

Fix your mortgage rate

Homeowners should seriously consider fixing the interest rate on their home loan so they can better absorb possible rate increases, FNB Housing Finance suggests.



[Image: renjith krishnan / FreeDigitalPhotos.net](#)

With the number of changes in the economy, such as increases in the petrol price, food and electricity, CEO of FNB Housing Finance Marius Marais said, "Fixing the interest rate on your home loan is one of the best ways to weather a financial storm."

At the start of the fixed period the initial interest rate may be 1 to 2% higher than the variable rate at that time. However, in the long run, variable rates may increase much more than this.

A fixed interest rate means that the monthly repayment will remain unchanged even when interest rates increase; allowing customers to have a more stable monthly budget.

Fixed rates are normally offered for periods up to 5 years.

Whilst the small 'saving' in the monthly repayment may look attractive in the short term, when rates move up swiftly these customers may suffer severe financial strain - even sadly losing their homes.

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