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Risk / Benefit Statement – Variable Rate Loans:

Variable Rate Loans:

While there may be benefits to having a Variable Rate Loan (e.g. take advantage of reducing interest rates) there are also other factors that need to be considered.

Factors to be considered – Risks:

- The Interest Rate is a variable rate which is subject to market fluctuations.
- Lenders may increase/decrease rates independently of the Reserve Bank.
- The risk of increased rates/repayments is not good if you must keep to a budget.
- Lower interest rate loans may be available if the features of the variable rate loan are not needed or utilised.

NB: This may not be an exhaustive list and can be discussed further with us.

Factors to be considered – Benefits:

- Variable Rate Loans generally have the full suite of options, e.g: redraw; offset; top-up; addition repayments; loan portability;
- Redraw and Offset accounts generally available.
- Unlimited higher repayments or special repayments allowed.
- Loan increases (Top Ups) allowed.
- Split loan option – may combine with part variable rate loan and part fixed interest rate loan for a 'best of both worlds' option.
- Package Rates generally available which offer discounts on the variable rate (conditions & fees apply).

NB: This may not be an exhaustive list and can be discussed further with us.