Which one best suits my needs?

Comparison of key types of pricing packages for home mortgages

HOME LOAN PRICING PACKAGE	PROS	CONS
Market pegged	■ Completely transparent rate such as the Singapore Interbank Offered Rate (Sibor), which is published by the Association of Banks in Singapore. ■ Determined by the market, and a single bank does not influence the value ■ Rate is revised according to the selected tenure. (For example, 3-month Sibor is revised once every 3 months.)	■ More susceptible to interest rate movements. To tackle this, you can opt for 3-month Sibor instead of 1-month Sibor when interest rate is rising to enable the rate to be locked in for 3 months before the next revision
Fixed rate	■ Fixed monthly instalment during the fixed rate period of 1 to 3 years	■ More expensive than other packages ■ Prepayment penalty at 1.5% of the loan outstanding if you redeem or pre-pay your loan within the lock-in period ■ Only available for completed properties
Bank managed rates Fixed deposit-pegged rates and variants of the traditional mortgage board rates	■ Most banks allow flexibility to switch pricing packages when the benchmark increases ■ Generally, there is a lag time between market rate increases and increases in mortgage board rates	■ Value of the reference rate is determined by the bank and rate change can be made at the bank's discretion (key reason for increase is the increase in the funding cost). You will be notified of the change 30 days in advance

Source: OCBC Bank