

money doctor



JOHN LOWE



GET YOUR FINANCES FIGHTING FIT!

MORTGAGE POINTERS?

What's best deal for first timers?

Q WE'RE saving €700 each month and have done so for the last 16 months.

My parents have just told us they are giving us €40,000 as part of my inheritance. We now have enough for our deposit on our first home.

Will the saving to date be sufficient for a lender? We are both still living at home and contribute €400 each per month to our parents. Where are the best deals for first time buyers?

Thanks — Jimmy, Clontarf.

A Your parents can give you another €185,000 tax free if they wish and if they have it — the threshold for Capital Acquisition Tax for parent to child is €225,000!

You are well set up. Saving is still very much part of the requirement that lenders look at when considering mortgage applications.

Effectively you are saving at least €1,500 each month between the savings and paying for your

upkeep at home.

As far as the lenders are concerned, the reason why they would want to see a savings record is simply to ensure you won't go into shock as soon as the first mortgage repayment hits your bank account.

Lenders now "stress-test" your ability to make those payments by adding up to two per cent onto the mortgage interest rate to see if you can still meet those higher repayments.

Life

There is no point in taking on a mortgage where all you can do is sit on orange boxes and look at each other — you need a life too.

Lenders have to be realistic and ensure you have that life.

Best deal? Most lenders now operate tiered mortgage interest rate structures — the lower the loan to the property value, the lower the rate. For example, if you are borrowing 50 per cent or less you could avail of a 3.25 per cent standard variable interest rate. Email me for details.

Q&A



SMART: Savings are key to getting a loan

MONEY SHORTS: KBC's SWITCHER OFFER

● IF you are unhappy with your current lender's mortgage interest rate and switch your mortgage to KBC before December 31, they will give you €2,000 towards

your legal fees.

It is certainly worth investigating especially where the rate could be more than one per cent cheaper. Email me for details.

● Best 12-month deposit account currently? Nationwide UK's 1.15 per cent — yields after DIRT tax a paltry 0.6785 per cent after one year.

TIP OF THE WEEK: SOME SOBERING FACTS ON MONEY

1: Happiness is derived when money is spent on experiences rather than possessions.

2: Spending money on others yields more happiness than spending it on yourself.

3: Two out of three inherited fortunes are lost by those who inherit it.

4: If you have €9 in your pocket and no debts, you are wealthier than 25 per cent of all Americans.

5: Bob Marley's last words: "Money can't buy life."

Are you having problems with slugs in your garden? Bury your spare coins in the garden — they will repel the slugs!



GIFT: You get more pleasure from spending on other people

Doc's savers



HERE are some more bargains I spotted:

● You can do a 28-day Online Nutritional Detox Programme for €25 (46 per cent off) from helpinghand-coaching.ie. Call 085 713 8478.

● Or get a facial and massage for €40 or €20 each (58 per cent off) in Viva La Beauty Marlborough St, Dublin 1. See vivalabeauty.biz.

● Make a

splash in the Aqua Dome Tralee with a discount of up to 53 per cent on entry. Call 066 712 9150.

● Or check out the Etihad Skyline Tour at Croke Park & GAA Museum for €15 (a 25 per cent discount). Call 01 819 2323.

Tell them the Money Doctor sent you! Email real savings that our readers can enjoy to jlowe@moneydoctor.ie.



TREAT YOURSELF: Enjoy a massage and facial in Dublin

● JOHN Lowe is founder and managing director of Providence Finance Services Limited, which trades as Money Doctor.

The financial advisor, whose firm is based in Stillorgan, Co Dublin, is also the author of the

best-selling book The Money Doctor 2015 (published by Gill & Macmillan).

● He is available for seminars and consultations.

Contact him at consultation@moneydoctor.ie or phone 01 278 5555.

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