

Considering a Home Loan switch?

Here is what you
need to know.



Your home loan often represents your largest financial commitment. With fluctuating interest rates, it's important to understand how these changes can impact your monthly repayments and the overall duration of your loan. While switching loans may incur early exit fees and other associated costs, it also holds the potential for significant savings.

In this article, we will explore whether switching loans is worthwhile and what steps we can take together to assess your options.

■ Understanding the Costs and Benefits of Switching Loans

Is It Worth the Switch?

When considering a switch, our primary goal is to determine whether the potential savings in interest rates outweigh the costs associated with switching. To assist you in this decision, we will follow several steps that ensure you have a well-rounded understanding of your options.

■ Our Simple Process for Evaluating Your Loan Options

1. We Shop Around for You

With our financial calculators, we will compare interest rates, fees, and features of your current loan against various other home loans available in the market.

Negotiation Power: If you have a larger loan, we may even negotiate a discount below the listed interest rate on your behalf.

Current Lender Talks: We'll engage with your current lender to discuss your interest in switching. Often, they may counter with lower rates or suggest a cheaper, more basic loan, potentially saving you substantial switching costs.

By utilising our expertise as your mortgage specialist, you may secure a better rate than if you attempted to negotiate alone.

2. We Research the Potential Savings from Switching

Our role includes calculating all fees associated with changing loans, along with any additional expenses, such as lender's mortgage insurance (LMI).

Break-even Analysis: We'll demonstrate how long it will take for you to start saving after accounting for switching costs, providing a clear picture of your financial outlook.

Repayment Comparison: We can also compare the minimum repayments on the potential new loans, allowing you to make informed decisions.



3. We Compare Home Loan Features Against Your Existing Loan

We will outline a selection of loans that may fit your circumstances and evaluate them against your existing loan features.

Cost vs. Features: Some loans come with additional features and flexibility. We'll discuss whether these extras are essential for you and worth any additional costs.

4. You Decide, Then We Help You Take Action

After we present the potential cost savings and differences in loan features, the decision is yours.

Long-term Benefits: Remember, you'll experience savings only if the new loan remains cheaper over time. A longer breakeven period increases the likelihood that interest rate savings could diminish.

Utilising Savings: Your savings could facilitate paying off your new mortgage more quickly or reducing your monthly repayments, helping to alleviate financial burdens.

If you determine that switching loans is the right choice for you, let's take action together!

Switching loans can be a viable strategy for saving money and managing your financial commitments more effectively. By assessing costs, potential savings, and loan features, we can help you make a well-informed decision tailored to your needs.

If you have any questions or require personalised advice regarding switching loans, please don't hesitate to reach out. We're here to help you every step of the way!



Your Lending Experts

Do it once. Do it right.

1300 941 464

help@yourlendingexperts.com.au

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