

In addition to taking out a mortgage you should also consider the following:

- Making or updating your Will
- Increasing your life insurance to cover the debt
- Appointing a good tax accountant
- Fire and contents insurance
- Pensions
- QROPS
- Reviewing your current financial situation
- Interest Only vs. Capital & Interest mortgage

If you wish to discuss any of these matters please feel free to contact us on +852 2521 9188 for impartial, professional advice.



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## Mortgages Made Simple



**How important is obtaining the  
best mortgage?**

# Mortgages made simple

“It is better to make smart decisions than follow the crowd”



Ernest Maude can help you to:

- **Create** new wealth using Bank money
- **Reduce** tax
- **Choose** the best lender
- Working in partnership with us we can ensure **simple** planning

## Why use the Bank's money rather than your own?

- Mortgage interest can often be offset against tax on rental income
- Take advantage of the cheapest borrowing available against residential property
- Not tying up all your money allows you to invest in other areas maximizing your investment returns
- Someone else i.e. the tenant is paying your mortgage!

## Capital & Repayment or Interest Only?

Depends on your personal preference as there are pros and cons to both methods. Benefits:-

1. Interest Only - Tax efficient, flexible, you get to keep the profit on capital rather than the Bank and possibility to repay mortgage earlier saving interest payments in the future
2. Capital & Interest - Mortgage will definitely be paid off in a set time as long as you keep up the payments

%	10 years	15 years
<b>3</b>	<b>965</b>	<b>690</b>
<b>4</b>	<b>1012</b>	<b>739</b>
<b>5</b>	<b>1060</b>	<b>790</b>

**100,000 Loan (monthly Capital & Interest repayments)**

E&OE

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- **Which Bank?** *Tailored to your requirements as we have a panel of lenders to suit different needs*
- **How much can I borrow?** *Normally 70% of the lower of purchase price or valuation however possible to obtain up to 90%*
- **Interest Only vs Capital & Interest?** *Depends on personal preference, we will explain the pros and cons of both methods*
- **What are the costs?** *Varies but typically 1% of loan*
- **Which Currency?** *We strongly recommend you always keep same as the currency of the asset to avoid any currency risk*
- **What rates are available?** *Fixed or floating rates which can vary from Bank to Bank typically floating rates 3% over cost of funds*
- **How long does it take to obtain an offer?** *Normally about 4 weeks but allow as much time as possible*
- **What other factors to consider?** *Insurance, tax, letting & management*