



PRESS RELEASE

AUSSIE DATA SHOWS BORROWERS CHASING LOWER RATES AND MORE FLEXIBILITY

Borrowers are increasingly favouring variable or split loans over fixed rates, according to data¹ from Australia's leading mortgage broker, Aussie.

The number of fixed rate loans taken out by Aussie's customers fell by almost 5 per cent to 12 per cent of loans in November 2014, compared with November 2013, with these customers now opting for variable or split loans.

The trend from fixed rates to variable or split loans was most pronounced in the Northern Territory (9 per cent fall), Victoria (8 per cent fall) and Queensland (6 per cent).

Aussie expects this trend will continue into 2015, as speculation rises that the Reserve Bank may lower the cash rate further in the New Year.

Aussie Founder and Executive Chairman, John Symond AM, says "Our customers are being savvy and hedging their bets on interest rates. They're wanting to take advantage of a competitive mortgage market and despite no cash rate changes in 16 months, lenders are continuing their moves toward lower interest rates.

"Customers who want the best of both worlds are splitting their home loan into fixed and variable portions. Fixed rates give certainty about repayments, ideal for tight budgets, while also protecting against possible rate rises in the years ahead. Variable rates give flexibility to take advantage of the current low rates by making additional repayments to pay down their mortgage and the benefit of any further rate drops", he added.

Mr Symond said the prospect of rate drops, combined with the red hot competition between lenders for a slice of the home loan pie, created a great opportunity for borrowers to secure a highly competitive rate.

"The smartest thing borrowers can do is make sure they are getting the best possible deal. Speak to an accredited mortgage broker who can explain your options and compare rates and loans to find the right loan mix."

For more information or to make an appointment with an Aussie Mortgage Broker, visit www.aussie.com.au.

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¹ Aussie Data is based on 6,724 home loan settlements from Aussie's panel of up to 19 lenders, including the big banks, in the periods of November 2013 and November 2014.