



Awards

Home Loans

Methodology Report

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About InfoChoice

InfoChoice.com.au is one of Australia's leading financial services comparison websites. For over 25 years, InfoChoice has been helping Aussies find great offers on a variety of products across various categories by comparing in excess of 2,000 products from over 140 providers in the following core categories: home loans; saving accounts; term deposits; credit cards; personal loans; small business; insurance; and utilities.

InfoChoice's customisable comparison tool empowers the customer's due diligence process by allowing them to compare rates, fees and features to find Australia's leading products best suited to their needs.

Additionally, InfoChoice is a trusted supplier of financial calculators, product data insights, analysis and commentary to the finance industry and media.

InfoChoice is an Australian Financial Services Licence and Australian Credit Licence holder.

About InfoChoice Awards

InfoChoice Awards:

- Recognise individual products that provide outstanding value to customers;
- Increase awareness of the range of products available to consumers; and
- Promote competition within the market.

InfoChoice's awards are not submission-based.

All products and providers in the InfoChoice database were eligible for the InfoChoice Awards provided that they met the methodology criteria established in this document. Although the InfoChoice database contains a wide range of products and providers, we do not cover every product, provider or service available in the market.

InfoChoice engaged an independent third party, Rainmaker Information Pty Ltd ABN 86 095 610 996 (**Rainmaker**), as data science specialists to ensure the highest standards of quality and integrity in the award selection process. In order to determine the InfoChoice Award winners, the InfoChoice data was independently analysed by Rainmaker utilising the methodology set out in this document.

Participants do not pay fees to be considered for, or to receive, an InfoChoice Award.

About Rainmaker

Rainmaker was founded in 1992 and has established a reputation as a leading provider of research and information about the Australian financial services industry.

Rainmaker gathers and generates in-depth marketing intelligence that is supplemented with industry research, professional learning resources, data and news feeds.

Rainmaker produces objective, analytical and strategic information about the financial services industry, which is predominantly utilised by investment managers, superannuation funds, financial advice groups and individuals.

Methodology

The InfoChoice Home Loan Awards were awarded in accordance with the following methodology.

Award Categories

The award categories were determined by InfoChoice in order to cover a wide range of products and services. These are:

- Variable Rate Principal & Interest;
- Variable Rate Interest Only;
- Investor Variable Rate Principal & Interest;
- Investor Variable Rate Interest Only;
- 2 Year Fixed Rate;
- 3 Year Fixed Rate;
- 5 Year Fixed Rate;
- Investor 2 Year Fixed Rate Principal & Interest;
- Investor 3 Year Fixed Rate Interest Only;
- Investor 5 Year Fixed Rate Interest Only;
- First Home Buyer Variable Rate;
- First Home Buyer 2 Year Fixed Rate;
- First Home Buyer 3 Year Fixed Rate;
- First Home Buyer 5 Year Fixed Rate;
- Flexible Home Loan;
- Reverse Mortgage;
- 100% offset account;
- Split Home Loan; and
- Home Loan Lender of the Year.

Award Groupings

The lending institutions were grouped as follows:

- Bank;
- Non-Bank; and
- Customer-Owned Institution.

For each group, a winner was selected in each of the InfoChoice Awards Categories, allowing for an even more transparent view of the market.

In the event of a tie, multiple products and institutions which met the criteria were selected as winners.

Use of Comparison Rate

The comparison rate is a widely recognised industry standard to help consumers identify the cost of a loan by reflecting the ascertainable credit fees and charges payable. It is intended to assist consumers by taking into account known fees and charges that apply (other than government fees, charges or duties) by building those costs into the comparison rate to compare various loan products in order to select a product that best suits their budget and other borrowing needs.

To determine the lowest ascertainable cost of a loan, the comparison rate of the relevant product was adopted.

Unless otherwise specified, the InfoChoice Award was awarded to the product with the lowest comparison rate within each category as at 14 July 2020, which was deemed the lowest ascertainable cost of the loan.

Unless otherwise specified, InfoChoice Awards only assessed standard loans. This excluded green initiatives, interest in advance, introductory rates and offers and other major qualifiers. For banks, loans must have been available to the general public.

The eligible product must have been available at the time of judging.

InfoChoice Award Criteria for the Categories

Variable Rate Principal & Interest

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Variable Rate and Interest Only

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Interest Only
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Investor Variable Rate Principal & Interest

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Investor
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Investor Variable Rate Interest Only

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Investor
Repayment Type	Interest Only
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

2 Year Fixed Rate

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	2 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

3 Year Fixed Rate

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	3 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

5 Year Fixed Rate

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	5 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Investor 2 Year Fixed Rate Principal & Interest

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	2 Year Fixed
Loan Type	Investor
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Investor 3 Year Fixed Rate Interest Only

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	3 Year Fixed
Loan Type	Investor
Repayment Type	Interest Only
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

Investor 5 Year Fixed Rate Interest Only

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	5 Year Fixed
Loan Type	Investor
Repayment Type	Interest Only
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years

First Home Buyer Loan Variable Rate

The winner is recognised for the lowest ascertainable cost of the loan that caters to the needs of first home buyers with less than 10% deposit. This award highlights the products that do their bit to attract customers in a highly competitive market with historically increasing property prices which meet the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	90% or above
Min Loan Term:	25 years

First Home Buyer 2 Year Fixed Rate

The winner is recognised for the lowest ascertainable cost of the loan that caters to the needs of first home buyers with less than 10% deposit. This award highlights the products that do their bit to attract customers in a highly competitive market with historically increasing property prices which meet the following criteria:

Interest Rate Type	2 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	90% or above
Min Loan Term:	25 years

First Home Buyer 3 Year Fixed Rate

The winner is recognised for the lowest ascertainable cost of the loan that caters to the needs of first home buyers or customers with less than 10% deposit. This award highlights the products that do their bit to attract customers in a highly competitive market with historically increasing property prices which meet the following criteria:

Interest Rate Type	3 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest

Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	90% or above
Min Loan Term:	25 years

First Home Buyer 5 Year Fixed Rate

The winner is recognised for the lowest ascertainable cost of the loan that caters to the needs of first home buyers or customers with less than 10% deposit. This award highlights the products that do their bit to attract customers in a highly competitive market with historically increasing property prices which meet the following criteria:

Interest Rate Type	5 Year Fixed
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	90% or above
Min Loan Term:	25 years

Flexible home loan

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years
Features:	Splitting, Redraw, Portability

Reverse Mortgage

The InfoChoice Award recognises the most flexible Reverse Mortgage Home Loan. A broad ranges of features are assessed, the loan with the most tallied points is recognised as the winner.

The loan must be classified as a Reverse Mortgage Home Loan and will be assessed on the following features:

- Minimum and maximum age of the applicant;
- Minimum loan to value ratio and maximum loan to value ratio at 90 years of age;
- The required security (for instance, whether a holiday home or investment property can be provided as the secured property);
- Loan amount;
- Whether the loan allows for regular or ongoing advances;
- Whether partial or optional repayments can be made; and
- Redraw facilities.

100% offset account

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above
Min Loan Term:	25 years
Features:	100% Offset account

Split Home Loan

The InfoChoice Award recognises the lowest ascertainable cost of the loan which meets the following criteria:

Interest Rate Type	Variable
Loan Type	Owner Occupier
Repayment Type	Principal and Interest
Loan Size	Minimum loan amount \$150,000 or below and allows for at least \$400,000
Loan to value ratio:	80% or above

Min Loan Term: 25 years

Features: Ability to split between variable and fixed

Home Loan Lender of the Year

To establish the InfoChoice Award we tallied the wins in the relevant award categories and identified the most decorated lender in each segment.

- **Bank** – more than ever Australia’s Banks are a pillar of the economy. They strive to provide outstanding service and access to a wide range of products for their customers. This InfoChoice Award recognises their ongoing commitment to great value banking.
- **Non-Bank** – often at the cutting-edge of technology and product innovation, this award recognises the Non-Bank lender that provide great value home loan alternatives.
- **Customer Owned Institution** – this award recognises customer owned institutions that are pushing the boundaries in the mortgage market. These lenders demonstrate a commitment to customer service, community and market competition over and above profits.

How InfoChoice Avoids Conflicts of Interest

Independence

The InfoChoice Awards are awarded independently and uninfluenced by commercial relationships or objectives. Central to our methodology is the independent analysis of product data to determine each winner, undertaken by an independent third party. Throughout the process, we carefully ensured the avoidance of any potential conflicts of interest in order to maintain the highest standard of integrity and quality in our offering. Our procedures are in line with ASIC’s Regulatory Guides relating to conflicts of interest. Please refer to our Financial Services Guide & Credit Guide for more information.

Transparency

Our methodology is open and transparent and is published on our website. This methodology shows how products are analysed based on price, fees and benefits; and how these were calculated in order to determine the finalists and winners of each InfoChoice Award.

How we get paid

We are committed to offering you a free service to help you find the right product to suit your needs. You can read about the key ways we make money at infochoice.com.au.

Definitions

Bank

Australian Prudential Regulation Authority (**APRA**) registered authorised deposit-taking institutions. Excluding Customer Owned Institutions for the purposes of these awards.

Non-Bank

Financial institution that offers mortgages and other types of loans, but which doesn’t hold a banking licence. Or non-APRA registered Authorised Deposit Taking Institution.

Customer Owned Institution

Registered members of the Customer Owned Banking Association (**COBA**). COBA member organisations can be accessed [here](#).

Comparison Rate

The formula for calculating a comparison rate is regulated by the National Credit Code, and all Australian financial institutions and mortgage providers use this same formula.

The comparison rate helps you understand what the cost of your home loan might be, taking into account known fees and charges (such as upfront, ongoing and discharge fees) that will apply (other than government fees, charges or duties) by building those costs into the interest rate.

The comparison is relevant for a particular loan amount and term upon which it is calculated and excludes some costs that may influence the cost of the loan. As such a comparison rate warning must be given.

The comparison rates referenced for these awards are based on a secured loan amount of \$150,000 and a term of 25 years.

WARNING: These comparison rates apply only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and costs savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.

Important Information

This document is to help you to understand how we assess each category to select an InfoChoice Award winner. It explains the methodology, how we deal with conflicts of interest and provides other important information. See infochoice.com.au/awards for further information on the InfoChoice Awards.

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