

## THREE WAYS TO ACCESS FUNDS USING YOUR HOME LOAN

You can access funds from your existing home loan in different ways. Your decision would depend on your personal circumstances and financial goals, but here are the three ways in which you could use your bond.

### 1. FURTHER ADVANCE

A further advance, also known as a further loan, is an additional amount, over and above the amount you originally registered when taking out your home loan. This can be accessed if the value of your property has increased. If the value hasn't increased, but you're planning in increasing it, you may then apply for further advance building loan.

You could use the funds for home improvements, renovations or building work, or to fund another big ticket item.

Approval is subject to a credit assessment and property valuation.

There will be bond attorney fees payable as you will now be registering a higher amount at the Deeds Office.

Taking a further loan could affect the interest rate on your home loan.

Some banks require you to contact them directly for a further advance, due to their in-house processes. So, the application process for a further advance will depend on the bank where your home loan account is held.

### 2. READVANCE

Readvance means accessing the money you have already paid into your home loan account since registration.

It is the difference between your registered bond amount and your current outstanding balance.

There are no attorney fees payable.

Approval is subject to a credit assessment and property valuation.

Taking a readvance could affect the interest rate on your home loan.

You apply for a readvance directly with the bank that granted your home loan - not through a bond originator.

### 3. ACCESS FACILITY

This is a facility that allows you to access any surplus funds that have accumulated in your home loan account by you paying more than the minimum monthly instalment and/or paying a lump sum into your account.

Most banks will grant an access facility automatically upon registration of your bond, but it's worth checking with your bank and then applying for it, if needed.

Some banks may require you to have a transactional account with them, while others will arrange for the funds to be transferred between banks.

It's helpful to think of your home loan account as a regular bank account and a good idea not to close it once your bond is paid off. It could be worth keeping open for the purpose of accessing funds again in future. For example, if you wanted to buy property again, you could access funds on the existing bond or property, to help you pay a deposit or perhaps finance your new purchase. You should just let the bank know and remember that there may be a small admin fee involved, which differs between banks.