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All lenders cut variable home loan rates in November

- Millions of Australian borrowers will be financially better off compared to last month
- For refinancers long term savings could far outweigh upfront switching costs

November 26, 2011, Sydney

Around 2.5 million Australians with variable-rate home loans will be financially better off in December after lenders cut interest rates across the board following the Reserve Bank's cash rate reduction in November, Australia's best financial comparison site RateCity (www.ratecity.com.au) has found.

Of the more than 500 variable-rate home loans in the RateCity database, 100 percent have posted rate movements since the Reserve Bank cut the official cash rate on November 1.

For an average-sized mortgage of \$300,000, a 25 basis point reduction represents a saving of approximately \$50 per month (based on the benchmark standard variable rate, which has dropped to 7.56 percent).

Damian Smith, RateCity's CEO, said that the universal movement in rates was a welcome outcome, and pointed to how competitive the home lending market is at present.

"The combination of a very slow lending market, along with changes in exit fee arrangements that make it easier to switch out of variable rate loans, has forced lenders to move rates down quickly. That's good news for the millions of Aussies with variable rate mortgages, as well as for new home buyers".

Despite all lenders lowering rates, Mr Smith urged borrowers to shop around, as the costs of refinancing continue to come down.

"The cost to refinance might seem like a big sum upfront. But given that this money will be recouped within the first couple of months, the long term savings far outweigh the upfront switch costs," he said.

RateCity research shows that the average cost to establish a new mortgage is around \$500, plus any exit fee that your current lender may impose (if you took up the home loan prior to July 1). Fees may include application, valuation, documentation, legal, securitisation and settlement charges, according to Mr Smith.



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RateCity's top standard variable interest rates

Lender	Standard variable rate
eMoney	6.33%
loans.com.au	6.38%
Better Option Home Loans	6.39%
UBank	6.39%
Pacific Mortgage Group	6.42%
State Custodians	6.47%
Mortgage HOUSE	6.55%
MyRate	6.6%
Rate Busters	6.61%
LJ Hooker Finance	6.64%

Please note: above table of rates are generally available to the public and are ranked by advertised rate.

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For Further information please contact:



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