



Internet banking

Paying off your home loan faster

[Changing your home loan repayments](#)[Making a lump-sum payment](#)[Making an overdue home loan payment in Internet Banking](#)

Paying off your home loan faster

You could pay less interest overall on your home loan by increasing your regular repayments or making lump-sum payments through Internet Banking. Read more about [ways to pay off your mortgage faster](#).

Change your regular repayments

For most fixed or floating (variable) home loans, you can increase your repayments at any time. This means you're paying off more principal with every payment, so you will pay less interest overall and pay your loan off sooner. If your loan is on a fixed interest rate, [early repayment charges](#) may apply. You can also decrease your repayments (unless you're already at your minimum payment level) at any time.

Find out how to [change your regular home loan payments in Internet Banking](#). Alternatively, you can call us on 0800 080 222, visit us in a [branch](#), or [email us](#).

Make a lump-sum payment

Lump-sum payments go directly towards the principal of your home loan, meaning you pay off your loan faster, and pay less interest overall. If your loan is on a fixed interest rate, [early repayment charges](#) may apply. Our Standard/Flybuys home loans let you repay up to 5% of the loan amount at the start of your fixed term each year, without early repayment charges.

Find out how to [make a lump-sum payment in Internet Banking](#).

What to consider when making lump-sum payments to a TotalMoney home loan

If you have a combination of TotalMoney offsetting home loans and fixed (such as Classic or Standard/Flybuys) home loans, you need to [decide whether it is better to offset any extra money against your TotalMoney loan/s or pay a lump sum to one of your fixed loans](#).

When you are offsetting your savings against your TotalMoney home loan, you do not pay interest on the amount offset. This means more of your payments will go towards your principal, and your loan may be paid off sooner.

Lump-sum payments to a TotalMoney home loan from an offset account

If you're paying a lump sum to your TotalMoney home loan from an offset account, you'll pay off the loan quicker, but you won't save any money on interest. This is because the money in that account is already being used to offset your TotalMoney loan, so you're not currently paying interest on this part of the loan.

Once you make a lump-sum payment, you'll no longer have access to this money. Alternatively, if you leave this money in the offset account, you'll be able to access it in the future if needed.

Lump-sum payments to a Classic or Standard/Flybuys home loan from an offset account

If you're paying a lump sum to a Classic or Standard/Flybuys home loan from an account that is being used to offset your TotalMoney home loan, you will save interest and pay off that loan faster.

However, you may not save interest overall, or pay off your TotalMoney home loan faster. This is likely to be the case if the interest rate on your TotalMoney home loan is higher than the interest rate on your Classic or Standard/Flybuys home loan, because you will no longer be offsetting these funds against your TotalMoney home loan.

Lump-sum payments to a TotalMoney home loan from a non-offsetting account

Offset balance is less than your TotalMoney home loan balance

If your TotalMoney home loan is not fully offset, you could achieve similar time and interest savings by using your money to offset the loan instead of making a lump-sum payment. You can do this by changing your transactional account to a TotalMoney account, or by transferring the funds into a TotalMoney account.

By doing this you will reduce your effective interest rate and pay your TotalMoney loan off faster. The savings will depend on the amount being offset over the life of the loan.

Offset balance is equal to or more than your TotalMoney home loan

If your TotalMoney home loan is fully offset, you won't save any interest by making a lump-sum payment, but you will pay off the loan faster. You're not paying any interest currently because the interest on your TotalMoney loan is already being offset by the money in your offset account.

Contact us

You can [send us a secure message](#) in Internet Banking.

BNZ COMMUNITY

Check out [BNZ community](#), a place where like-minded people can connect and talk about all things money related.

Did you find this page useful?

Yes

No

