COMPARISON

Home Loan Comparison Guide

The right loan is a combination of rate, features and structure. Here's how the main options compare.

Variable rate loans

The rate moves with the market and your lender's pricing.

- Full offset and unlimited extra repayments
- You benefit when rates fall
- Easy to refinance or pay off with no break costs
- Repayments can rise if rates increase

Fixed rate loans

Your rate is locked for a set term, usually 1–5 years.

- Predictable repayments — easier budgeting
- Protection if rates rise
- Limited or no offset; capped extra repayments
- Break costs can apply if you exit early

Split loans

Fix a portion (e.g. 50%, 70%) for certainty and keep the rest variable for flexibility. Often the sensible middle ground when you want budget stability without giving up an offset.

Offset accounts

A transaction account linked to your loan. Every dollar in it reduces the balance interest is calculated on, without formally paying down the loan. Keeps flexibility and (on investment loans) protects deductibility.

Redraw facilities

Redraw lets you pull back extra repayments you've made. It reduces the interest you pay, but redrawn funds are treated as new borrowing — which can affect tax deductibility on investment loans. Offset is usually cleaner for investors.

Interest-only loans

Repayments cover only the interest for a set period (usually 1–5 years). Useful for investors managing cashflow or borrowers with short-term needs, but you're not reducing the principal during that period and the rate is usually higher.

Ready to talk it through? Book a free, no-obligation consultation with Gemma at www.topsoulfinance.com.au or call 0438 285 413.