

How to negotiate and lower your home loan rate.

We all want a better rate for our mortgage. What most of us don't want, though, is having to call the bank to negotiate or move to another bank to get a better deal. But when it comes to getting the best mortgage rate, the key is to just shop around and not take rejection personally.



Jump online to a home loan comparison website.

Get a feel for the rates available. Make sure to compare variable loans with offset if you want one. After all, it's sometimes cheaper to go without a balance and use redraw instead.

There are, however, potential issues when going through digital 'neo' cheaper banks. Their approval criteria are restricted; only available for certain suburbs, or they only allow a specific type of applicant.



Understand how their interest rate reviews work.

Banks mostly use an automated system that shows them exactly how they can drop the rate. When getting the first counteroffer, get it escalated to a senior team, as you're not happy with that outcome.



Instead of asking your bank to reward loyalty, approach another bank to find the best rate.

Get proof of that offer (ideally in writing if negotiated under advertised rates) and use that to negotiate with your bank. Generally, for big bank customers, it's better to deal with another big bank.



Some banks will offer additional discretion if you speak with the manager. You can also ask for a discharge request.

Want to know what to say if you decide to do this? Read [here](#) for more info before calling your bank.