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COLLINS & MAY | LAW

NEWSLETTER

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- **Contacts**

Lloyd Collins
lloyd@collinsmay.co.nz
DD: 576 1403

Paul May
paulm@collinsmay.co.nz
DD: 576 1400

Eugene Collins
eugene@collinsmay.co.nz
DD: 576 1407

Nicola Goss
nicola@collinsmay.co.nz
DD: 576 1404

Paul Whitmarsh
paulw@collinsmay.co.nz
DD: 576 1409

Davina Rowan
davina@collinsmay.co.nz
DD: 576 1411

Amy McLennan
amy@collinsmay.co.nz
DD: 576 1405

Michael Moohan
mike@collinsmay.co.nz
DD: 576 1417

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Debt Consolidation

By Paul Whitmarsh

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In these challenging economic times with high inflation, increasing unemployment, and financial institutions tightening their lending criteria, it may be a good time to consider consolidating your debts by refinancing your home.

Refinancing simply means replacing your existing mortgage with a new one from a new lender. With interest rates dropping, the finance market is very competitive at the moment and you may be able to obtain a lower interest rate than you are currently paying.

By refinancing all of your debts into one loan, you will be better able to manage your debt by making one regular payment rather than several automatic payments.

If you considering refinancing it would be a good idea to talk to your Mortgage Broker in order for them to shop around for the best interest rates available to you. Once you have decided on the new lender that you have would like to go with, contact us to complete the legal work. As you will be discharging your old mortgage and replacing it with a new mortgage, only a solicitor can handle these types of transactions, and your old lender will forward to us the discharge of mortgage, while the new lender will forward to us the new loan instructions for you to sign.

On settlement day we arrange for repayment of your existing debts, drawdown the new loan, and pay any excess funds into your nominated bank account.

The whole process can be completed within a matter of days from when your finance is approved. A lot will depend on how quickly the lender can forward to us the loan documents and the funds on settlement.

After all the money has changed hands, we complete registration of the discharge of mortgage and the new mortgage on your Certificate of Title and will forward to you a search copy for your records.

If you have any queries in regard to the legal aspects of refinancing your home, do not hesitate to contact us, in the meantime if you are considering refinancing, contact your lender or mortgage broker in the first instance to find out if you are able to do so.

The next issue of the Collins & May Law newsletter covers the topic of Employee Leave Entitlements by Nicola Goss.