

**MORTGAGE ADVICE IS IMPORTANT**  
**(Be careful where you get it)**  
**- Allistar Walker**

The biggest debt most of us will ever have is our mortgage. Loosely translates Mort = death, Gage = pledge. Yet we tend to take a fairly cavalier approach to our strategies regarding this beast. In the old days, more than 20 years ago, you could get fairly solid advice from your banker. Indeed those were the days when the Bank Manager had some mana. These days unbiased advice and getting sound mortgage strategies are less and less the province of banks. Staff at the coal face tend to be less experienced in these matters as well as blinkered to their own product range.

Enter the true Mortgage Adviser. Such a person will usually have extensive mortgage planning experience along with a good understanding of the finance markets and how to motivate you to achieve more than you thought you could.

A Mortgage Adviser will cover the following items with you, to construct a proper Mortgage Plan aligned to your future financial independence and lifestyle goals.

1. **Determine what you want** to achieve financially and lifestyle wise. A commitment to achieve these is necessary as goals can be shifted and your rocket may not quite get to where you want it to go, but if you don't even point it upward, you'll never get off the ground.
2. **Pay yourself first** – How much do you need to live and play on?
3. **Examine your expenses** – Those bank statements that you discard. Have a look at just where your dough is going. Do you need to line someone else's pocket at your expense?
4. **Commit to a Budget** – We, for instance, have access to very good computer based budgeting programmes which are easy to use, make sense, encourage you (because it can suck at times) and come for under \$2 a week. Much easier than jars and scriblings on the back of an envelope. There is also a free programme (but not as interactive or extensive) at [www.sorted.org.nz](http://www.sorted.org.nz).
5. **Ensure you are covered for the unexpected.** Insurance is a necessary expense. Young people do die and get sick for lengthy periods. Houses do burn down or get storm damaged. If you aren't insured, thus protecting your asset and family, don't expect sympathy when something goes wrong. Why would you pay more for this with little advice at a Bank? Plan your insurance properly rather than ad hoc.
6. **Use a Mortgage Adviser** – it could save you heaps of money and grief. We get more calls at present from people who have selected the wrong fixed interest rate periods than any other calls. Most of these have been done directly with a Bank, without advice because it 'looked' the best rate at the time. When fixing a rate, you are signing a contract. With that comes certain obligations. Be aware of these and don't moan at the banks because you didn't take the time to understand the possible consequences. Website to visit [www.consumeraffairs.govt.nz/businessinfo/cccfafa/cccfafa-formula.html](http://www.consumeraffairs.govt.nz/businessinfo/cccfafa/cccfafa-formula.html).
7. **Remember Bankers represent their shareholders** - It is up to you to make yourself financially savvy and up to you to seek advice. We are in unprecedented volatile financial times. Utilise the experience of others, get yourself a Plan and

set your course for success. A good Plan is something you will revisit, set and read on an annual basis.

More than ever, independent mortgage help is being sought. We all want the same thing – to be rid of the, you guessed it, the Death Pledge.

*Allistar Walker is a Senior Fellow of Financial Services Institute of Australasia and an accredited mortgage and insurance advisor. His full disclosure and economic updates are available at [www.mortgagehelp.co.nz](http://www.mortgagehelp.co.nz) or he can be contacted at 410 6023 and [enquiry@mortgagehelp.co.nz](mailto:enquiry@mortgagehelp.co.nz).*