Home loan deals heat up

If you’re in the market for a home loan be prepared to shop around.

There is a widening gap in home loan rates. The average rate offered by the big banks at the moment is around 4.8%

Now that’s almost one percent higher than the cheapest home loan rates available, many of course through small, non-bank lenders.

The best deals tend to be reserved for borrowers with a decent deposit, so it can be worth going the extra mile to build funds for your next home purchase.

Be aware that some lenders are offering perks and freebies* - frequent flyer points, iPads, cashback deals and so on. I’d be really careful about these things. What you really need, and this is very simple, you need the lowest interest rate loan you can get your hands on, and get it paid off as fast as you can.

Source: SMH 22 September 2015

*NAB is offering new borrowers frequent flyer points for two return flights to London.
St George Bank is offering a $2,000 cashback