

## **MEDIA ALERT: Lender competition driving home loan rates down this spring**

**Monday 18 September 2017:** Competition between lenders for 'desirable' mortgage customers is driving home loan rates down this spring property season, according to Mozo.com.au.

The financial comparison site found that 31 lenders have slashed variable rates since August 1, while competition in the fixed rate segment of the market is at its highest in almost 12 months. One in three lenders have cut at least one fixed rate term since the start of August.

"Our database shows the number of fixed rate cuts has outstripped the volume of fixed rate hikes for the first time in almost a year," says Kirsty Lamont, Mozo Director.

The most competitive rate for the popular 3 year fixed category in Mozo's database is now 3.69%, while 71 lenders now offer variable rates below 4%.

"Competition in the home loan market is rife this spring property season as lenders bid for high quality mortgage customers. This is why we're seeing the bulk of cuts concentrated around owner occupiers paying principal and interest."

Investors paying off principal and interest were awarded the biggest rate discount, with one year fixed rates slashed by an average of 29 basis points.

"This suggests lenders are slowly closing the divide between owner occupier and investor rates for principal and interest loans," says Ms Lamont.

"The banks are being strategic in the wake of stricter lending requirements. They know the more they can fill up their books with low risk loans, the more wiggle room they have to take on higher risk loans while remaining within APRA's guidelines."

**To arrange an interview with Mozo Director Kirsty Lamont, call 0403 782 752 or email [kirsty.timsans@mozo.com.au](mailto:kirsty.timsans@mozo.com.au).**

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