

Date: 4 September 2019

### Interest Rates - Lending

Please be advised that Heritage will be reducing interest rates on a range of its variable and fixed rate mortgages, **effective Friday, 6 September 2019.**

Please ensure that these changes are communicated to the appropriate people within your organisation.

### Loan qualifying details

| Loan Type                              | Repayment Type                        | Commitment Calculation  |
|--|---------------------------------------|---|
| New Mortgage Loans (fixed / variable)* | Principal & Interest or Interest Only | Higher of the Qualifying Rate or actual rate + 2.5% **  |
| Existing Variable rate                 | Principal & Interest or Interest Only | Higher of the Qualifying Rate or actual rate + 2.5% **  |
| Existing Fixed rate                    | Principal & Interest or Interest Only | Higher of the Qualifying Rate or actual rate + 2.5% **  |
| Interest Only Loans                    | Interest Only                         | Based on the principal amount owing, amortised over the remaining principal & interest period applicable to the loan ** |
| Line of Credits                        | Interest Only                         | Based on the facility Limit, amortised over the remaining principal & interest period applicable to the loan **         |

\* New mortgage loans / new lending are defined as loans which have not been funded, irrespective of the financier or purpose of the loan.

\*\* Where the remaining principal and interest term is unascertainable, the maximum term for qualification is to be 25 years, apart from line of credit facilities, where the maximum term for qualification is 20 years.

The standard mortgage loan qualifying rate is currently 5.75%

Regards,

**Stewart Saunders**

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