

January Reset for Interest Only Loans in 2026

A Simple Guide to Regaining Control of Your Loan Strategy

If you have an interest only loan, January is the ideal time to pause and check whether your loan still supports your goals.

Many borrowers are caught off guard when an interest only period ends. Repayments rise, options narrow, and decisions feel rushed. This checklist is designed to help you gain clarity early so you can make informed choices with confidence.

You do not need to take action immediately. You just need a clear picture of where you stand.

Step 1 Get Clear on Your Loans

- List all loans that are currently interest only
- Confirm the interest only expiry date for each loan
- Note the remaining loan term once interest only ends
- Check the current interest rate and whether it is fixed or variable
- Confirm the borrower type individual trust company or SMSF

Step 2 Understand the Repayment Change

- Calculate the new principal and interest repayment
- Confirm whether repayments are calculated over a shorter term
- Assess the monthly cash flow impact
- Decide whether the increase feels manageable

Step 3 Check If an Interest Only Extension Is Possible

- Confirm if your lender allows interest only extensions
- Understand a full reassessment will apply under current rules
- Review your income position
- Review your living expenses honestly
- Note any new debts since the loan was approved

Step 4 Review Strategic Fit

- Decide if interest only still suits your goals
- Consider whether cash flow or debt reduction is the priority now
- Check if this loan structure supports your long term plans
- Ask whether your current lender is still the right fit

Step 5 Identify Risks and Opportunities

- Flag any loans that may create pressure if unchanged
- Note trust or SMSF loans with limited options
- Identify opportunities to restructure earlier rather than later

Step 6 Choose Your Next Step

- Decide if you need advice or just a review
- Gather documents early
- Book a review well before any expiry dates
- Set a reminder for future loan reviews

Your Next Step

If this checklist has highlighted uncertainty around your interest only loans, the most valuable next step is a strategic review.

A structured loan review can help you understand your options before changes occur, protect cash flow, and ensure your loan strategy still aligns with your long term plans.

January is about preparation, not panic. Clarity now creates confidence later.