

Thinking of refinancing your home loan?

A home loan is one of the biggest investments many Australians will make in their lifetime, but did you know you may be able to secure a better deal through refinancing?

It's in your best interest to regularly assess your mortgage to make sure it's still beneficial to you.

Refinancing with WAW Credit Union could save you thousands on your mortgage repayments.

In this Refinancing Guide we will explain the benefits, different loans available and how easy it is to start the refinancing process.

Attain a better interest rate

One of the strongest cases for refinancing your home loan is to get a better interest rate.

With a reduced rate:

- ✓ your monthly payments would be lower which would provide you with greater amounts of disposable income,
- ✓ extra cash in the hand each month would certainly relieve some financial pressures on the household budget, or free up funds for additional investment opportunities,
- ✓ a reduction in interest could also add up to thousands of dollars worth of savings over the life of your loan.

If your mortgage is already a few years old, you might find that current interest rates are significantly lower than what you are currently on. Refinancing your home loan while the rates are in your favour could be a sound financial decision. The money you'll save with a lower interest rate may be offset by refinancing fees, so make sure you get professional advice before taking any action.

Adjust your term to fit your situation

Shortening your loan term can be a great way to reduce interest payments over the life of the loan. While your regular payments will increase, if you're able to shorten the loan term as well as get a lower rate, the difference in your repayments may be less. You could pay the mortgage off sooner and be able to put your money to work elsewhere.

Similarly, you could **extend your loan term**. Doing so will reduce your regular payments but in the long run it could cost you more due to the interest you'll be paying over the extended period. It's a great option if you're struggling with payments, but be sure to talk to one of our home loan specialists before doing so.

Check out the interest rates on our home loans [Loan Comparison Calculator](#).

Change your loan type

Refinancing could give you the option to change to a different type of home loan. A good example of how this could benefit you would be moving from a variable rate to a fixed rate. With a variable rate home loan, your interest payments will fluctuate with the market conditions. This means that when interest rates go up so will your monthly payments.

Of course, when rates drop, your repayments will too. As interest rates are currently quite low, it could be in your favour to change to a fixed rate home loan. This way, you lock in the low rate while you can and maintain regular payments for the period that you choose. Both of these options have benefits, from the flexibility of variable rate to the security of fixed.

There is an additional option to get the best of both worlds via a split loan. This is where you split your loan in two, resulting in one fixed and one variable. This option offers both flexibility and security.

Instead of making a number of payments for your different debt obligations, you could consolidate these under a single payment.

Additionally, paying a lower rate would also reduce your repayments and could save you money over the life of the loan. However, when considering the total cost of your repayments you need to consider both the interest rate and the term of the loan - the longer the term the more interest you will pay over the life of the loan. Our home loan specialists can help you get the balance of these two factors right and come up with a scenario that suits your circumstances.

Check out the interest rates on our home loans by using our [Loan Comparison Calculator](#).

Use your equity for further borrowing

If you've been making repayments for a number of years and have built up a significant amount of equity in your home, refinancing can be a great way to inject some cash into your budget.

One of the most common reasons for using your existing equity is to renovate your home. This is usually a sound investment since it can add value to your property. Refinancing your home loan to use your equity is essentially extending the amount you've borrowed. This may make your regular scheduled repayments higher and your term longer, so you should make sure you're in a position to continue making the increased payments for the length of your new term.

Use our handy [calculators](#) to consider which option may suit you best.

Consider consolidating your debts

You might have a number of payments in addition to your home loan repayments, refinancing your mortgage is a good opportunity to also consider what savings you could achieve through home loan consolidation.

Your WAW home loan specialist can assist you to explore your options.

Why refinance with WAW?

WAW offers a great range of home loans and refinancing solutions, whatever your financial situation. We have a broad range of value-for-money mortgage options, and our home loan specialists are knowledgeable and provide expert advice.

WAW offers great rates, low fees and many other benefits. As a 100 percent customer-owned banking institution, we strive to go above and beyond for our customers.

Ready to refinance?

Find out these details about your current home loan so that you are armed with the information you need to compare with a WAW loan.

- What kind of mortgage do you have?
- What is your interest rate?
- How many years is the term of your loan?
- How much equity do you have in your home?
- Are you paying monthly or annual fees?
- Do you have access to an offset or redraw facility?
- Are you being penalised for making additional repayments?
- Can you currently choose the frequency of your repayments?

How do I refinance my home loan?

- 1. Make an appointment with a WAW home loan specialist.**
During your meeting, you'll discuss refinancing options and go through the application. You'll need to bring along bank statements, two payslips and your current council rates notice. We will then provide you with a quote for your repayments.
- 2. Understand and meet the requirements for refinancing.**
Primarily, you'll need to have a good payment history for your former loan and bank accounts.
- 3. Be mindful of potential discharge fees for your old loan.**
If you're refinancing through WAW from another financial institution, you could be charged exit fees.
- 4. Understand that the length of the process depends on the terms of the refinancing.**
Usually you should allow 48 hours for approval and around four weeks for the documentation to be completed by the relevant parties and your old loan to be discharged.

Got home loan questions?

Discuss your home loan needs with one of our experienced specialists today.

Call us:

Give us a call on 1300 368 555 and we'll help you out.

Don't call us – we'll call you:

Just leave your details [here](#) and we'll be in touch to talk home loans.

In person:

Talk to one of our home loan specialists in-branch: just choose the time and place.



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