



Make
plans
without
the **worry**

loanave >>

A Guide to Fixed Rates

Our goal
is your
financial
freedom

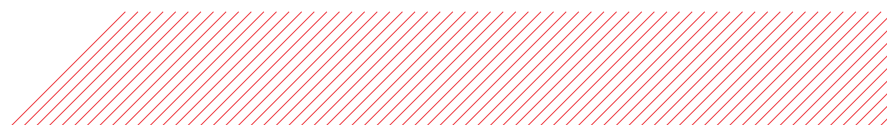
In a world of increasing change and volatility, our goal is to ensure we provide you with the home loan products you need to meet your personal objectives and achieve your financial goals sooner than you thought.

A core objective of this Guide is to better enable you to access and use information that helps you make financial decisions more effectively.

In addition to reading this type of information on your own, your broker should be a primary source of information and guidance. If you do not currently have a home loan broker, we can refer you to one of our accredited financial advisers located near you.

We can't emphasise enough the importance and benefits of having a financial plan to help your family navigate turbulent times and adapt to uncertain market conditions. One thing we do know for certain is that interest rates are unpredictable.

Therefore, the key function of fixed rate home loans is **interest rate risk management** to mitigate the financial pressure caused by any nasty surprises.



Remove uncertainty

Why fix my interest rate?

A fixed rate home loan allows you to set your interest rate for a fixed period of time. This type of strategy provides peace-of-mind during this period because it:

- Gives you the confidence to budget accurately and plan your family's finances.
- Removes the worry and uncertainty caused by changing market conditions.
- Means you will know exactly what your repayments will be.
- Set family goals e.g. holiday.

Deciding to fix your home loan interest rate should be based on your own individual needs such as:

- You dislike the thought of interest rates increasing i.e. risk averse.
- If interest rates increase, the negative impact on your financial situation and personal goals could be high.

Handle with care

You should always consider the option of fixing the interest rate on your home loan. However, we caution against speculating on future interest rate movements or using fixed rate home loans to 'beat' the market. Interest rate movements are hard to predict for even the most experienced economists.

Some features of fixed rate home loans are not as flexible as others and do have some limitations. If you are unsure of your future circumstances, it may be prudent to defer the decision to fix the interest rate on your home loan. Otherwise, there may be financial penalties if you think you might do the following before the selected fixed interest rate period expires:

- Repay your loan due to the sale of your house.
- Make a partial prepayment to the loan that exceeds \$20 000 in any year.
- Switch to a variable interest rate.

Early Repayment Adjustment - Warning

Please note if you break out of, repay or switch from a fixed interest rate loan before the end of the agreed fixed rate period, break costs may apply. These fees may be significant.

For you, not against you

A home loan is a very large financial obligation and long-term investment. For many, it is the most costly and largest financial decision of their life. Whatever your chosen home loan product, it is important to ensure your home loan is working for you and not against you. Consequently, we recommend you seek independent financial advice, regularly review your financial position and consider the following:

- Are your current home loan product, structure and features working in your favour?
- Are you achieving your financial goals?
- Is there room to improve on those financial objectives?
- How might life change in the future?

Fixing interest rates on your home loan is an important aspect to consider during the review process.

Summary

So what does the future hold?

There's an old saying that the only constant is change. In regards to choosing a home loan never a truer word was said.

At Loan Avenue, our focus has been to embrace change and use the opportunity to innovate and adapt new products and services, to help improve your financial position and get ahead sooner.

Dealing with a specialist non-bank lender during times of uncertainty is beneficial to ensure you are aware of your options in a timely manner and receive personalised financial guidance as to the right tailored financial strategy.

In a climate of so much uncertainty, fixed rate home loans are an increasingly attractive option to the savvy borrower who is in control of their financial position and can plan for their family's future with confidence.

Fixed Rate Home Loan Specifications

Introductory interest rate	Not available
Interest rate	Fixed from the day of the first loan drawing and is applicable for the fixed rate term. On the maturity date of your fixed rate period, the loan automatically rolls over to the Standard Variable Rate current at that time. If you would like to re-fix your loan for another fixed rate period, you will need to switch to another fixed rate loan.
Loan purpose	Included purposes: Owner occupied housing, investment housing, personal and/or personal investment, land and bridging finance.
Increase to loan allowed	No. You must break your fixed rate contract. Please discuss with your introducer / broker or the team at Loan Avenue.
Maximum term	30 years. Conditions apply.
Minimum term	1 year. Other terms available are 2-5 years.
Loan to Valuation Ratio (LVR)	Up to 95% LVR. Subject to lending criteria.
Interest structure options	Principal and Interest or Interest Only. Conditions apply.
Repayment frequency	Weekly, fortnightly or monthly (Interest Only is monthly).
Special repayments	Yes. Extra repayments (specials) are subject to a maximum \$20 000 per fixed term year into loan account. However, unlimited payments allowed into an attached interest-offset account.
Interest-offset account	Yes. No restriction with the amount of money deposited into the interest-offset account.
Repayment Redraw	Not available.
Card access	Yes – available on interest-offset account.
Split loan	Yes, combining the certainty of a fixed rate with the flexibility of a variable rate.
Fees and charges	Refer to current schedule of fees and charges.

Things you need to know:

This fact sheet is subject to change without notice. Applications for finance are subject to normal credit approval. Full terms and conditions will be included in our loan offer. Fees and charges apply.

