

## Media Release

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### Official Cash Rate Increase Signals Personal Mortgage Review

The Retirement Commissioner, Diana Crossan says that people with fixed rate mortgages expiring over the next 12 months should not ignore increases in interest rates that follow the rise in the Official Cash Rate (OCR) announced today.

Ms Crossan said that although people on a floating rate mortgage would feel the impact of an increase in interest rates immediately, those on a fixed rate mortgage should not be complacent.

“Every New Zealander with a mortgage, regardless of whether it’s fixed or floating should calculate whether they can lift their mortgage repayments in line with any increase.” Ms Crossan said.

“It’s tempting to ignore interest rate rises if you are on a fixed mortgage, but you need to prepare in advance for when it expires.”

She said that working out what your mortgage repayments will be now would give people time to adjust their budgets to cope well with any changes.

Despite the relatively high mortgage rates, there was still stiff competition amongst banks for business. “When you are reviewing your mortgage, shop around and see who can give you the best deal,” Ms Crossan said.

The Retirement Commission’s free, independent website [www.sorted.org.nz](http://www.sorted.org.nz) has a section dedicated to mortgages. It includes specialised mortgage calculators to help compare offers and calculate costs.

Sorted calculators include:

1. **The Quick Mortgage calculator** helps you work out how much you can afford to repay and how this will affect the time and cost of repaying up to three mortgages.
2. **The Principal and Interest calculator** shows how much principal and interest you will pay for on your mortgage/s and how different repayments levels will affect this.
3. **The Comprehensive Mortgage calculator** combines the two calculators above with an additional goal-setting option so you can work out targets for specific periods for up to three mortgages.

For these calculators and many other tools visit [www.sorted.org.nz](http://www.sorted.org.nz).

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