



Welcome.

A warm welcome to the winter edition of Smile!

We start this issue by introducing 'Family Assist', a great new option allowing families to help one another into home ownership.

We also feature some handy hints to help you manage your loan; an explanation of 'CPI' as well as the impact that public holidays have on your repayments.

HomeStart is a proud supporter of many community events, including the Young Achiever Awards. These were held earlier this year so turn to page 4 to find out which bright young mind was the overall winner for 2007.

Gary Storkey, CEO of HomeStart, sheds some light on the important environmental issue of carbon footprints, including what it means and how you can make a difference.

And it wouldn't be Smile without a competition! HomeStart is going green and to celebrate this we are giving away a \$500 Reece gift voucher. Good luck!

Loan terminology demystified
Gary's green tips

Assist your family.

If you would like to help a close relative make the move into home ownership sooner, Family Assist could be the answer.

If you own your own home, either outright or with an existing mortgage, then you may be able to assist an immediate family member to buy a home. Your role would be to provide them with a limited guarantee secured against your property, without you having to pay any HomeStart fees or loan instalments (apart from the valuation fee).

This great initiative allows us to lend your family member the full purchase price of their home, plus all the fees and charges. HomeStart then secures a portion of the loan against your relative's new property and a portion against your property. This usually amounts to a 5% deposit plus the fees and charges.

When your family member's loan value reduces to 95% of

the value of their property, we can release your guarantee.

This arrangement differs from most other lending institutions where the guarantor is usually required to guarantee the amount above 80% of the property value.

This means that HomeStart's guarantee is likely to be for a much smaller amount and be in place for a shorter period of time.

To find out more about Family Assist, call HomeStart on 8203 4000 or Freecall 1800 018 788 from outside the metropolitan area.



Terms, conditions and eligibility criteria apply.

page 2

page 3

Supporting young achievers

Win a \$500 gift voucher

page 4

page 4

What is CPI and Capitalisation?

Ever wondered what some of the home loan terminology actually means? In this edition of Smile, we demystify CPI and Capitalisation.

Consumer Price Index (CPI), also known as the cost of living index, measures the price changes in consumer goods and services, such as food, alcohol, tobacco, clothing, transport, education and financial services.

HomeStart usually increases your loan repayments annually, in line with changes to the CPI (using an annualised figure based on the previous two quarters). However, because wages and Centrelink payments are often increased at around this rate, your loan repayments will generally remain as a relatively steady percentage of your income.

The latest CPI figures can be viewed at www.abs.gov.au.

Capitalisation occurs when the interest being charged to your loan is more than the instalment you are paying.

While you can always pay more to ensure that this doesn't happen there is no need to panic if it does. Repayments on a HomeStart loan increase annually in line with inflation, so over time you will pay off the principle as well as the interest. In fact, most HomeStart loans will have been paid out before a standard bank loan that has a 30 year loan term.



HomeStart is now a deafness friendly location.

As a participant of DeafSA's 'Hi' deafness friendly program, HomeStart has incorporated specialised hearing systems into our workplace. This equipment will ensure deaf and hearing impaired customers, clients and staff have full access to HomeStart's products and services.

To find out more about the 'Hi' deafness friendly program, and other deafness friendly locations, visit www.deafnessfriendly.com.au.

HomeStart's new website.

Did you know that the HomeStart website has recently been updated and improved? The new look site is extremely user-friendly and has even more information to help make your home ownership journey a smooth one.

Just log on to homestart.com.au to see the changes for yourself!



We don't just provide home loans. We put smiles on faces.



Gary's Green Tips

A footprint towards a greener future.

HomeStart is committed to providing an environmentally responsible workplace, including the establishment of an Environment Management Team. This proactive initiative is designed to help staff reduce their environmental impact by incorporating green procedures into work practices.

One environmental issue that's being hotly reported in the media recently is that of carbon footprints. But what exactly is a 'carbon footprint'?

A carbon footprint is a measure of the amount of carbon dioxide that is emitted into the atmosphere as you go about your daily life.

This could be a result of driving a car, buying food, turning on your computer or travelling to work.

As western countries continue to produce more carbon emissions, it is becoming more important to minimise carbon footprints.

The good news is that there are ways for you to offset your carbon footprint. Here are just a few practical ways you can limit your carbon footprint at home, at the office and in your travels:

Travel

- Carpool, ride a bike or catch a bus or train to work rather than drive

- Drive sensibly. Erratic and aggressive driving consumes fuel: accelerate slowly and smoothly and maintain a steady speed
- Buy items over the net instead of driving to the shops
- Work from home occasionally
- Make sure that your car is properly maintained by replacing air, oil and fuel filters according to schedule
- Keep your car tyres properly inflated

Home and/or Work

- Turn off and unplug any items that aren't being used (lights, TV, microwave etc)
- Unplug your mobile as soon as it has finished charging
- Hang out washing to dry rather than tumble dry
- Use energy saving compact

fluorescent light bulbs

- Avoid printing documents - save it onto the computer instead
- If you do have to print a document, make sure it is double sided
- Reduce, reuse and recycle
- Don't leave your computer monitor on standby - this still uses energy. Switch your screen off instead
- Wash clothes in cold water
- Install a low flow shower head

Find out more about how you can limit and off-set your carbon footprint at www.carbonfootprint.com and www.carbonfund.org.



Public holidays and your repayments.

Wondering what happens to your repayments if they fall on a public holiday?

Quite often we receive queries from customers who are unsure when their payment will be debited from their bank account.

If your repayment falls on a public holiday, it will be taken from your bank account the NEXT banking day

(Saturday and Sunday are not recognised as official banking days).

For example, if your repayment falls on Easter Monday, the funds will be requested from your bank account the next working day which is Tuesday.

Call HomeStart on 8203 4000 if you would like more information about your loan repayments.

When we're not providing home loans we're supporting...

- Fremont-Elizabeth High School's Music Centre by giving students with musical potential more opportunity to develop their talents.
- Salisbury High School Basketball Carnival for students with disabilities.



HomeStart supports local young achievers.



Gary Storkey with this year's South Australian Young Achievers.



Gary congratulates James Smith.

At HomeStart, we take great pride in providing support to our local community through a range of sponsorship activities. Each year we support a range of local events, activities and organisations.

HomeStart is a proud sponsor of the SA Young Achiever Awards, which are

held each year to recognise and reward the outstanding achievements of South Australia's youth.

There are nine categories, with the winner of each category receiving a trophy and \$1,000 from HomeStart. The overall winner is awarded with an additional \$1,000 from HomeStart.

This year's South Australian Young Achiever of the Year was awarded to James Smith of Enfield. James is currently undertaking a PhD in Public Health and was instrumental in launching the Prostate Cancer Foundation. HomeStart wishes him all the very best with his future endeavours.



Win a \$500 gift voucher to spend at your local Reece store!

To help you make your household even more environmentally friendly, we are offering you the chance to win \$500 worth of water saving products for your bathroom from Reece. There are 21 Reece stores across metropolitan and regional South Australia.

To enter, all you need to do is complete this entry form and send it to HomeStart Finance 'Water Wise' competition, GPO Box 1266, Adelaide SA 5001.

You must be an existing HomeStart customer to enter and you will need to include your current loan number on the application to be eligible. You can find your loan number on your HomeStart loan statement.

Entries must be received before 10th August 2007.



Name: _____ Loan number: _____

Address: _____ Postcode: _____

Email: _____ Daytime phone: _____

Conditions of entry: The competition commences on Monday 9 July 2007 and ends on Friday 10 August 2007. The draw will be conducted at 12 noon on Monday 13 August 2007 at HomeStart Finance, 153 Flinders Street, Adelaide. Only current customers of HomeStart Finance are eligible to enter and only one entry per person is allowed. There will be one winner and they will be notified by mail, email or telephone. Total prize value is \$500.

