

moneydoctor

IRISH DAILY
STAR

GET YOUR FINANCES FIGHTING FIT!

JOHN
LOWE



TO SWITCH OR STICK?

Mortgage is occupying my mind

Q BEING fortunate enough to have secured our mortgage 16 years ago, our original loan is now down to €135,000 — 40 per cent of the value of the home.

We only have nine years to go and while our mortgage interest rate is 4.5 per cent, is it really worth our while switching?

It currently costs us €1,522.44 per month. We are both aged 46 with three children under 10.

Mary — Dublin.

A Yes Mary, it would very much be to your advantage to switch.

Apart from some of the enticing incentives (e.g. 2 per cent of the mortgage back in cash, €1500 offset against your legal fees for switching and free buildings insurance for the first year) the reduced rate alone is worth your consideration.

You would be entitled to the

LOWEST tiered interest rate (the less you borrow the lower the rate) plus if with one lender you opted to open a current account with them, a further 0.2 per cent would be taken off your rate for the ENTIRE term of the loan.

Cheaper

Let me put it to you in real terms. A €135,000 loan over nine years at 3.25 per cent (including that 0.2 per cent reduction) would cost you €1,443.39 per month. That is €79.05 cheaper each month than your current repayment and over the nine years, you actually will be saving a whopping €8,537.40.

However, if you decided to switch and take out a new 20 year term — you would be mortgage-free two years before your State Pension kicks in at age 68, and the monthly repayments would be down to €765.71.

Income-wise you would need less than €40,000 income between you to justify this loan. Go for one of those options and save yourself money.

Q&A



SWITCH: Mortgage matters

MONEY SHORTS: PULLING A FEW STRINGS

● A GIBSON guitar stolen from John Lennon before it went missing for 50 years was sold for €2.12m at an auction last week by Julien's in California.

The Beatles star used the J-160E acoustic for a year in 1962 to record and write hit songs such as Love Me Do and I Want

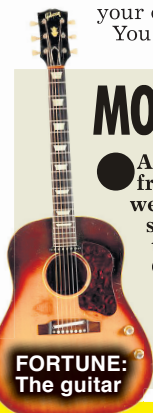
to Hold Your Hand, to name but two.

● Novice musician John McCaw bought it in the late 1960s without knowing it had been stolen from Lennon at a Christmas concert in 1963. Its whereabouts were unknown for half a century until a man in California discovered the guitar in his possession may have

historical value.

An undisclosed buyer paid one of the highest prices for a piece of rock memorabilia and surpasses the €854,000 paid at a 2013 auction for an electric guitar owned by Bob Dylan.

● So before you discard any item of memorabilia, ask yourself: could this make me a fortune in the coming years?



FORTUNE:
The guitar

TIP OF THE WEEK: CREDIT CARD STRATEGY

WITH only 42 shopping days to Christmas, it may be a good time to review your credit card.

See if you can qualify for a balance transfer card from one of the three card providers that offer 0% introductory interest rate for the first six months (Permanent TSB, KBC Bank and Tesco Clubcard).

If you can get a good deal, move your high-rate debt to that new card. Do not use the card for any new charges, and push to pay off the balance as soon as possible — ideally within that six months.

If you don't qualify, no worries. Always pay the minimum due on each card, on time, every month.

Whenever possible, send in some extra money on the card that charges the highest interest rate.

Your goal is to get the most expensive balance paid off first.

When the first card is cleared, direct your pay-



JUGGLE:
Good time
to review
your card

ments to the card with the next highest interest rate. Keep doing this until you've zeroed out the balances on all your cards.

You will thank me in January!

Doc's savers



HERE are some more bargains I spotted:

● IN THE gutter? Get yours cleaned out for €59 (65 per cent discount) in Dublin and the surrounds. Tel (01) 291 0944.

● DO you need a biomechanical assessment with 3D foot scan for €15 (85 per cent discount) in Dublin Sligo and Cork. Tel (01) 969 6055.

● GET A chiropractic exam with

treatment for €29 (68 per cent discount) at www.natbalchiro.com in College Green. Tel 672 9399.

● 15 minute karting experience for €11 (42 per cent discount) in Athboy Co Meath. Tel (046) 907 1623 or www.thezone.ie Tell them the Money Doctor sent you. Email real savings that our readers can enjoy to jlowe@moneydoctor.ie



DISCOUNT: Karting experience

● 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.

Panic setting in when the phone starts to ring?
It's time to talk to ISI.

Visit backontrack.ie or call 076 106 4200
to find out how we can help you tackle problem debt.



ISI

Tackling problem debt together

