



FINANCE NEWS | VIEWS | CLUES

APRIL 2020

YOUR FINANCE RELIEF AND SUPPORT

During these unprecedented times, we want to let you know that M Point Finance is here to help, and we are committed to providing the support and advice to deliver the best financial outcomes for you. The banks and lenders are quickly making changes to their policy and requirements. We are in regular communication with these lenders and have outlined below some of the changes which will help you through any financial hardship.

Note that not all lenders have the exact same policy, but we can help identify the differences, so you understand your rights when applying for financial hardship.

RELIEF FOR PERSONAL CUSTOMERS

- Option to pause home loan repayments for up to six months (reviewed after 3 months)
- Interest to be capitalised and added to the loan principal
- Repayments to commence after six months at the new repayment level
- In some case's the loan term can be extended to maintain previous repayment amount
- Automatically reduce variable P&I repayments to the minimum
- Move to interest only repayments to improve cashflow
- Enter into a fixed rate contract of approximately 2.29% which is significantly lower than the variable rate
- Waiving fees for the restructuring or consolidation of loans

RELIEF FOR BUSINESS CUSTOMERS

- Defer P&I for up to six month on a range of business and equipment finance loans
- CBA will auto-enrol small-business customers into loan deferral arrangements for six months
- Receive a 200 basis-point rate cut on new loans and all overdrafts - Selective lenders
- Reduce variable interest rates on small-business cash-based loans by 100 basis points - Selective lenders
- Participate in the RBA's new term funding facility, aimed at providing low-cost credit to businesses
- Access to billions of additional secured limits to pre-assessed customers
- Defer business credit card repayments
- Government will guarantee 50% of an eligible loan to small business impacted by the virus up to \$250,000 for the three years and repayment free for six months

P 02 9929 4177 F 02 9929 5479
LEVEL 1, 68 ALFRED STREET
MILSONS POINT, NSW 2061
MPOINT.COM.AU

M POINT FINANCIAL SOLUTIONS PTY LTD
CREDIT REPRESENTATIVE 492756 OF BLSSA PTY LTD ACN 117 651 760
AUSTRALIAN CREDIT LICENCE 391237

INSTANT ASSET WRITE-OFF

- Threshold lifted from \$30,000 to \$150,000 with businesses eligible to claim deductions for company asset, vehicle and equipment purchases
- Provides a cash flow and tax benefit as businesses can immediately deduct purchase price up to \$150,000
- Lenders keen to support this policy through asset finance loans

NEXT STEPS

- Contact us here at M Point and discuss your financial hardship from COVID-19
- Personal customers need to utilise any redraw or offset facility before requesting a repayment holiday
- Discuss with your bank what the capitalising of interest means for your loan principal
- Do a cashflow for the next six months and see what additional facilities you need
- Look to re-finance to ensure you are getting the best financial deal possible from your bank

M Point Finance is here to provide advice and assistance to our customers. We want to ensure that you understand your redraw facilities, offset accounts and your rights to mortgage repayment holidays. Reach out to Andrew (alennon@mpoint.com.au) and we can book a video or phone call to discuss your personal situation and what we can do to improve it.