

## 90% of Australian Home Loans are overpriced

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'Check Your Home Loan Day' to prove Aussies paying too much

Despite home loans from the big banks having higher interest rates, exorbitant fees and being rated lower in value than 60 other home loans\*, around 90 per cent of Australian home loan holders are still settling for loans with one of the big four banks.

By accepting a bad deal from a big-name bank, borrowers are individually missing out on thousands of dollars each year or a whopping \$2.7 billion combined. Home loan specialist Kevin Sherman from MyRate.com.au is championing all Australians to join the annual 'Check Your Home Loan Day' on Thursday June 25 to see how much they could be saving.

"There is something you can do about the poor deal offered by the big banks; give yourself an interest rate cut and take your business elsewhere." says Sherman.

"June 25 marks the third annual MyRate.com.au Check Your Home Loan Day - a day when we remind all Aussie borrowers to devote twenty minutes to review their current home loan arrangements. Recent figures show Australian home loan borrowers are paying an extra \$2.7 billion a year in repayments by sticking with the Big Banks\*. It's time for consumers to take control of their finances and get a better deal. There is a tendency for consumers to get more complacent about their home loan at a time like this when rates are low. However there is still no reason to be overpaying on your home loan.

"Australia is now used to checking smoke detectors in their homes when day-light savings finishes. So when its time to start working on your tax, we urge you to check your home loan to ensure you're getting the best deal. Think of it as an annual health check. We spend hours checking mobile phone plans, best travel prices, etc. but the biggest savings consumers can achieve are most likely associated with their home loan. "

Sherman can quell any concerns of the stability on reputable non-bank lenders that could be holding some borrowers back. "The great direct lenders out there that continue to weather the GFC are securely funded by major financial institutions - MyRate.com.au for example obtains its wholesale funding from ING Bank (Australia) Limited."

"By way of example, the average standard variable rate home loan from the big four banks has a comparison rate almost one percent higher than MyRate's. Switching could mean a saving of over \$100,000 on a \$300,000 loan over 30 years.

On June 25, MyRate.com.au is encouraging all home loan holders to ask themselves the following questions:

#### **CHECK YOUR HOME LOAN CHECK LIST**

- Are there home loans with a lower interest rate than my current rate?
- Are there more flexible home loans allowing unlimited additional repayments and redraws with no fees?
- Are there home loans with fewer fees?
- Am I coping with repayments and do I want to consider reducing them by extending the loan term or reducing my interest rate?
- Can I manage my loan online or by phone and access features like BPay and direct debit/salary crediting?
- Am I happy with my finance institution's customer service?