Dragan Lazic · Mortgage Broker
YBR Inner Melbourne

Is Refinancing Worth It in 2026?

A plain-English guide to what actually changes between lenders, what switching really costs, and how to work out if it's worth it for you.

Where things stand right now

The RBA held the cash rate at 4.35% at its August 2026 meeting, with the next decision due 29 September 2026. Forecasts are mixed - some major banks expect a further rise, others expect a hold through the rest of the year. What matters for you: lenders adjust their own rates independently of the RBA, based on their own funding costs, so two lenders can sit on quite different rates even when the cash rate hasn't moved. That gap is exactly what a refinance can close.

What actually changes lender-to-lender

It's rarely just the headline rate. Worth comparing:

- **The comparison rate**, not just the advertised rate - it folds in most ongoing fees
- **Offset and redraw access** - a slightly higher rate with a full offset can beat a lower rate without one
- **Ongoing fees** - annual/monthly account fees add up over a 25-30 year term
- **Flexibility** - extra repayment limits, ability to split fixed/variable

What switching actually costs

This is the part most people either overestimate or ignore completely. It depends heavily on whether you're on a variable or fixed rate.

FEE	APPLIES TO	TYPICAL AMOUNT
Discharge fee (your current lender)	Everyone	**$150 - $400**
Government registration fee (VIC)	Everyone	**~$129**
New loan application/valuation	Everyone (often waived)	**$0 - $600**
Break cost	Fixed-rate loans exited early only	**Varies - can be substantial**

> **The single most important thing to check first:** are you on a fixed rate? Break costs only apply if you exit a fixed-rate loan before the fixed term ends - variable-rate loans never attract a break cost, only the standard discharge and registration fees above. For a typical variable-rate switch, all-up costs usually land somewhere around $300-$700.

The quick way to tell if it's worth it

Compare your one-off switching cost against your ongoing monthly saving. If the switch pays for itself within the first 6-12 months of lower repayments, it's very likely worth doing - everything after that is pure saving for the rest of your

loan term. On a $500,000 loan, even a 0.3% rate reduction is often worth $100+ a month, which pays back a $400-700 switching cost in well under a year.

> Want the real numbers for your specific loan? **Run the free Loan Savings Check** at loansavings.com.au - takes about 30 seconds, no obligation.

This guide provides general information only and does not constitute credit advice. Figures are indicative, current as at September 2026, and will vary based on your lender, loan structure, state, and personal circumstances - confirm exact numbers before making a decision.
Dragan Lazic is a Credit Representative (571699) of Yellow Brick Road Finance Pty Limited, ACN 128 708 109, Australian Credit Licence 393195.
358 Clarendon Street, South Melbourne VIC 3205 · 0403 343 177 · dragan.lazic@ybr.com.au · loansavings.com.au