GUIDE

Refinancing Guide

Refinancing well can save tens of thousands over the life of a loan — done poorly it just adds fees. Here is when to switch, and what to weigh up.

When refinancing makes sense

Review your home loan every 2–3 years, or sooner if your circumstances change.

- Your rate is well above current market for your LVR
- Your loan lacks features you now need (offset, split, redraw)
- You want to access equity for renovation or investment
- You're rolling off a fixed rate onto a high revert rate
- You want to consolidate higher-interest debt

Lower repayments

Even a 0.30% improvement on a $600,000 loan can save around $110 per month and tens of thousands over 25 years. Extending the term can lower the monthly repayment further, but always weigh the long-term interest cost.

Debt consolidation

Rolling personal loans, car loans or credit cards into your home loan can dramatically reduce monthly cashflow pressure. The trade-off is that short-term debt is stretched over 25–30 years unless you commit to paying the equivalent extra each month.

Accessing equity

A cash-out or equity split lets you release usable equity for renovations, investment deposits or business needs. Lenders will want to see the purpose and may cap the amount depending on the reason.

Fixed vs variable rates

Refinancing is a natural time to re-decide. Fixed rates lock in certainty (but limit offset and extra repayments); variable keeps flexibility. A split often gives you the best of both.

Costs to consider

- Discharge fee from your current lender
- Government registration and title fees
- New lender valuation and settlement fees (often waived)
- Break costs if you exit a fixed rate early

- LMI if your new loan is above 80% LVR

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