



# HOW TO **SAVE MONEY** BY SWITCHING YOUR MORTGAGE

## SWITCHING CAN BE SIMPLE

Getting a mortgage is often perceived as a long and arduous process, with endless emails, phone calls, and documents to fill out. Once you've signed the last bit of paper and you finally have the keys to your new home, switching mortgage providers is likely to be the furthest thing from your mind.

However, just as the process of getting a mortgage isn't always as difficult as people think, neither is the process of switching. In fact, it can be quite straightforward, and there are considerable benefits to doing so.

In this eBook, we'll look at how to switch your mortgage and outline some compelling reasons to consider it.



## REASONS TO CONSIDER SWITCHING YOUR MORTGAGE

The number one benefit to switching mortgages is the fact that you could save tens of thousands of euros in the long term.

Despite a massive increase in mortgage approvals last year, the number of first-time buyers in Ireland is still relatively low. As a result, many mortgage providers are actively targeting switchers and enticing them with sizeable cash back incentives.

There is serious competition between these lenders, meaning that there is almost always a better deal to be found by simply shopping around. Some lenders will require you to have been with your current lender for a certain amount of time before switching.

## IRISH BUYERS ARE STILL HESITANT TO TRUST SWITCHER MORTGAGES

2021 saw a sharp increase in the number of switcher mortgages being approved, as more people started to realise the benefits of switching providers.

According to the BPFi Mortgage Approvals Report, “almost 7,000 switcher mortgages were approved in the twelve months ending September 2021 – the highest annualised level on record”.

However, that number equates to just 4% of eligible Irish mortgages being switched each year.

So, why are Irish people so reluctant to change their mortgage providers? According to research by the Central Bank of Ireland, people don't switch for the following reasons:

- They don't realise how much money they could save
- They find it difficult to compare mortgages
- They believe the process is too long and complicated

Another concern is how much it might cost. While it is true that you will have to hire a solicitor, the cashback incentives offered by most lenders are usually more than enough to offset these costs.





## HOW MUCH COULD YOU SAVE BY SWITCHING?

People are always looking for ways to save a few euros here and there, from supermarket vouchers to coffee shop loyalty cards.

Yet many of us never consider switching our mortgage, which is arguably the single biggest way to save money.

Let's take a look at a practical example below:

- Five years ago, John took out a mortgage of €300k.
- With 20 years left on the mortgage, John's house is now worth €380k and the outstanding balance is €260k (LTV = 69%).
- His current variable mortgage rate is 3.7%, and his monthly repayments are €1,534.
- Over the next five years, John will pay a total of €92,040 in repayments.

John does some research, speaks to a mortgage specialist, and decides to switch his mortgage.

PTSB offers a rate of 2.55% for five years, 2% back on monthly repayments with a PTSB explore account and a 2% lump sum cashback within 40 days of drawdown.

- John switches his mortgage of €260,000 to PTSB over a 20-year term.
- His new monthly repayments are €1,356.40 (€1,384.09 – €27.68 (2% cashback)) equating to a total saving of €177.60 per month.
- John gets a 2% lump sum cashback within 40 days of drawdown – €5,200.
- John paid €1,000 in switching fees, which were covered by the €5,200 cashback bonus.

As a result of switching his mortgage, John is **€14,856** better off after five years. (€10,656 + €5,200 – €1,000).



## TIPS FOR SWITCHING

- Speak to your current provider to see if there is any breakage fee or if they can offer you a better deal.
- Shop around and research what other lenders are offering. Make a list of their terms and conditions, as well as the amount of cashback they offer for switching (and any other bonus incentives).
- Hire a solicitor to take care of the legal side of things.
- Enjoy spending the money you've saved!

## HOW TO SAVE MONEY BY SWITCHING YOUR MORTGAGE

Switching your mortgage can potentially save you a lot of money.

What would you do with an extra €14,000 in your pocket? Go on the holiday of a lifetime? Build a sunroom off the kitchen? Treat yourself to a fully kitted-out garden shed?

While the process may seem daunting at first, Symmetry Financial's team of mortgage experts is standing by to help.

We will assess your financial situation to see if switching is the right choice for you and provide accurate and reassuring advice at every step of the way.

Don't delay – contact Symmetry Financial today and see how much you could save!



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