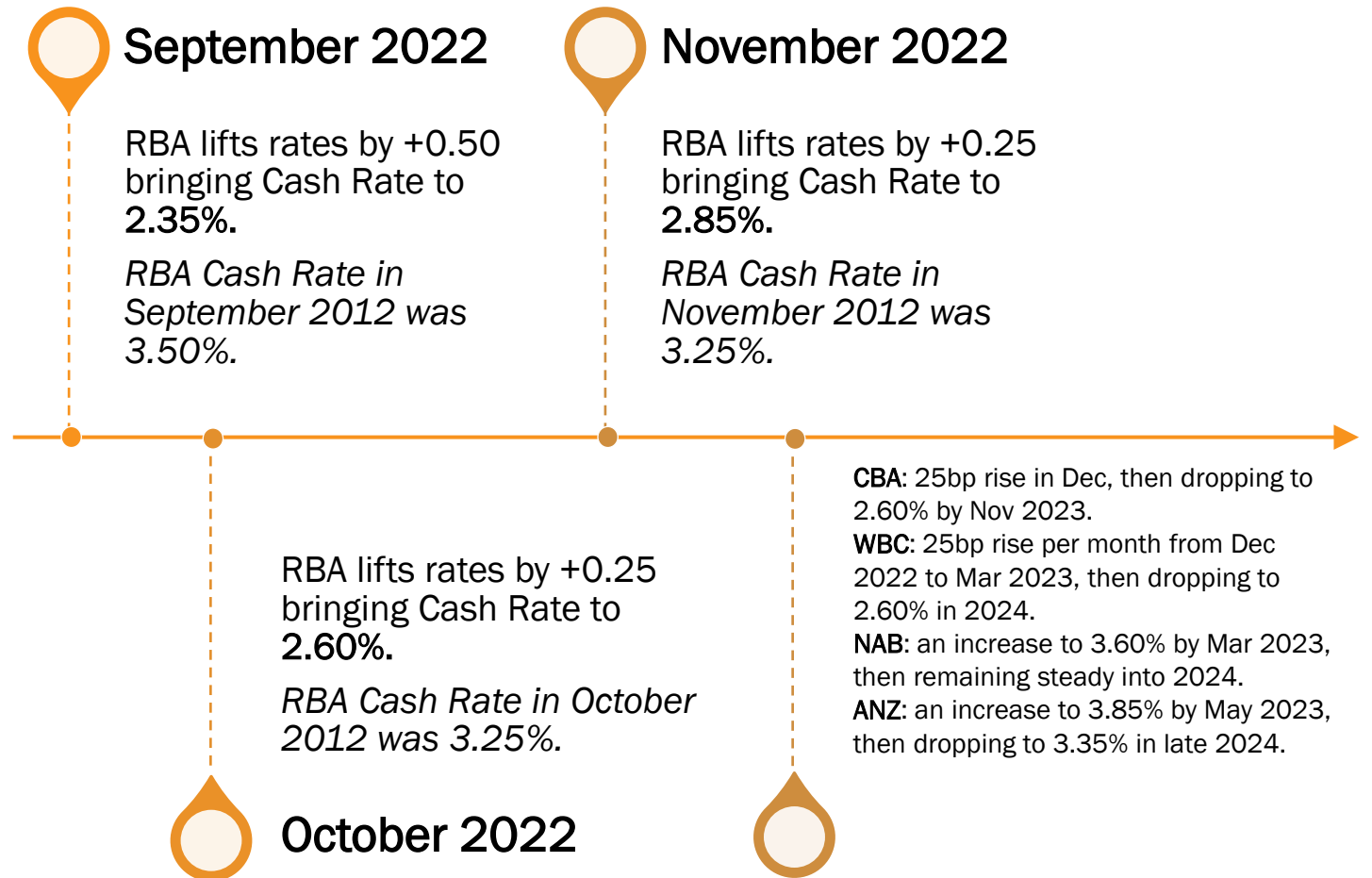









Results Home Loans

MONTHLY UPDATE - NOV 22

Rate Movements



Option 1	Option 2	Option 3	Option 4	Option 5
				
Complete Variable 60%-80% (OO PI)	Basic Variable <80% (OO PI)	Discount Variable 70%-80% (OO PI)	Orange Advantage Variable <80% (OO PI)	SmartFit Variable <80% (OO PI)
Year 1 - 30 4.44% p.a. variable \$2,515.63 per month	Year 1 - 30 4.49% p.a. variable \$2,530.46 per month	Year 1 - 30 4.49% p.a. variable \$2,530.46 per month	Year 1 - 30 4.54% p.a. variable \$2,545.32 per month	Year 1 - 30 4.58% p.a. variable \$2,557.25 per month
30 Year(s)	30 Year(s)	30 Year(s)	30 Year(s)	30 Year(s)
80%	80%	80%	80%	80%
Monthly, Fortnightly, Weekly	Monthly, Fortnightly, Weekly	Monthly, Fortnightly, Weekly	Monthly, Fortnightly	Monthly, Fortnightly, Weekly

Current Interest Rates for Home Owners

Based on a \$500,000 loan over a 30 year term at 80% LVR with Principal and Interest repayments.

Option 1	Option 2	Option 3	Option 4	Option 5
				
Complete Variable 60%-80% (Inv IO)	Basic Variable 75%-90% (Inv IO)	Discount Variable 70%-80% (Inv IO)	Orange Advantage Variable <80% (Inv IO)	Own Variable 70%-80% (Inv IO)
Year 1 - 5 4.84% p.a. variable \$2,016.67 per month	Year 1 - 5 5.01% p.a. variable \$2,087.50 per month	Year 1 - 5 5.08% p.a. variable \$2,116.67 per month	Year 1 - 5 5.09% p.a. variable \$2,120.83 per month	Year 1 - 5 5.09% p.a. variable \$2,120.83 per month
Year 6 - 30 4.84% p.a. variable \$2,876.53 per month	Year 6 - 30 4.61% p.a. variable \$2,810.47 per month	Year 6 - 30 4.83% p.a. variable \$2,873.64 per month	Year 6 - 30 4.79% p.a. variable \$2,862.10 per month	Year 6 - 30 4.89% p.a. variable \$2,891.00 per month
5	5	5	5	5
30 Year(s)	30 Year(s)	30 Year(s)	30 Year(s)	35 Year(s)
80%	90%	80%	80%	80%
Monthly	Monthly, Weekly, Fortnightly	Monthly, Fortnightly, Weekly	Monthly	Monthly

Current Interest Rates for Investors

Based on a \$500,000 loan over a 30 year term at 80% LVR with Interest Only repayments.

Case Study

With every rate rise comes a potential drop in borrowing capacity if we are already seeking the client's max loan based on their borrowing capacity.

It's important to note that borrowing capacity varies not just based on the client's individual circumstances but depending on which lender they bank with. Sometimes borrowing capacities can vary by as much as \$100,000 between lenders, especially if self-employed.

That is why it is so important to ask potential buyers if they are happy to receive a call from an expert in this field - to make sure they are a serious contender and to provide added peace of mind to your vendors.

Changes to borrowing capacity – example:

- Couple with combined income of \$120,000
- No other debts/credit cards
- Living expenses of approx. \$4,000 per month
- No dependants

- Borrowing capacity based on current interest rate of 4.49% (including Nov rate rise) is approx. \$580,000.

- Borrowing based on forecasted interest rate of 5.49% (assuming rates increase by another 1%) is approx. \$527,000.

- Result is a \$53,000 decrease in borrowing capacity that could potentially occur between now and March 2023. This is over a 9% reduction on the client's borrowing capacity potentially within the next 4 months.

Lender Special Offers

This month I wanted to highlight 2 of our top lenders **Auswide Bank**, and **ME Bank**.

Auswide is a Queensland based bank that has been around for over 50 years (formally Wide Bay Australia).

ME Bank is part of the Bank of Queensland Group (BOQ), another homegrown Australian bank with the same customer-first values.

Auswide Investor Bonus Campaign:

If clients have an Owner Occupied loan, if their Investment Loan is brought to Auswide at the same time to be refinanced, Auswide will **reduce** the chosen investment rate by **0.20%**

- This is available for any Investment product, at any LVR.
- Properties do **not** need to be cross collateralised.
- This could mean both the client's Home and Investment Loans are on a rate as low as **4.21%** (for P&I Loans up to 75% LVR).
- Auswide is one of the few lenders who also offer a 100% offset account on any fixed rate should the clients wish to switch to a fixed product at a later date. They also allow unlimited additional repayments and redraw on advanced payments whilst under a fixed rate.
- Auswide also did not pass on any of November's RBA rate increase to their new to bank customers.

ME Bank Refinance Special:

From **Thursday 1 December 2022**, eligible refinance applications could receive the following cashback amounts when they switch to ME:

- \$4,000 for applications with an LVR $\leq 60\%$.
- \$2,000 for applications with an LVR $> 60\%$ and $\leq 80\%$.

This new cashback offer is available to customers who refinance a minimum loan of \$250k from another financial institution and settle within **120 days** of the application date.

Lender Turnaround Times

All lender data as of 23 November, 2022

