



HOME LOANS NEWSLETTER

July 2015

Reserve Bank interest rate announcement

Today the Reserve Bank of Australia met to review the official cash rate. They have decided to leave the rate steady at 2.00% again this month. We expect that most lenders will leave their rates unchanged, in line with the Reserve Bank's decision.

At some point interest rates will rise



It would be easy, with the long period of low interest rates that we have experienced, to forget that interest rates will rise at some point in the future. The key to being properly prepared is to be aware that an interest rate rise can occur, and to think through what would happen in your particular circumstance if this did happen.

Keeping that in mind, we have some tips to remember for those applying for a new home loan:

- Start by looking at what you can afford, not what you can borrow
- Be honest with yourself about your budget, it is not worth understating your expenses
- Understand that a 2% interest rate rise can mean an extra \$800 per month in repayments for a \$600,000 loan

History shows that once the cash rate starts to rise new levels can be reached quite quickly. From 7 October 2009 to 3 November 2010 the cash rate increased by 1.75 percent over a thirteen month period.

This can be seen in the graph below



For existing home owners, now is a good time to take advantage of the low rates that currently exist. We suggest comparing home loans to find the best deal, even a 0.25 per cent saving on a \$300,000 home loan can save about \$50 per month. This is the time to pay down your home loan as much as you can.

We can assist you with your home loan

Shopping around, comparing and negotiating may save you thousands of dollars. We can assist with this research and decision making process free of charge.

At Harvest we provide independent advice about home loans based on your personal financial situation, and therefore, do not favour any particular lender. We have access to 27 loan providers to make sure you get the best value home loan by customising a package for you that best meets your needs.

Our current best interest rates

The best home loan rates we currently have available:

- Variable rate of 4.13% pa
- 1 year fixed rate of 4.14% pa
- 2 year fixed rate of 4.14% pa
- 3 year fixed rate of 4.14% pa



Contact us www.harvestgroup.com.au | (02) 8908 4300

Follow us

