

AMP Bank will be launching a new construction proposition on from 1 October 2021. In order to prepare for the launch of these products, we wanted to share the updated product information to help prepare these products in your systems in advance. Could you please update your systems to include the new construction products (as highlighted in the attached) to be embargoed until 1 October 2021.

There will be further communications (Distributor Newsletter and FAQ's) to support the roll out of the new products closer to the launch date.

SUMMARY:

- Current Construction Loan product will be closed to new business from 1 October 2021.
- New construction products will be live from 1 October 2021:
 - Professional Package Construction
 - Basic Package Construction
- These products will receive the same rate as the variable OOIO product they are within. The attached updated bulletin calls out the new construction products separately as they have a different comparison rate.
- The key changes to products is as follows:
 - Offset during construction period
 - Commission is paid net of offset
 - Choose roll-to products upfront:
 - FOR EXAMPLE: ProPack Construction OOIO (Max 12 months) > ProPack Variable OOIO (Max 4 years i.e. 5 year max IO period) > ProPack Variable OOPI (until maturity)
 - Customer elects IO period upfront i.e. if 1 year IO period is selected, customer will roll straight to ProPack variable PI at completion of construction.
 - Minimum loan size mirrors the package it's a part of:
 - ProPack Construction: Min \$100k
 - Basic Construction: Min \$40k
- Fee structure of these products mirrors the same fee structure as old construction loans – with the key differences below:
 - Professional Package Construction:
 - \$349 annual package fee at settlement and ongoing
 - No settlement fee
 - No \$20/month fee
 - Basic Package Construction:
 - \$20/month account management fee
 - \$6/month offset fee (as per Basic variable rate loan)

Kind Regards,

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