Adding a car to your mortgage.

The guide to aviod paying more for your next car.

Simplify™

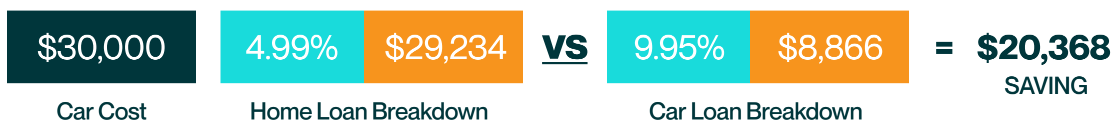
Adding a car to your mortgage

Many home owners believe that using their home equity to purchase a new car is a great solution because they don't have to apply for a car loan and their mortgage repayments often stay the same.

It's easy to think paying for your new car with a mortgage top up is cheaper than other car finance options, with home loan interest rates the lowest we've seen in years - there are a few things to consider before you make that call.

The difference - Home loan vs car loan explained

If your new car costs $30,000 and added to the mortgage at 4.99% over a 30 year term. When you take into account compound interest over the term as opposed to the longest car loan term of 5 years, it can increase your total payemnts to over $29,000, even though the interest rate is a lot lower.



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Reason #1
A car is not an apprechating asset unlike your property, so you will never get the

Reason #2
The loan term really matters and banks want you to be in debt longer.

Things to consider first.

Length Extended terms means extended payments, you'll be in debt longer

Rate Low interest rates are usually promotional and rates can increase

Repayments Lower repayments almost certainly means you'll pay more