

Stop paying too much for your mortgage

Homeowners looking for a better rate should not overlook smaller lenders just because they have never heard of them. This is where an experienced finance broker is invaluable because even though you may never have heard of them, the broker may have extensive experience and can vouch for their products, service, or ability to meet your needs.

Moving to lesser-known bank or lender may end up saving you thousands of dollars and borrowers need to remember that it is the lender that is taking the risk by loaning the money and not the other way around.

Using these lesser-known lenders as a beating stick for banks is what brokers often use to 'beat down' the rates offered by the big banks to their clients. When a broker approaches your bank to match a better rate, it has a lot more influence than when you do it yourself; that is because the bank knows the broker will usually get paid once the mortgage is refinanced, which is why 9 times out of 10 they will match the discounts.

Generally speaking, any variable loan with an interest rate beginning with a 3 or 4% means the borrower is paying too much at this point in time. Even though there are huge savings available, the broker will still point out any fine print in the terms and conditions.

Online lenders should not be shunned as the day-to-day transactions and use of your bank usually does not require any involvement; it is when you are considering making changes, purchasing, consolidating or refinancing your loan where credit advice is essential. This advice should be provided by your mortgage broker and not your bank or lender to ensure independent and non-bias advice which is always focussed on your benefit.

You can always review what customers say about your lender or broker by checking online reviews before deciding to switch to a lesser-known lender or bank. Doing this initial research in conjunction to listening to the advice of your mortgage broker, will alleviate any hesitation you may have.

Either way, in a rising interest rate environment, it is essential to review your existing lending set up and ask your broker for ways to reduce your interest rate, lower your repayments and look to save thousands in unnecessary repayments to the bank.

For tailored and specific lending advice, contact Chocolate Money on 1300 137 539.