct debit the money each pay day into the account. One less worry! (Check to see that they are not going to add fees to do this.)

You may have not 'saved' for this Christmas, but as soon as this Christmas is over, look at planning for Christmas, 2001. Get the kids involved too. It is never too early to teach them how to save. They will thank you when they achieve their financial goals, like buying a car.

Did you know that Financial Counsellors can help you plan your household budget and give information if you are finding the money isn't stretching far enough? To access this free service, contact "The Financial Counsellors Resource Project" - 9221 9411 for a Financial Counsellor in your area.



Diane Stephenson & Olga Cooper

Olga Cooper and Diane Stephenson are experienced Financial Counsellors. Olga works with Anglicare helping people in the southern suburbs and Diane works with the City of Wanneroo in the northern suburbs.

Where are we?

If you need information or advice on your Keystart loan, your first point of call should be your Keystart retailer, unless your loan is directly managed by Keystart.

TLC Building Society

77 Stirling Street, Perth WA 6000 Ph: 9328 2322
Country callers toll free 1300 364 606

University Building Society

136 Stirling Highway, Nedlands 6009 Ph: 9389 0000
Country callers toll free 1800 627 444

Western Homebuyers Building Society

Level 1, 263 Adelaide Tce, Perth 6000 Ph: 9219 7444
Country callers toll free 1300 657 344

Westland Building Society

229 Stirling Highway, Claremont 6010 Ph: 9384 4888
Country callers toll free 1800 442 214