

Investment lending rate rise:

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Last month, APRA began placing pressure on banks to restrict investment lending. Their warning was to either begin taking measures to voluntarily tighten their policies on investment lending or APRA would make compulsory changes to policies. As such we have received news from most lenders that they will be increasing investment loan interest rates by between .27% and .3% starting as early as 10th August 2015 for new applications and mid September for existing loans. There have been many changes implemented which include but are not limited to: Loan to asset value ratios, serviceability calculations, assessment rate and discounts as well as changes to rental income and negative gearing policies.

What does this mean?

In brief, AMP will not be accepting new investment lending applications for this current period, Macquarie, CBA, ANZ, BOM, WBC as well as most other smaller lenders are raising investment interest rates from .27% - .3%, most lenders are removing all discretion and pricing discounts on investment loans, and the NAB group (National, Homeside, NabBroker, UBank, Choicelend) will be raising the rate on ALL (including owner occupied) Interest only loans, by .29%

What does this mean for you?

To find out what your bank is doing with your loan, please give the office a call to arrange a time to discuss how these changes will impact upon your personal situation. The Grimsey specialist team can be contact on (03) 8341 8888 or email client.services@grimsey.com.au.