

## First home buyers could borrow up to \$40,000 more with top rates from non-majors

- Big 4 fail to secure a spot amongst best value home loans in Mozo’s Experts Choice Awards
- Small, non-bank and online lenders offer most competitive rates

**Friday 17 June 2016:** Small, online and non-bank lenders have dominated the Mozo Experts Choice Awards with rates that are so competitive they could potentially give a first home buyer the edge in an auction.

The financial comparison site said a house hunter could potentially borrow \$40,558 more from the four Experts Choice Award variable home loan winners compared with the Big 4 banks, thanks to significantly lower rates.

“Our top four winners are offering variable rates under 4% and these small, online and non-bank lenders have an average rate that is 0.67% lower than the Big 4’s average of 4.43%,” says Mozo Director Kirsty Lamont.

“We crunched the numbers on how much more you could potentially borrow with these rock-bottom rates and found it was 11% of the average cost of a first home, which could be a big help to a buyer struggling to get into the property market.”

### Average interest rate and potential borrowing power of Top 4 vs Big 4

Average variable interest rate - Top 4 Experts Choice Award variable home loan winners	3.76%
Average variable interest rate - Big 4 banks	4.43%
Difference	0.67%
<b>Potential difference in amount that could be borrowed from Top 4 Experts Choice Award variable loan winners vs Big 4<sup>1</sup></b>	<b>\$40,558</b>

Source: Mozo.com.au at 19 May 2016.

“Nearly 90 per cent of the most competitive loans in the market are from non-majors, and we’re not just talking about no frills, low rate loans – small, online and non-bank lenders also dominated the Mozo Experts Choice Awards package loans category, offering loans with all the bells and whistles.”

Home Lender of the Year Newcastle Permanent picked up awards in 5 categories including Best Value Fixed Home Loan, Home Loan Package and First Home Loan.

Online lender UBank scored gongs in the variable, fixed and fixed investor categories and is currently offering a variable rate of 3.74% with the UHomeLoan-Value Offer - 46 basis points lower than parent company NAB’s Base Variable Rate.

Of the Big 4 banks, Mozo found ANZ offered borrowers the best value.

Borrowers can compare 484 home loans from 83 lenders online using Mozo’s home loan comparison tool at <https://mozo.com.au/home-loans>.

**Some of the biggest winners of the Mozo Experts Choice Home Loan Awards are:**

Lender	Type	Categories won
Newcastle Permanent	Non-bank	<ul style="list-style-type: none"> <li>• Home Lender of the Year</li> <li>• Best Value Fixed Loan</li> <li>• Best Value Offset Home Loan</li> <li>• Best Value Home Loan Package</li> <li>• Best Value First Home Loan</li> <li>• Best Value Fixed Investor Loan</li> </ul>
Homestar	Non-bank	<ul style="list-style-type: none"> <li>• Best Value Variable Home Loan</li> <li>• Best Value Offset Home Loan</li> <li>• Best Value First Home Loan</li> <li>• Best Value Variable Investor Loan</li> </ul>
UBank	Online-only lender	<ul style="list-style-type: none"> <li>• Best Value Variable Home Loan</li> <li>• Best Value Fixed Home Loan</li> <li>• Best Value Fixed Investor Loan</li> </ul>
Illawarra Credit Union	Non-bank	<ul style="list-style-type: none"> <li>• Best Value Fixed Home Loan</li> <li>• Best Value Variable Investor Loan</li> <li>• Best Value Fixed Investor Loan</li> </ul>
G&C Mutual Bank	Small bank	<ul style="list-style-type: none"> <li>• Best Value Home Loan Package</li> <li>• Best Value Variable investor Loan</li> <li>• Best Value Fixed Investor Loan</li> </ul>
<b>Source: Mozo.com.au.</b>		

Full a full list of winners, visit: <https://mozo.com.au/expertschoice/best-home-loans>

**-ENDS-**

<sup>1</sup>Notes on calculations:

Borrowing calculations use Mozo’s Home loans borrowing calculator for a 30 year loan with monthly repayments of principal and interest, with 2% loading, for a single borrower with gross income based on the ABS full-time adult average weekly ordinary time earnings and no other monthly repayments. The first home buyer purchase price of \$367,000 was calculated using the average first home buyer loan size of \$330,600 from the ABS Housing Finance Australia, April 2016.

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