

# The Smart Guide to...

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## business options to pay less interest

Business owners have a number of choices and things to consider when determining the best way to finance their business needs.

One opportunity often overlooked is small business owners using the equity in their home to maximise their borrowing potential, and minimise their interest costs.

### *How?*

Lenders will generally lend you more against a residential property than commercial or other property (as a percentage of its value). Loans against residential property are generally the cheapest form of finance. The type of property you offer as security largely determines the interest rate, rather than what the funds are used for. So for many people this means business finance at home loan rates.

### **Business debt at home loan rates**

We can give business owners the option of financing business debt at the same interest rate as their home loan debt. This means:

- You keep your overall interest costs down.
- You can keep your home and business finance separate - through split account options that are available on most loans. This can help you meet any tax or accounting requirements.
- You can have the option of making interest only repayments
- You can make lump sum payments to your loan from your business cash flow. Many business owners like to put money aside regularly to meet commitments such as tax. Extra repayments to variable loans can be available for you to access later.
- You can have flexibility and ready access to any funds using online services which can often allow you to make payments to suppliers and others.

### **Overcoming the paperwork hurdle**

Sometimes small business owners and self-employed people do not have all the tax returns and paperwork needed by banks. We offer business owners the option of low documentation finance, or what is commonly known as a 'lo doc' loan. Ask us about this today.

Make sure you speak to your accountant or advisor before making any decisions about your business loan structure.