



Staying Healthy Wealthy and Wise this Winter

With tough economic conditions and winter just around the corner, now is the time to tackle the challenges head-on with these great tips to stay Healthy, Wealthy and Wise through Winter 2008!

2008 is proving to be quite a tough year, with another interest rate increase just implemented, petrol prices touching R10 a litre, the prospect of electricity prices doubling, food prices escalating and the new municipal rates and taxes putting even more strain on already-tight budgets.

The latest interest rate increase will cause many homeowners sleepless nights, especially if one considers the cumulative effect of the last nine increases and the fact that another increase is considered quite likely.

| | Loan = R500k (100%) | Loan = R750k (100%) | Loan =R1 mill (100%) | Loan =R1, 5 mill (100%) | |
|--|--------------------------------------|---------------------|----------------------|-------------------------|------------|
| Monthly instalment at 10.50% - before the rate increase commenced in June 2006 | | R4 991.90 | R7 487.85 | R9 983.80 | R14 975.70 |
| | Effect of 0.5% hike on 10 April 2008 | | | | |
| Interest rate will be 15.0%. The monthly instalment will be: | | R6 583.95 | R9 875.92 | R13 167.90 | R19 751.84 |
| What is the increase in instalment from Dec 07 to April 08? | | R183.96 | R275.94 | R367.92 | R551.87 |
| The cumulative effect of a 4.5% increase (from June 06 to April 08). How much more are you paying? | | R1 592.05 | R2 388.07 | R3 184.10 | R4 776.14 |
| Total % increase | | 32% | 32% | 32% | 32% |

Don't despair, take control! Here are 10 tips for beating the interest rate increases and surviving a tough winter!

1. Get a flu vaccination, take vitamins, get some exercise and enough sleep to keep your immune system boosted and your winter medical expenses down.
2. Take charge of your expenses by drawing up a budget (see our previous newsletters for great ideas).
3. Eliminate those unnecessary expenses - rent movies, entertain at home and cut out the take-away dinners.
4. Pay off your short-term debt as fast as possible (see our previous newsletters to get out of the debt trap with just R200).
5. Use credit cards and store cards in emergencies only, and then only use the cards that offer an interest-free period, and make sure you pay the full balance due.
6. If you are struggling to meet your repayments, ask for help! Speak to your Interface consultant to help negotiate a better home loan rate, to switch your bond or help you consolidate your debt.
7. Consider buying a cheaper and more fuel efficient car - your Interface consultant can help you find the right car and arrange the finance.
8. Start a car pool
9. Investigate and implement energy-saving options such as using geyser blankets and gas stoves.
10. Take action! No obstacle, including the current tight economic circumstances, is insurmountable, provided you stay in control and do what needs to be done, today!

Kind Regards,

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