

# implications for fixing your home loan

Fixing the interest rate on your loan (or on a portion of your loan) can offer benefits including:

- Providing you with certainty on repayments & cash flow and;
- Protecting you from any sharp interest rate rises over the fixed period

However, when fixing your loan, you should be aware of the following restrictions:

## **a. inability to off-set fixed loans**

You are unable to link an offset account to the fixed loan/portion of loan fixed. This limits your ability to use any cash to reduce interest on the loan.

## **b. break costs and other fees**

When a Bank lends money at a fixed interest rate, it does so with the understanding that the borrower will make certain fixed rate repayments for the whole of the fixed rate period.

If, during the fixed rate period, you:

- make a prepayment(s) of more than the specified threshold\* over the fixed term or;
- switch to another interest rate;
- sell or change the security of the property;
- make any other changes to the loan as defined in your Westpac loan fixing documentation

you will be charged a break cost plus an administration fee.