



## Latest news

### Variable mortgage rates up, fixed rates flat

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Despite much-publicised reductions in standard variable mortgage rates by Aussie, Mortgage House and MyRate over the past couple of months, the trend so far this year has been towards slightly higher variable rates.

Infochoice figures show an average increase of eight basis points over the past five months.

Lenders making out of cycle increases to variable rates include Citibank (in December), Homeloans Ltd, Adelaide Bank, Collins Home Loans, QuickDirect, Community First Credit Union and Big Sky Credit Union.

Macquarie Bank made a big move down in April, cutting the rate on its Optimum Package loan by 42 basis points – from 7.41 to 6.99.

Brokers have reported that since coming back into the market last year, Macquarie has not done a lot of business with its high-priced offerings. It appears to be doing something about that now.

In fixed rates, there has been almost no movement. The average one-year fixed rate for lenders in the Infochoice database has dropped one basis point over the past five months; three-year rates are up an average of two basis points; five-year rates are down one basis point, and 10 year rates are down 12 basis points.

Some lenders have re-positioned their fixed rate loans. In the popular three-year market, Westpac, St George, Rams Home Loans, ME Bank and Resi have cut their rates by as much as 20 basis points in the past two months.

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