CONSUMERS SEEKING MORE RELIEF FROM RBA

HOME LOAN ENQUIRIES STILL MODEST DESPITE RATE CUTS: LOAN MARKET

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Consumersare still seeking more interest rate relief despite the back-to-back cuts inthe official rate by the Reserve Bank of Australia (RBA), according to leadingmortgage broker Loan Market.

LoanMarket Corporate Spokesman Paul Smith said home loan enquiries had only risenmoderately since the RBA lowered its cash rate on May 1 by a half percentagepoint to 3.75 per cent and then by another 25 basis points on June 5 to 3.5 percent.

MrSmith said consumers remained cautious and they would welcome further stimulusfrom the RBA, which still had plenty of room to move.

Consumersare still hesitant despite the RBAs rate cuts, which have not been passed onin full by most lenders, he said.

Ourown enquiries have risen by only about five per cent with most activity on thedays when lenders made their interest rate announcements.

Butany spikes in activity havent been sustained and the signs are that consumersare uncertain about the European debt crisis and the direction of the domesticeconomy and they are hoping for more rate cuts.

MrSmith said while further rate cuts were desirable, home loan customers did notnecessarily have to wait for more action from the RBA as the current competitivelending environment enabled them to try and strike a better deal on theirmortgage.

Theresunderstandably some uncertainty in the minds of Australians towards thedirection of the economy, however those who are looking to save money on their homeloan should take advantage of interest rates while they trend downwards, hesaid.

Borrowers canachieve significant savings by shopping around and seeing if they can get a morecompetitive home loan package.

And often borrowers who make noises about switchinglenders achieve a favourable response from the banking retention teams.

Market conditions are currently in the buyers favourand a mortgage broker is ideally placed to take a clients interest to themarket and negotiate home loan options between lenders.

A recent Mortgage and Finance Association of Australia (MFAA)study showed 43 per cent of all home loans were now written by a mortgagebroker and many in the industry are suggesting it will rise to 50 per cent inthe coming years.

ENDS

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About Loan MarketFounded in 1994,Loan Market is Australiasfastest growing retail mortgage brokerage settling more than $6 billion in homeloans annually through a team of over 600 brokers in Australasia. Loan Market is part of the Ray White Group ofcompanies, which were established over a century ago and is one of the largestprivate companies in Australia with over $25 billion in real estate salesannually and international operations in Asia, the Middle East and New Zealand.

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