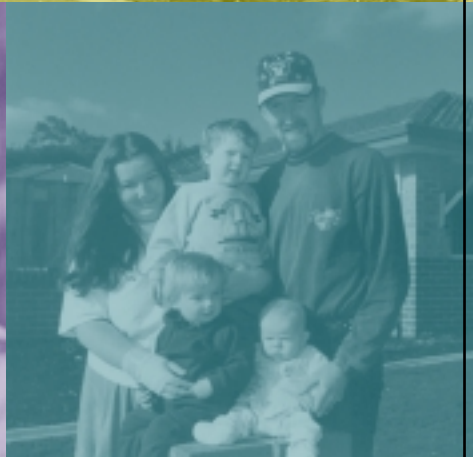




# THE KEYSTARTER



## WHERE ARE WE?

Your first point of call should be your Keystart retailer unless your loan is directly managed by Keystart.

**Trades and Labor Council of Western Australia Building Society**  
137 Edward St, Perth. 6000  
(08) 9328 2322  
**University Building Society**  
136 Stirling Highway, Nedlands. 6009  
(08) 9389 0000

**Western Homebuyers Building Society**  
263 Adelaide Tce, Perth. 6000  
(08) 9325 8277  
**Westland Building Society**  
229 Stirling Highway, Claremont. 6010  
(08) 9384 4888



June 1999

make yourself part of the big picture

Welcome to this edition of

# THE KEYSARTER



from Lloyd Guthrey,  
your Keystart  
Chairman

On April 5, 1989, the Western Australian Government through the State Housing Commission (Homeswest), launched an innovative new program to provide low deposit home loans to middle to lower income earners in WA.

The scheme called Keystart, has now been in operation for 10 years and has helped more than 30,000 Western Australian families experience home ownership.

Keystart has approved over \$2 billion in low deposit loans allowing many of its borrowers around WA to take the step from renting to owning their own home. At present more than 90% of Keystart borrowers are purchasing their first homes.

The success of Keystart can be attributed to a number of factors:

- Loans are carefully managed by Keystart and the four Keystart retailers; Trades and Labor Council of Western Australia Building Society, University Building Society, Western Homebuyers Building Society and Westland Building Society, who provide valuable advice and assistance to homebuyers throughout the term of their loan.
- Keystart loans are specifically tailored to the needs of the individual. Careful attention is paid to budgetary and personal financial requirements.
- Keystart is a subsidiary of Homeswest and people on low or moderate incomes with low deposits can be confident that the product and service they receive is designed to help them achieve home ownership.

In this edition of The Keystarter we have included information on our services, retailers, history of Keystart and stories from Keystart homeowners.

I hope you enjoy this edition of The Keystarter.

**Lloyd Guthrey**  
Chairman  
Keystart & Homeswest

## BUILDING INSURANCE

Don't forget to pay your building insurance and forward your receipt to your Keystart retailer. If you don't, you may breach the terms of your loan.

If your Building Society does not receive confirmation that your house insurance has been renewed each year, it is entitled to debit your loan account with the amount of the premium charged by an insurer, of their choice, to insure the property. You will also pay interest on the amount.

**DID YOU KNOW** Keystart has a web site.  
[www.keystart.com.au](http://www.keystart.com.au)

## KEYSTART CELEBRATES ITS FIRST 10 YEARS

April 1999 marks the 10th year of the Keystart program – 10 years of making the dream of owning a home a reality for many Western Australians.

Initiated by the Government of Western Australia, the Keystart Housing Scheme was established by the State Housing Commission (Homeswest) in April, 1989.

Designed to provide low deposit home loans for low and middle income earners, over 90% of Keystart borrowers are first home owners. Since the program began, around 30,000 people have purchased new or established homes.

The average loan size is about \$100,000 for a First Homebuyers Loan. The maximum standard Keystart loan is \$150,000.

Keystart Manager Community Relations, Mr Gerry Costigan, said a Keystart loan differs from those offered by the major banks.

“Keystart is designed to get people who cannot save large deposits into their own home.”

Looking for a more convenient way of paying your Keystart loan that will save you money and time? **Try direct debit.** Paying your mortgage has never been easier!

## MANAGE YOUR BUDGET—

### THE SMART AND STRESS FREE WAY

Do you often find yourself having difficulties making ends meet? Is there an outstanding bill you can't pay?

Managing your mortgage is a major component of your total budget. Keystart recognises that even everyday finances can sometimes be difficult to manage. That is why all Keystart retailers offer free, practical advice and assistance before and during the life of your mortgage.

People needing financial advice can also contact professional financial counselling services through the Financial Counsellors Resource Project of WA. Financial counsellors operate free of charge, throughout WA. For further information telephone (08) 9221 9411.

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“Our First Homebuyers loans provide up to \$120,000. These loans require a deposit of 2% or \$2,000, whichever is the greater and the loan may include up to \$2,000 fee assistance. Our loans have no ongoing monthly fees.

Keystart also provides loans up to \$150,000. These loans require a 5% deposit.

“The four Building Societies provide borrowers with financial advice and work to create loans tailored to individual needs and requirements.”

Keystart loans also factor in changes in personal circumstance.

When borrowers experience loss of income from changes such as illness, injury or sudden job loss, Keystart retailers work with them to provide positive solutions to problems to help them get back on their feet.

Keystart has a broad reach across metropolitan and country Western Australia with the most popular areas including Merriwa, Clarkson, Warnbro, Waikiki, Mandurah, Gosnells, Geraldton, Bunbury and Kalgoorlie/Boulder.

In the financial year to June 30, 1998 Keystart approved \$282 million in loans for the purchase of 3,225 established homes and \$217 million for the construction of 1,855 new homes. In the first half of the 1999 financial year, a further 2,864 loans were approved.

## FREQUENTLY ASKED QUESTIONS ?

### How did the January 1999 interest rate drop affect my loan?

The Keystart interest rate is variable and is therefore able to be changed to reflect interest rate changes in the Australian economy.

On January 1, 1999, the variable interest rate on all Keystart loans dropped from 7.25% to 7.00% per annum.

Following the interest rate change, all Keystart loan holders received a letter from Keystart advising them of the rate reduction.

Borrowers were advised to remain on the existing payment schedule, as money saved on interest payments will shorten the time taken to repay the loan.

For example a borrower with a loan for \$100,000 will save around \$12,000 in interest and reduce the length of their loan by 1.5 years by continuing with their pre-interest rate cut payment schedule. This saving applies if interest rates remain at their present level.

### Is every Keystart loan managed by one of the four Building Societies which are agents for Keystart?

No. Some older loans are directly managed by Keystart.

### Can my loan repayments be made by Direct Debit from my Bank or Credit Union account.

Yes, unless your account is a passbook or credit card account.

Many Keystart borrowers have already chosen to pay by direct debit. The choice is yours and Keystart provides you with the options of paying weekly, fortnightly, or monthly.

You get many benefits when you pay by direct debit. There is no need to leave home to make payments and it is easy to make more frequent payments. You are saved the extra costs of a chequing account. You pay no extra fees, unless your repayment is dishonoured.

If you pay fortnightly, you can achieve significant savings. A 25 year loan for \$80,000 can be paid off in 20.4 years with a saving of nearly \$20,000 by the borrower who chooses fortnightly payments instead of monthly payments. These savings apply if interest rates remain at their present level.

If you wish to pay by direct debit, please contact your retailer, if your loan is managed by a retailer, or Keystart, if your loan is managed by Keystart.

### Has the date of my loan statement changed?

For some borrowers the answer is yes. Keystart is co-ordinating the dates on which loan statements are mailed. So some statements which were previously mailed just after the end of June will now be mailed just after the end of May. Likewise, statements which used to be mailed after the end of December will now be mailed after the end of November.

**More information** If you have any questions about the issues covered in this newsletter or difficulty understanding the contents please contact your Building Society. If you have a loan which is managed directly by Keystart and you need more information you should contact Keystart. Interpreter services are available if necessary.

