



Discount Rates: Deal or No Deal?



Don't jump at special home loan interest rate deals until you have read the fine print.

Introductory offers, no rate products and percentage discounts are a popular way for lenders to generate interest in their products, but they don't necessarily lead to a cheaper home loan overall. You may find that higher fees accompany the lower interest rate or that you are paying for loan features you don't need.

Borrowers often come to mortgage brokers to help sort out the confusing discounts on the market.

It can be difficult for borrowers to compare loans if it isn't easy to calculate what the actual interest rate is over the full term of the loan.

We tell customers that when choosing a loan, they should look at the whole package, not just one element. It's important to consider your finance needs, what features you want from a home loan and how much it will cost in fees. Depending on whether you're refinancing, renovating, investing, or buying a home for the first time, your loan needs to accommodate your individual circumstance.

When a low interest rate offer catches your eye, always ask for the key details, such as how long the special offer lasts for and what the rate reverts to after that. Check out the comparison rate as this is the actual rate you'll be paying and it is a useful tool to help compare the cost of different loans. Make sure that you read the terms and conditions attached to special offers.



We're a member of the Mortgage & Finance Association of Australia (MFAA), the peak industry body. As a member, we adhere to the industry Code of Practice which requires high standards, fair business practices, ethical behavior and compliance with the letter and spirit of relevant laws and regulations.