

FOR MEDIA



CRAIG EMERSON

Member for Rankin

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TIME DRAWING CLOSER TO NO EXIT FEES ON NEW MORTGAGES

From 1 July 2011 banks will be required to abolish exit fees on new home loans.

Member for Rankin, Craig Emerson said, "This important change to the banking industry will have a substantial impact on young people looking towards their first home purchase."

Mr Emerson said, 'First home buyers stimulated Logan's market for a long time. Some of these buyers were caught in mortgage rates that weren't competitive.

"New mortgages from 1 July this year will see a more open and competitive market emerge where shopping around for the best deal will keep the big lenders on their toes and making sure their clients are happy."

The big banks know the Gillard Government is serious about helping families who want to move their home loan to a more competitive lender.

"Labor's proof we are serious about these new banking arrangements were confirmed when two of the big banks completely abolished their mortgage exit fees for all customers in response to our initial crackdown on unfair exit fees.

"The other big banks have since retaliated by slashing their mortgage fees or actually offering cash to encourage customers to switch," Mr Emerson said.

"This is a win-win situation for mortgage holders."

The Government's actions mean banks that charge high fees can expect to lose customers while banks that offer the best value can expect to be rewarded with new customers walking through their doors.