

[Is now the time to consider a new home loan?](#)

Posted by [LC Team](#), Tuesday, September 13, 2011

Stamp duty exemptions: The end of an era for NSW first home buyers.

The NSW [government](#) recently announced that from January 1, 2012 stamp-duty exemptions for first home buyers will no longer apply for people who buy existing properties.

The government aims at boosting construction of new homes therefore first home buyers will have stamp duty payments waived only on purchases of new and off-the-plan properties for less than \$500,000 with partial exemptions available for new properties valued between \$500,000 and \$600,000.

According to Infochoice Stamp duty calculator, NSW first home buyers purchasing a \$500,000 property before 1st January 2012, could save themselves \$17,990 on stamp duty.

“As a result of this stamp duty change, we may see first home buyers rushing to buy established properties before 1st January 2012” says Kevin Sherman, MyRate [Managing Director](#).

First home buyers should hurry to sort out their finances & start making enquiries about their home [loans](#) eligibility if they intend to buy existing properties before the end of the year.

So now is the right time: not only could NSW first home buyers save thousands of dollars on stamp duty but there are numerous other reasons to consider taking on a [new home loan](#) at the moment.

Exit fees banned: no lock-in contracts

Since 01st July 2011, the government banned the charging of exit fees on new mortgages which means that it is much easier to get out of a loan or switch to a new one.

In this context, borrowers should ask themselves: What have they got to lose?

With exit fees abolished, there has never been a better time for home buyers or [investors](#) to get a new loan – if you are unhappy for any reason, the cost to leave is no longer a barrier to taking [your business](#) elsewhere.

Price war on interest rates

Since the exit fee ban, competition has been fierce not only between the big banks but also between online mortgage providers.

[Home loan](#) lenders have been bombarding potential customers with strong advertising messages and attractive low [rate](#) offers.

Consumers should be wary & always try to compare apples with apples. Looking at the total cost over the time period you expect to have the loan for is a good way to identify any potential pitfalls. The home loan comparison rate, whilst not perfect, is a useful guide to help with this analysis.

Consumers should search online for a list of providers and should also consult the various comparison websites to help with this process. However, the comparison websites do not always list and promote the strongest deals out there so consumer must be sure to shop around themselves doing their own Google searches.

Shop Online to get the best deals

Shopping online for your mortgage could save you time and money.

Online direct-only lenders (such as MyRate, ING Direct, uBank, etc.) offer great value. By cutting out expensive distribution channels (such as brokers, middlemen and branch networks) they are able to pass savings on to consumers and offer fully featured loans at some of the best interest rates in the country.

Look for lenders with a credible source of funding, a track record of success through tough times (the GFC for instance), industry award recognition, and that are regulated by ASIC and are members of the appropriate industry bodies (such the MFAA).

Not only you are saving time by not physically going into a branch to set up your home loan, but in most cases you will also benefit from a lower interest rate than the big banks and by avoiding many fees.

So what are you waiting for?

Go online and do your research, you could save thousands of dollars that you could spend elsewhere... been dreaming of that overseas trip.... taking you finances in hand may just be the thing that gets you there!