



## Cheaper loans

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By Kate Donnison

If you have a mortgage, collecting your mail over the next week could be a depressing task.

With last week's interest rate hike, millions of home owners are facing a whole new struggle to meet their repayments

But thankfully with a little research, mortgage holders and new home buyers should find there is more than one way to pick up a cheap loan.

Effie Zahos, from *Money Magazine* warns homeowners, "if you don't speak up you're losing out".

"These days, the banks want your business and they are going to do all the paperwork for you so taking that aside, yes, it is easy these days to switch — so long as your mortgage is over \$150,000, you've got every chance of getting an interest rate discount."

Andrew Willink from online comparison website Ratecity.com agrees if you don't ask you won't receive.

"The position of power is still with the consumer," he says. 'When a rate changes there is still going to be special deals you can look for. It's about knowing facts, knowing budget and market place — once you have details in your hands then you are in a powerful position," he says.

Like many other Australians, 27-year-old Daniel Streek is dreading this week's mail.

"I don't like any hidden costs or extra payments, I just like it to be straight forward payment that you know," says Daniel.

At the Cotter's family home it's a similar story for mum Debbie.

"Well with the arrival of this one we're looking to try and make any savings we can," she says.

But last week's quarter of a percent rate rise means tightening the budget is inevitable. Or does it?

We decided to put Daniel Streek's bank, Suncorp Metway, to the test. After a 20 minute phone call and Daniel running through his options with a Suncorp adviser, it looked like Daniel is on a good thing

It turns out Daniel is better off with his current variable rate of 7.64 percent.

"By changing things like the interest rate, I didn't lower my repayments as much as I thought, it didn't affect my repayments as much as putting extra repayments in," Daniel says.

Debbie's even considering switching lenders.

"Now that we've got the home loan and with so many other lenders out there, I do think that you are in a position of strength when it comes to negotiating a better deal," she says.

Ratecity.com says today's best buys for those wanting to fix their mortgage include:

United Credit Union

One Direct

and

Homepath

For variable, Ratecity recommends a few lenders like:

Myrate

Resi

and

National Australia Bank

"The best loans are in variable rates, although variable rates will change over the next week for some," says Andrew Willnik. "For fixed rates they vary every day, just about."