

CONTROLLED/CAPPED RATE HOME LOANS

This type of variable loan allows you to set a "ceiling" rate. If variable rates rise above your pre-determined ceiling rate, say 8%, your rate will be capped at that level. Similarly, if variable rates were to drop back down, or if they were to drop below the prevailing variable rate at the time you took out your facility, your interest rate would follow the variable rate down. This provides you with the best of both worlds, albeit with a premium added to the prevailing standard variable rate for the protection and flexibility you are getting.

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