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## **Banks deliver best package savings**

CANSTAR CANNEX releases *package banking star ratings* report.

If you're in the market for a home loan, real savings can be made by upsizing to a package loan with its free credit card and transaction account included in the deal.

Releasing its latest *package banking star ratings*, CANSTAR CANNEX compared 57 packages from 29 institutions to award five-star packages to three types of borrowers – home buyers, property investors and the self-employed.

With 9 out of 10 home loans now written by banks and almost 60% of banks' new loans taken as part of a package, it's easy to see the bank's dominance continuing to ramp up.

"Traditionally, non-bank lenders offered the lowest mortgage rate but the unstable funding environment has thrown up an opportunity for banks to steal market share from non-banks by selling more loans with a lower margin," CANSTAR CANNEX Financial Analyst Frank Lopez said.

"Banks are grabbing this opportunity with both hands and concentrating heavily on package banking as a major component of their new business."

According to CANSTAR CANNEX data, the Commonwealth Bank now offers the lowest mortgage package rate – 6.04% for a \$250k loan.

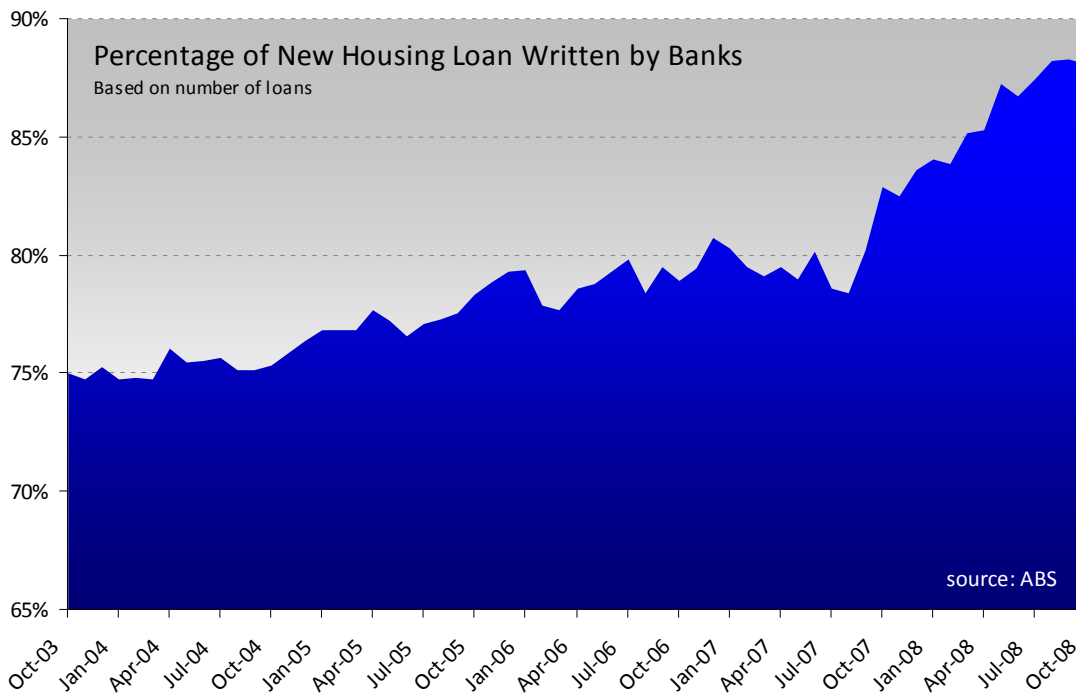
Packaged banking offers value for money and convenience for those who like to do all their banking with the one institution and save money at the same time.

The major drawcard of a loan package is the home loan itself with its discounted interest rate. This discount applies for the life of the loan, as opposed to an introductory rate which applies only for a certain period.

The package deal is sweetened with the addition of a free transaction account and a free credit card.

"This all comes for an annual fee of between \$195 and \$750, fairly steep but tempered largely by the home loan discount," Mr Lopez said.

"There's no doubt the simplicity of paying one annual fee to cover most of your everyday banking needs works for most borrowers. It is wise, however, to do the sums before signing up to ascertain exactly how much better off you would be with a package loan compared to stand-alone banking products."



CANSTAR CANNEX researched packaged banking to star-rate the best, ranging from five-star to three-star. These ratings have been compiled according to what’s important to each of three distinct profiles – home buyer, property investor and self-employed – to provide a valuable short list of what packages are on offer at a glance.

Consumers can download the CANSTAR CANNEX *package banking star ratings* report on [www.canstarcannex.com.au](http://www.canstarcannex.com.au)

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**About CANSTAR CANNEX:**

Founded in 1992, CANSTAR CANNEX Pty Limited is Australia and New Zealand's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANSTAR CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. This information is also distributed to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

## What are the CANSTAR CANNEX star ratings?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at [www.canstarcannex.com.au](http://www.canstarcannex.com.au) if you would like to view the latest star ratings reports of interest.

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