

Mortgage manager: Our product is cheaper than CBA

By [Larry Schlesinger](#) | Friday, 23 January 2009

Online lender myrate.com.au claims it offers more affordable mortgage products than the CBA's packaged home loan, recently judged the best deal in the country by Canstar Cannex.

The research group said CBA "now offers the lowest mortgage package rate - 6.04% for a \$250k loan".

But the mortgage manager, which is funded by ING, hit back claiming this product carried with it "huge annual fees of \$350".

Myrate.com.au claims to offer a cheaper interest rate without a heavy annual fee.

Its website offers a rate of 5.99% for a mortgage of less than \$600,000 and a rate of 6.03% for a mortgage great than \$600,000 with no application, valuation, legal, settlement, redraw, additional repayment or ongoing fees.

Managing director, Kevin Sherman, said: "If families paid the typical \$350 packaged loan annual fee into a myrate.com.au loan instead, they'd shave almost two years off their loan." (Based on a loan of \$300,000 over the course of 25 years).

In its release, Canstar Cannex claimed the days of non-banks pipping the major lenders on rate were over.

"Traditionally, non-bank lenders offered the lowest mortgage rate but the unstable funding environment has thrown up an opportunity for banks to steal market share from non-banks by selling more loans with a lower margin," said Canstar Cannex financial analyst Frank Lopez.

Canstar Cannex said the major drawback of a loan package is the home loan itself with its discounted interest rate, which applies for the life of the loan.

It said the package deal was "sweetened" with the addition of a free transaction account and a free credit card.

Institution	Variable Rate (p.a.)	Comp Rate [®] (p.a.)	Fees
myrate > \$600k	5.99%	5.99%	\$0*
myrate < \$600k	6.03%	6.03%	\$0*
Aussie Home Loans	6.65%	6.70%	\$600
ANZ	6.91%	7.01%	\$600
Westpac	6.91%	7.04%	\$600
St. George	6.89%	7.05%	\$700

[Back](#)

Latest comments

Subscription

Naed | 23/01/2009

Presumably this is because myrate do not pay Canstar Cannex's \$15k annual subscription charge. It certainly highlights why consumers should be very vary of this outfits "free .. comparison service", more so how they could call themselves "Australia's premier financial services research and ratings firm" if they only cover subscribers products.

[Report this comment](#) | [Hide](#) ▼

correction

Naed | 23/01/2009

Alright, so myrate are included - however I guess CBA and the larger banks pay higher subscription fees and are bestowed greater coverage and awards (not based on merit of course)

[Report this comment](#) | [Hide](#) ▼

Leave your comment

Broker news welcomes your comments. Please note that comments may be edited and inappropriate comments will be removed. Comments are unmoderated. If you have a question, please [email the editor](#).

Name *

Comment title

Comment *

**Have your say on
Brokernews for a
chance to win great
prizes in our regular
competitions!**

**MPA 2009
BROKERSON
AGGREGATORS**

[CLICK HERE TO
COMPLETE THE SURVEY](#)