

## Super steady growth.

### Mortgage experts warn home owners not to lock in loans

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Rachel Hewitt

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**MORTGAGE experts say home owners shouldn't rush to lock in loans despite the Reserve Bank's decision to keep interest rates on hold.**

**Aussie Home Loans** executive chairman John Symond said variable rates might fall further while fixed rates had jumped by at least 1 per cent over the past two months.

"I wouldn't rush in to fix at the moment," he said.

Mr Symond said the downside of fixing now was having to accept an interest rate of up to 1.5 per cent higher than the variable rate.

His recommendation to mortgage holders desperate to move to fixed rates was to lock only part of their loan away.

"A lot of people don't realise that when you do fix your whole loan you lose many of the features that give you the flexibility of paying extra payments, having redraw, splitting your loan and all the rest of it," Mr Symond said.

**Mortgage Choice** senior corporate affairs manager Kristy Sheppard said fixed-rate loans would "almost certainly" be more expensive in the next few months "because long-term funding costs for lending institutions are on the rise".

"One thing that borrowers need to be aware of is that fixed rates are actually increasing whereas variable rates are seemingly quite steady at the moment," she said.

But she said fixing a rate was based on lifestyle, goals, financial situation and property portfolio. She said fixed-rate loans were popular but demand had fallen.

[Myrate.com.au](#) managing director Kevin Sherman said fixing might be good for those seeking repayment certainty, but it was difficult to pick the best time to fix.