



Bracelets and bright futures at the Magdalene Centre.

Want to buy a funky gift that's socially and environmentally friendly, and encourages those in need to develop new skills?

More than 120 people have taken a step toward financial independence through social enterprise projects held at the Magdalene Centre's workshop, which was refurbished last year with HomeStart's support.

Participants come from all walks of life and many have experienced disadvantage. Yet they bring with them a wealth of knowledge, skills, ideas and experience to create a great range of

items that they sell to generate their own income.

This includes the Lavish bracelets. You can buy these stylish accessories from The Magdalene Centre op shop, Waste Not Want Not gift shop at Goodwood, Mai Louie fashion boutique in Hutt Street, and Murdock Winery in the Barossa Valley.

At The Magdalene Centre you can also buy groovy notebooks made from recycled vinyl record covers, exquisite handmade dolls, carved stones, luggage ID tags, embellished clothing, mosaic furniture and papier-mache homewares.

Wherever possible participants reuse and recycle donated materials in order to have a minimal environmental impact and keep costs low.

They are now starting to explore a wide range of new sales opportunities so they can continue to make their products, and take further steps to establishing a brighter future for themselves.

If you would like to become involved, sell the products, make purchases or simply find out more, contact Jo Wickes on 8305 9382 or jwickes@anglicare-sa.org.au.

Have a great night in with \$250 worth of prizes!

There's nothing like getting comfy on your couch with a good movie – and now you can win one of two goodie baskets, including DVDs and movie snacks, worth around \$250 – so you can have a great night in!

To enter, just fill in this entry form and send it to HomeStart Finance 'Great night in' competition, GPO Box 1266, Adelaide SA 5001, by 6 June 2008.

You must be an existing HomeStart customer to enter, and you will need to include your current loan number to be eligible.

Name: _____ Loan number: _____

Address: _____ Postcode: _____

Email: _____ Daytime phone: _____

What topics would you like to read about in Smile?

Budget tips home renovation how your loan works general economic outlook the housing market

property investment community events customer stories

other _____

You can find your loan number on your HomeStart loan statement

Conditions of entry: The competition commences on 14 April 2008 and ends on 6 June 2008. Total prize value is a maximum of \$500. The draw will be conducted at HomeStart Finance, 153 Flinders Street, Adelaide on 9 June 2008 at 12 noon. There will be two winners and they will be notified by phone.

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Home equity helps Meredith manage life's challenges.

At HomeStart, we think finding out about our customers is one of the best parts of the job.

We're always on the lookout for inspiring stories which show how people are making the most of their home ownership journey with us.

So when we came across Meredith's story, we decided it was worth sharing.

Life can be unpredictable and sometimes costly – but as long-time customer Meredith found out, in times of need, HomeStart is here to help.

Meredith and her husband Steve initially took out a Home Equity Loan to buy a reliable car for their daughter and consolidate some debts.

Then they decided they would like to do some home renovations, and made

further use of their home's equity to achieve this.

"We renovated the kitchen and bathroom, painted our home and upgraded the air-conditioning," said Meredith.

A few months after finishing the renovations, Steve passed away unexpectedly. This was a terrible time for Meredith and her family. On top of dealing with her loss, there was the expense of a funeral, and then her car's transmission started failing.

"I just thought, what am I going to do?" said Meredith.

She called HomeStart for help, and found her loan consultant was there to assist her every step of the way.

"He was so nice, helpful and understanding," said Meredith.

HomeStart was also able to help Meredith obtain enough funds to put towards a new car, arranging for the money to be transferred straight to the dealership.

Meredith found that unlocking the equity in her home helped make the journey through tough times easier to manage, and allowed her to move forward feeling secure about her financial position.

"I have told a few people how we obtained the money to pay for things through HomeStart. I speak honestly in saying I wouldn't go anywhere else. I'm a very happy customer," she said.

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Make your home loan work for you.



Our customers use their loans to help meet their goals, like accessing equity to fund renovations.

There are lots of different ways you can approach your loan so that you achieve your goals. From big changes to small considerations, having a think about what matters most to you and looking at how your loan works can make a world of difference.

Want to pay your loan off sooner?

If your priority is to pay off your loan as soon as possible, consider making regular voluntary repayments over and above your set loan repayment amount.

Even just five dollars extra a fortnight can help reduce your loan balance and reduce the amount of interest you pay over the life of the loan.

You can also make one-off voluntary repayments. For example, if you get a lump sum tax return or win the footy tipping competition, you can pay that amount straight into your home loan.

HomeStart doesn't charge any additional fees for extra repayments –

and even customers with fixed interest rates can pay up to \$10,000 extra per year.

Want to save on interest?

By making fortnightly loan repayments, you'll reduce the amount of interest you pay over the life of your loan. Over a 12 month period you pay 26 half monthly instalments, or the equivalent of 13 monthly instalments. This means you'll reduce your loan balance more quickly and therefore reduce the amount of interest that you pay in total.

Need to make repairs or renovate?

Your home is your asset, so it's worth investing in to maintain or increase its value, and to suit your lifestyle. If you don't have the money to spare, a Home Equity Loan could be the solution.

Put simply, if your home's market value is greater than your loan balance, you could have equity. Our Home

Equity Loan is designed to help you tap into this hidden value in your home. Depending on your situation, you could potentially access thousands of dollars to put toward what you want in life.

Worried about rising interest rates?

If you would like the extra security of knowing what your interest rate will be for the next one to five years, speak to your loan manager about fixed and split interest rate options.

This means that a set or 'fixed' interest rate is applied to all or a portion of your loan for the period of time that you select.

Talk to us

If you have any questions or want to discuss your options, contact your loan manager (details are on your statement). We're here to make sure that you get the best out of your home loan – and keep you smiling.

Terms, conditions and eligibility criteria apply. Fees and charges are payable.



Economic outlook: sub-prime lending and credit crunches.

In this edition of Smile, I've asked Ian Wheaton, our General Manager of Treasury and Risk, to give us some insight into the current economic climate and its impact on home loans.

From Gary Storkey,
HomeStart CEO

In the last few months there's been a lot of media coverage concerning some major events in the world's financial markets, and the impact they've had on home loans in Australia. At the heart of all this is the phrase 'sub-prime credit crisis', but what is it, and what's it got to do with us?

In recent years the booming American mortgage market saw huge levels of lending to borrowers with poor credit histories, often using low documentation (or even no documentation) loans, typically with very attractive 'teaser' rates for the first year or two of the loan. Problems arose as these loans reset to normal (and much higher) interest rates. As defaults and foreclosures increased, the wave of forced property sales pushed house prices lower and lower, triggering another round of problems.

Losses on sub-prime loans are expected to total hundreds of billions of dollars. However, this is an American problem. Here in Australia, lenders haven't been quite so keen to do these types of deals, so the sub-prime market is much smaller. Also, the performance of Australian mortgages has remained very strong.

So why does this affect us? The answer lies in other phrases you've seen in the press: 'global liquidity crisis' and 'credit crunch'. As the US sub-prime problems worsened, institutional investors have become increasingly wary about where they put their money. This has made it difficult for banks and other lenders to get the money they need to fund their home loans. The result? Money market rates have gone up, so much so that virtually all Australian banks and home lenders had to increase their home loan rates in January 2008, even though the Reserve Bank didn't increase the official cash rate.

Ultimately, this means that Australian borrowers are paying more for their loans because of events that have occurred elsewhere. While this may not seem fair, it highlights the global nature of our financial markets.

In time, we can be confident that the problems in the US mortgage market will sort themselves out, the strength of the Australian market will re-assert itself, and money markets will return to normal.



It is possible to invest in the property market.

If you think buying an investment property is something that only people with a lot of spare cash can achieve, think again. The Investor Loan can help you access the equity in your home to buy another property for investment purposes.

Contact HomeStart to find out more.

Phone 8203 4000 or Freecall 1800 018 788 from regional locations, or visit homestart.com.au for more information.

Terms, conditions and eligibility apply. Fees and charges are payable.

Available to existing HomeStart customers only.

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



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