

Savings beat gifts for sweet valentine

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COUPLES were expected to dump their excessive Valentine's Day spending this year and focus on long-term purchases such as buying a home.

Mortgage lenders want would-be romantics to consider using the same amount to make an extra repayment on their home loan, which could bring forward by a year the time it took to pay it off.

"If the average couple channelled the \$300 they would normally spend on this so-called romantic day into their home loan each year ... they could save \$19,202 over a 30-year loan, or shave more than one year off their loan," home loan lender MyRate said.

The figures are based on a 30-year, \$300,000 loan at 6.64 per cent.

MyRate also calculated that if a couple had one less dinner out each month and instead paid \$150 into their home each month for 30 years, they would save more than \$86,000.

In a climate of rising interest rates, increased uncertainty and heightened difficulty obtaining finance, many couples were looking to save money by cutting out costly events, Aussie Home Loans chief executive John Symond said.

"People are more conscious about their debt situation when the interest rate cycle heads up, and that's certainly been the case."

Increased debt awareness had probably been occurring for the past six months, he said.

"People are behaving a lot more prudently, cautiously, which is a good thing."

Source: [The Age](#)

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