



LIFE CHANGES AND SO SHOULD YOUR MORTGAGE

Is now the time to refinance?

If it's been a while since you last reviewed your interest rate or refinanced your mortgage, chances are you could be paying more than you need. Plus, your home loan may not suit your current situation or needs - after all, life changes.

Lately many of our clients have decided to refinance, but should you?

External refinancing (moving to a new lender) has historically made up about 26% of total lending, but in recent months this was up to 43.3%¹.

You don't always need to move to a new lender, but you do need to do your research before refinancing.

Refinancing is similar to establishing a new home loan. It can be difficult choosing the right home loan and features, but making the right decision is much easier with our assistance. We will share our knowledge of lenders, products, features and benefits to step you through the application process and help you make those sometimes tough choices.

So why might now be your time to refinance?

- **Historically low interest rates**

Generally, mortgage holders look to refinance every four to six years².

However, both fixed and variable interest rates have fallen significantly over the last 12 months and are at historically low levels.

As a result, those borrowers who are refinancing are securing their new loan at an interest rate that is up to 1.23%³ lower than outstanding loans, so now could be an ideal time to refinance.

Even a slight change in interest rates can make a notable difference over the life of a home loan.

- **Restructuring your loan can save thousands**

Typically a lower interest rate would allow you to reduce your repayments.

However if you're in the position of maintaining or even increasing repayments there may be an opportunity to reduce your loan term.

We also suggest you consider fortnightly or weekly repayments which considerably reduce the interest paid over the life of the loan.

- **Secure added benefits from current deals and offers**

Recently, many lenders have been attracting new customers (first home buyers and refinancers) with added incentives such as sign-up enticements, cashback offers, promotional



introductory interest rates and even gift vouchers⁴. However, don't be tempted by these incentives alone - it is of greater importance to get the right interest rate, fees and features to individually suit you.

Rather than selecting a loan simply based on the lowest interest rate, it is important to review the features and benefits offered by that particular loan product, the terms and conditions that may apply and what suits your personal situation.

As your finance specialist, we have a detailed knowledge of many lender products and features and as a result can provide personalised assistance to help you make these all-important decisions.

1 CoreLogic Housing Finance Update, August 2020: <https://www.corelogic.com.au/news/corelogic-housing-finance-update>
2 Australian Mortgage Council – March 2019 Survey – Generic: [https://www.mfaa.com.au/sites/default/files/users/user133/Australian-Mortgage-Council-Research-RFI-Mar-19-\(FINAL\).pdf](https://www.mfaa.com.au/sites/default/files/users/user133/Australian-Mortgage-Council-Research-RFI-Mar-19-(FINAL).pdf)
3 CoreLogic Housing Finance Update, August 2020: <https://www.corelogic.com.au/news/corelogic-housing-finance-update>
4 Canstar, Updated: Home loan deals & offers for September 2020: <https://www.canstar.com.au/home-loans/home-loanoffers/>