



ASIC

Australian Securities & Investments Commission

REPORT 125

Review of mortgage entry and exit fees

April 2008



ASIC

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Review of Mortgage Entry and Exit Fees

A. Background

1. At the request of the Federal Treasurer, The Hon Wayne Swan MP, ASIC has conducted an industry review of entry and exit fees that apply to home mortgage accounts. This report reflects ASIC's research into the fees, industry-wide data on the fees, and consultation with industry and consumer stakeholders.
2. In the course of preparing this report, ASIC convened a roundtable discussion with the following industry¹ and consumer groups:
 - Australian Bankers' Association
 - Australian Finance Conference
 - Australian Financial Counselling and Credit Reform Association
 - ABACUS Australian Mutuals
 - CANNEX (Aust) Pty Ltd
 - CHOICE
 - Consumers' Federation of Australia
 - Fujitsu Consulting
 - Infochoice Ltd
 - Mortgage and Finance Association of Australia
3. We have examined Australian mortgage fee data (from Infochoice Ltd) for 298 home loan products (standard, basic and introductory rate), from a cross section of large banks,² other banks, credit unions and building societies, and non-Authorised Deposit-taking Institutions (non-ADIs, also known as non-banks). The data is set out in Appendix A.
4. To allow for a meaningful comparison across home mortgage products, ASIC has assumed a hypothetical, standard variable

¹ CANNEX and Infochoice provide online comparison websites for consumers across a range of financial services, including home loans. Fujitsu Consulting has published (in conjunction with JPMorgan) a series of reports on the mortgage industry and collects extensive Australian and international home loan fee data.

² Loans provided by the wholly-owned subsidiaries of large banks (for e.g. HomePath in the case of the Commonwealth Bank) have been included in the 'large bank' section of the data.

interest rate loan of \$250,000 that is repaid or refinanced in three years, even though it might have been entered into as a 25-year loan. This period was selected on the basis of public research by Fujitsu Consulting & JPMorgan,³ that suggests that the average Australian mortgage is terminated or refinanced within approximately three years.⁴ We have included all unavoidable fees that would apply to such a loan in this three year period, including entry fees, ongoing monthly or annual fees, discharge fees and any early termination fees that would apply if it were terminated or refinanced just short of three years.

5. We also examined home mortgage fee data (from Fujitsu Consulting) for the United Kingdom (UK) and United States of America (USA). The same assumptions, where practicable, were applied to this data.
6. Throughout this report, unless otherwise specified, references to fees are in Australian dollars.

³ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 3, 'Mortgage Industry Efficiency Reviewed', 12 April 2006, page 23.

⁴ That is, the average Australian loan is repaid or refinanced within three years. This statistic includes all refinancing events, either with the same or another lender, including increasing the loan size, changing the loan type, or moving to a new property.

B. Types of mortgage fees and interest rates in Australia

Types of fees

7. Fees charged on mortgages generally fall into four categories.
- a. **Entry fees:** these are fees charged by the lender and/or broker for setting up and establishing the loan facilities. The types of entry fees include:
- Application fees – charged to consumers when they make an application for a loan.
 - Establishment fees – charged to consumers when the mortgage facility is created.
 - Valuation fees – charged to consumers for the valuation of their property.
 - Legal fees – charged to consumers for the preparation of necessary paperwork.
 - Settlement fees – charged to consumers for attendance by the lender at the settlement of the property transaction to which the mortgage relates.

Total entry fees range from nil to \$1,760.

- b. **Ongoing fees:** these are fees charged by some lenders on a regular basis (typically monthly or annually) and are not contingent on the consumer's behaviour.

Ongoing fees, on an annual basis, range from nil to \$400.

- c. **Service fees:** these are fees charged by some lenders for specific events that are contingent on the consumer's behaviour. Service fees include:
- Redraw fees (charged to consumers who wish to withdraw funds that have been paid into a loan in excess of what the loan requires at that date).
 - ATM withdrawal fees (charged to consumers on a per transaction basis).
 - Switching fees (charged to consumers if they change an existing loan (or part of an existing loan) from a variable to a fixed rate).

Fees for redraw range from nil to \$75, and switching fees range from nil to \$1,000.

- d. **Exit fees:** these are fees charged by the lender if the mortgage facility is terminated or refinanced. There are three main types of mortgage exit fees in Australia:

- Early termination fees, typically charged for mortgages that are terminated in the first five years (though in some cases beyond this period), applying to variable rate mortgages are charged by the lender to the consumer if the mortgage facility is terminated (either repaid in full or refinanced with another lender) within a specific period (usually between one and five years into the mortgage). Early termination fees are also referred to as 'deferred establishment fees' or 'early repayment fees'.

Early termination fees might be a fixed dollar amount (for e.g. \$1,500), a percentage of the original loan amount (for e.g. 1.5%) or a multiple of the standard monthly repayment (for e.g. 3 x monthly repayments). Some lenders apply a sliding scale for early termination fees (i.e. the earlier the termination, the higher the fees).

- Early termination fees (fixed rate mortgages) – also commonly referred to as 'break costs', these fees are charged if a fixed rate loan is terminated before its maturity. Break fees are usually calculated by reference to the gap between the fixed interest rate and the prevailing market interest rate at the date of early termination over the remaining term of the loan. A consumer breaking a fixed rate loan that has a lower interest rate than the prevailing market interest rate will pay a lower (or nil) break fee as compared to a consumer breaking a fixed rate loan that has a higher interest rate than the prevailing market interest rate.
- Termination (or discharge) fees – charged by the lender to the consumer for discharge of the mortgage, including providing a release and the update of the property owner's certificate of title.

Types of interest rates

8. The following interest rate types are prevalent in Australia:
 - a. **Honeymoon rate:** this is a discounted rate offered for a specific introductory period (typically 6 or 12 months). A honeymoon rate will be fixed, capped or variable for the honeymoon period:
 - A fixed honeymoon rate is a set rate that will not change during the honeymoon period.
 - A capped honeymoon rate is rate that will not be exceeded during the honeymoon period (but might fall).

- A variable honeymoon rate is a rate that might change during the honeymoon period, but is discounted from the standard variable rate by a set margin (for e.g. 0.75%).

When the honeymoon period is over, the interest rate ordinarily reverts to the variable rate that applies at that time.

- b. **Variable rate:** an interest rate that is subject to variation by the lender at any time. Variable interest rates are primarily influenced by movements in the Reserve Bank of Australia target cash rate, as well as movements in interest rates in money markets (in particular the 90 day bank bill swap rate).
 - c. **Fixed rate:** an interest rate that is set for a specific, but relatively short period (i.e. one to five years). A fixed rate loan is less flexible for a consumer than a variable rate loan (additional repayments on fixed rate loans are usually restricted or not permitted; if additional repayments are permitted they might not be able to be redrawn by the consumer; and break costs will apply) but it can protect a consumer from increasing interest rates.
9. Other types of interest rates, though less common in Australia, include capped rates and tracker rates.
- A **capped rate** is a rate that can move down, but not up. It offers the protection of a fixed interest rate, with the benefits of a variable interest rate. Capped rate mortgages are common in Denmark; in Australia they are typically only available on a honeymoon basis.
 - A **tracker rate** is a variable rate that moves in line with a reference rate. In Australia, discounted variable rate mortgages (providing, for e.g., a 0.75% discount from the standard variable rate) are common, however, these are not true tracker rate loans. The reference rate, in most cases, is controlled by the lender. The availability of external (or third party) reference rates is very limited in Australia (more common in the UK), though BankWest has recently launched a tracker rate mortgage that provides a 1% discount from the standard variable rate of the 'big four' banks.⁵

Other common terminology

10. **Professional packages:** these are normally available for high value home loans (typically over \$250,000, though often available for smaller amounts), giving a discount from the standard variable rate,

⁵ http://bankwest.com.au/Personal/Home_Loans/BankWest_Rate_Tracker/index.aspx

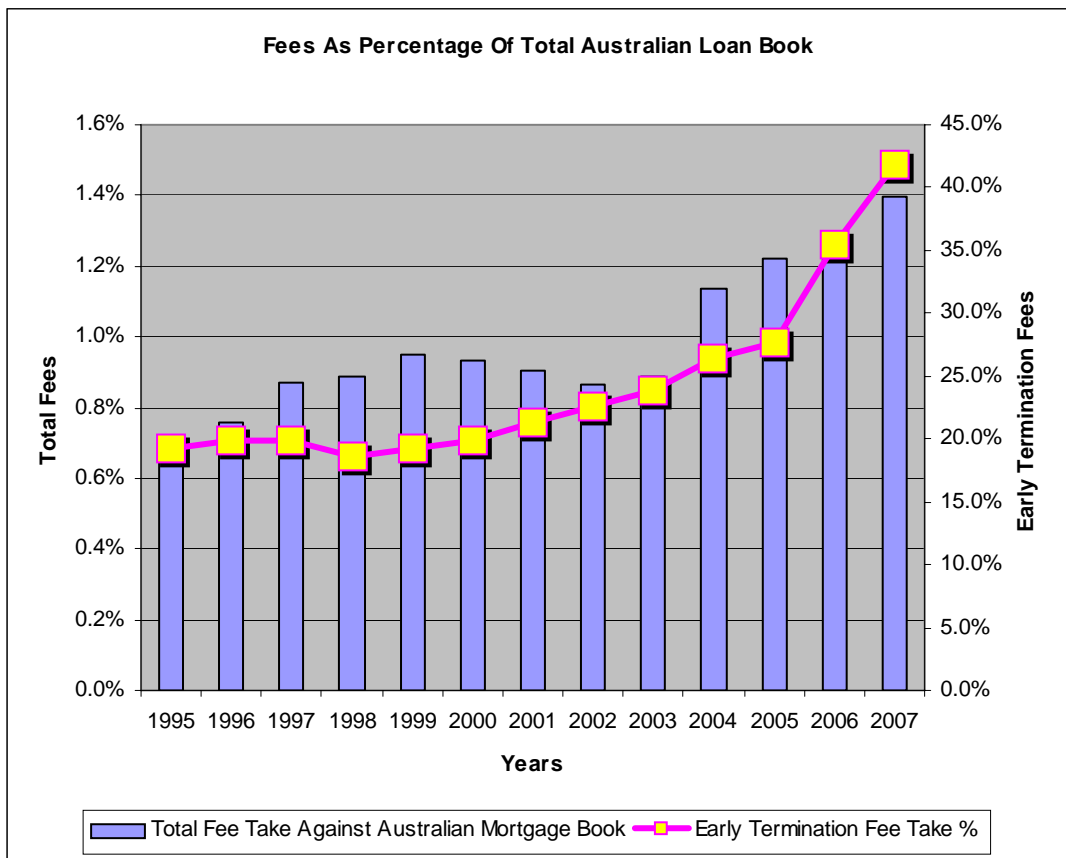
and packaged with other banking products (such as a transaction account and credit card) for a set annual fee.

11. **Standard variable rate loan:** a home loan with a non-discounted variable rate of interest.
12. **Basic rate loans:** these are loans offering a discounted interest rate (from the standard variable rate) and lower fees, but with less features/flexibility (such as the ability to redraw additional repayments).

C. Level of fees

Australian fees

13. Data provided to ASIC by Fujitsu Consulting suggests that Australian mortgage fees have increased over the past 20 years. The graph below⁶ shows that over the period from 1995 to 2007, the total annual fee take against the aggregate Australian 'mortgage book' has increased from 0.67% to 1.39% annually. The early termination fee take as a proportion of the overall fees has increased from 19.31% to 41.83%.



14. In Australia, one of the first early termination fees was introduced as a "deferred establishment fee" by one of the major non-ADI lenders. The product was considered popular with consumers because it made getting a home loan cheaper if you didn't change lenders in the early years of the loan. The fee being deferred, at that time, was also relatively low by current standards (\$600).
15. For variable rate mortgages, the average fees charged by the four groups of lenders over three years are as follows:

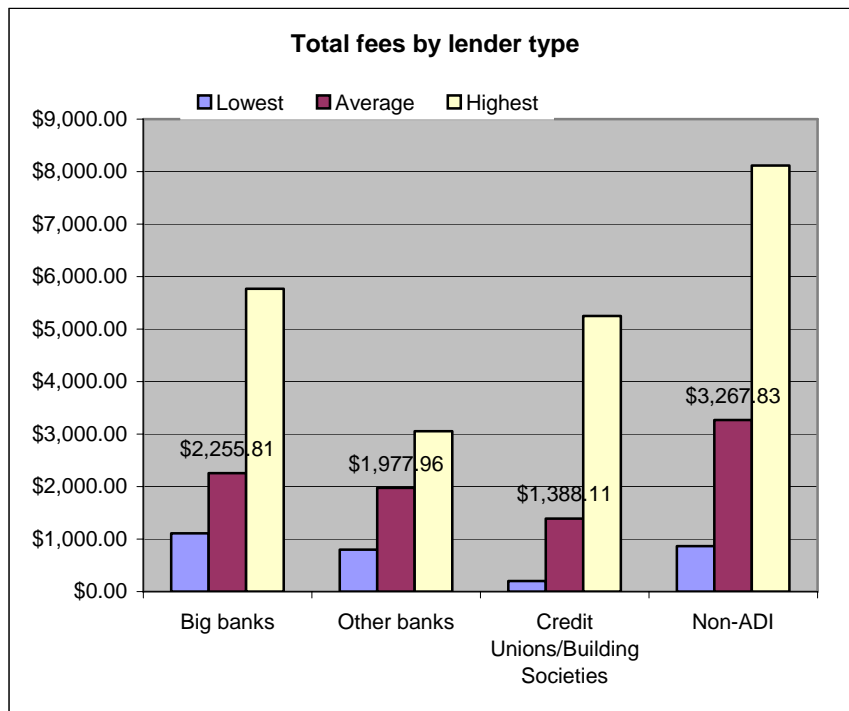
⁶ Source: Fujitsu Consulting.

*Table 1: Average fees by lender type⁷
\$250,000 variable rate loan terminated within three years*

Type of lender	Entry fees	Annual Service fees (over 3 years)	Discharge fees	Early termination fees	Total fees
Large bank	\$453.75	\$310.13	\$113.75	\$1081.25	\$2,255.81
Other bank	\$423.67	\$355.00	\$227.50	\$703.33	\$1,977.96
Credit union / building society	\$582.28	\$111.51	\$92.08	\$400.91	\$1,388.11
Non-ADI	\$732.15	\$216.07	\$230.22	\$1944.62	\$3,267.83

16. The following chart sets out total fees, including termination, over three years, indicating for each lender type the lowest, highest and average total fees. Again, it assumes the loan is paid out within the three year period. According to statistics produced by the Australian Prudential Regulation Authority (APRA), the home loan market share for all ADIs was 88% as of June 2007.⁸

*Average fees by lender type⁹
\$250,000 variable rate loan terminated within three years*



⁷ Data obtained from Infochoice Ltd, based on a loan amount of \$250,000 terminated within three years.

⁸ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 6, "Mortgage Stress – are Australian Households in a Pickle?", 18 September 2007, page 42.

⁹ Data provided by Infochoice Ltd, total fees (entry, discharge and early termination) based on a loan amount of \$250,000 terminated in three years.

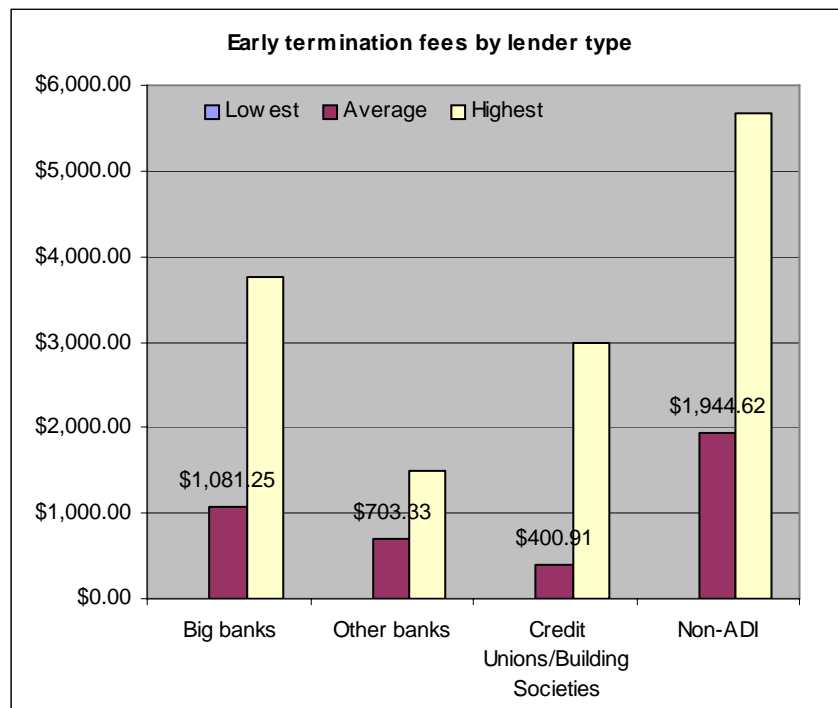
Early termination fees and switching

17. The following table indicates the prevalence of early termination fees (ETFs) in Australia.

Table 2: Prevalence of early termination fees

Institution type	Number of loan products	Number of loan products with ETFs	Percentage of loan products with ETFs.
Large bank	16	15	93.75%
Other bank	24	20	83.33%
Credit union / building society	88	40	45.45%
Non-ADI	46	39	84.78%
TOTAL	174	114	65.52%

18. Table 2 shows that a majority of home loans include an additional fee for early termination. However, there is significant variation in the method of calculation of these fees and, consequently, their size.
19. On average, non-ADI lenders charge the highest early termination fees, followed by large banks.¹⁰ Within each lender type, there is a loan offered with a nil early termination fee.



¹⁰ Data obtained from Infochoice Ltd, based on a loan amount of \$250,000 terminated in three years

International comparisons

20. According to published research by Fujitsu Consulting & JPMorgan, Australian mortgage fees are high when compared internationally:

Australian mortgage fees are clearly higher at all stages across the transaction lifecycle ... Australian consumers are not always presented a clear picture when assessing mortgage products. There are a wide range of fee variations in the Australian market and consumers need to make a trade-off between interest rates and fees, with a lower headline rate having the potential to attract higher fees for application, valuation, legals, and settlement.¹¹

21. For the UK and USA, the following two tables show the lowest, average and highest mortgage fees (entry fees, ongoing fees, discharge fees and early termination fees) for a large cross section of home mortgages.¹² In providing us with the up-to-date fee data below, Fujitsu Consulting noted that (since publication of the comment above) the UK and USA have experienced significant increases in mortgage entry fees as a result recent events in credit markets. Fujitsu Consulting expect that Australian fees might also follow this trend.

Table 3: UK mortgage fees (GBP)

	Minimum	Average	Maximum
Entry fees	£0	£698	£2,504
Ongoing fees (over three years)	£0	£57	£146
Discharge fees	£0	£262	£1,257
Early termination fees (within three years)	£0	£115	£1,849
TOTAL	£0	£1,132	£5,756

Table 4: USA mortgage fees (USD)

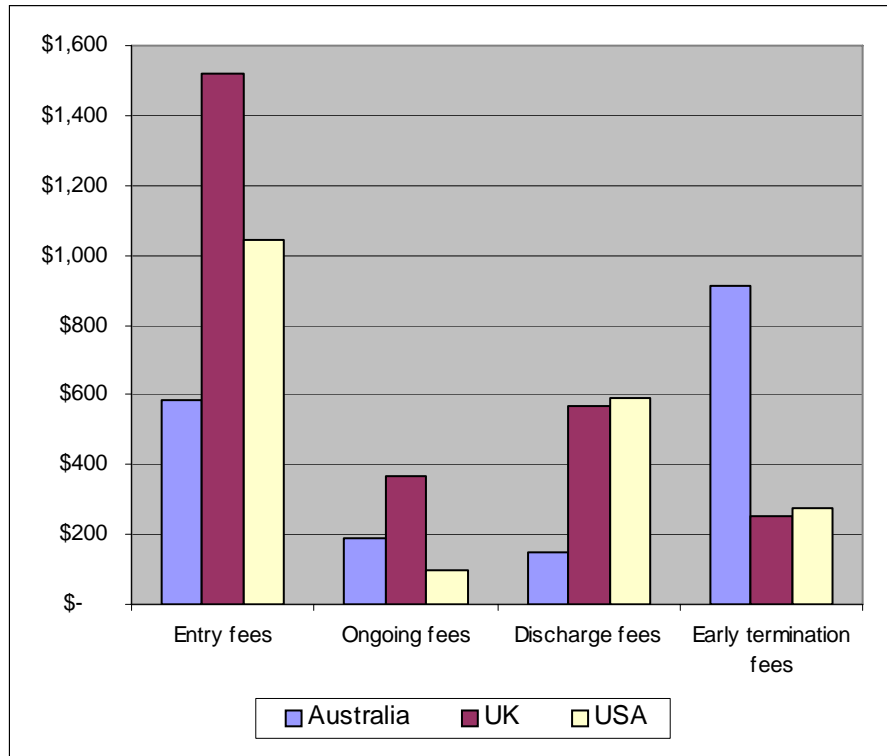
	Minimum	Average	Maximum
Entry fees	\$0	\$970	\$2,689
Ongoing fees (over three years)	\$0	\$30	\$343
Discharge fees	\$0	\$551	\$1,269
Early termination fees (within three years)	\$0	\$256	\$2,267
TOTAL	\$0	\$1,807	\$6,568

22. The following chart compares the average UK and USA fees to Australian fees (for all four fee types). All fees have been converted into Australian dollars at current exchange rates (and not on a

¹¹ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 5, 'Banking Fee Comparisons – Will Australian Banks be Forced to Prune Fees', 16 March 2007, page 5.

¹² Data provided by Fujitsu Consulting, based on data at 5 March 2008. Fees are shown in foreign currency. The UK fees are based on a mortgage of £115,000 and the USA fees are based on a mortgage of US\$232,500 (both amounts convert to A\$250,000 at exchange rates of 0.46 and 0.93 respectively).

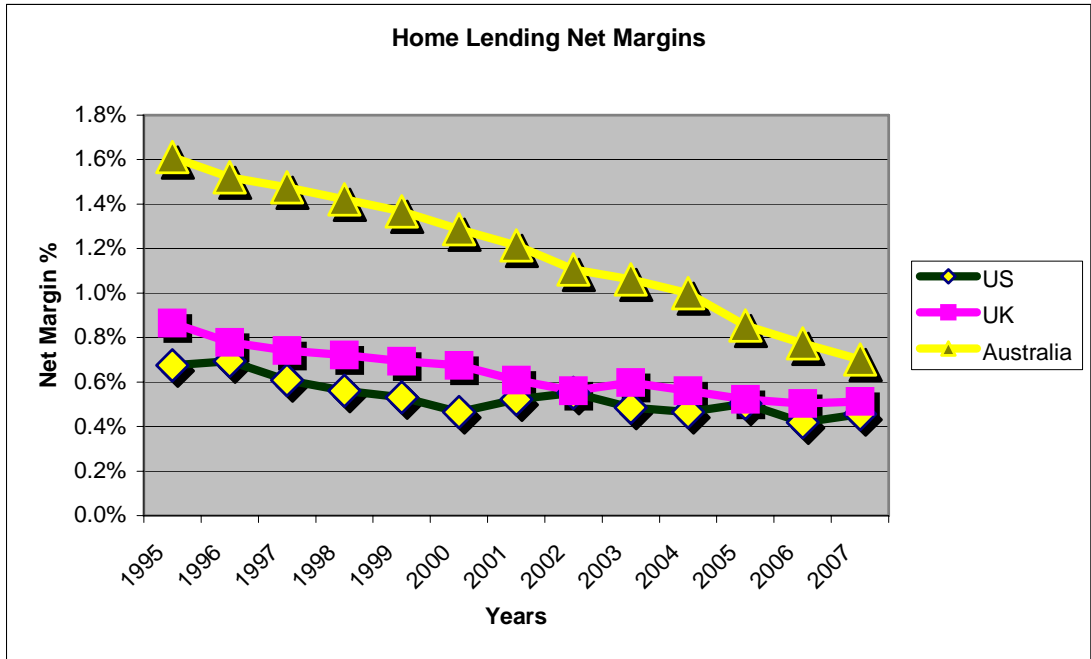
purchasing power parity basis). In this comparison, Australia has the lowest entry and discharge fees, and the highest early termination fees. The potential role of the Comparison Rate in driving high early termination fees in Australia is discussed below from paragraph 39. The role that the UK regulatory regime might be playing in keeping average early termination fees in the UK well below those in Australia is discussed below in Section F.



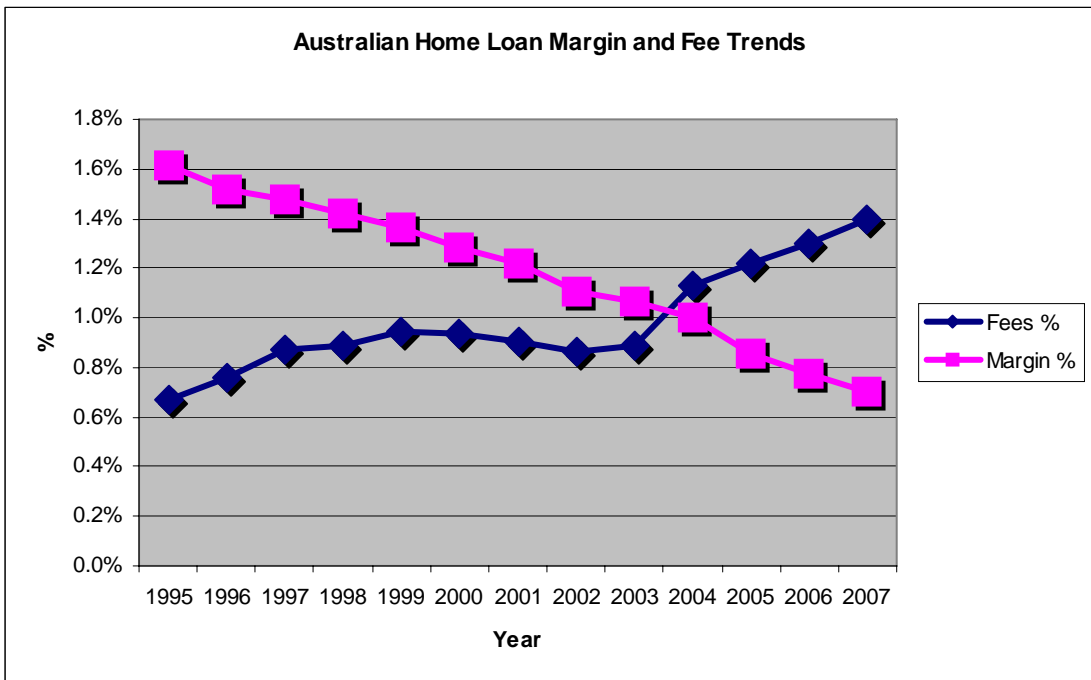
23. To enable an international comparison beyond mortgage fees, the following chart¹³ shows the home lending interest rate net margin¹⁴ achieved by lenders in Australia, the UK and USA, from 1995 to 2007. The Australian margin has seen the greatest reduction over this period, but remains higher, as compared to the UK and USA.

¹³ Provided by Fujitsu Consulting.

¹⁴ Net margin is defined as the average gap between funding costs and consumer rates



24. Over the same period (1995 – 2007), the following chart¹⁵ compares the Australian home lending interest rate net margin as compared to the total fee take against the aggregate Australian 'mortgage book' (this is the same fee data shown in paragraph 13 above). The reduction in the home lending interest rate net margin appears to have been accompanied by a corresponding increase in the fees charged by Australian lenders.



¹⁵ Provided by Fujitsu Consulting.

Prevalence of refinancing

25. The Australian Bureau of Statistics (ABS) publishes monthly data on housing finance in Australia, including refinancing.¹⁶ The ABS defines housing refinancing as:

A commitment to refinance an existing loan. For secured housing finance for owner occupation, only those loans where the refinancing lender is not the original lender and the security is unchanged are included. The refinancing of a loan to fund a change of residence is treated as a new lending commitment.

26. The ABS publishes both seasonally adjusted and trend series data on housing refinance. The ABS says, “smoothing seasonally adjusted series reduces the impact of the irregular component of the seasonally adjusted series and creates trend estimates”.¹⁷
27. The following table shows housing refinancing movements from July 2007 to January 2008. We note that the rate of increase in the trend series has been growing since November 2007.

Table 5: Refinancing trends

Month	Seasonally adjusted	Trend Series
August 2007	3.9%	-1.4%
September 2007	-2.9%	-1.3%
October 2007	-4.5%	-2.5%
November 2007	10.3%	0.7%
December 2007	4.8%	2.1%
January 2008	6%	3.3%

28. At our roundtable discussion, industry analysts suggested that a branch-originated loan takes approximately 18 – 19 months to be profitable, and that a broker-originated loan takes 21 months to be profitable. This difference was attributed to the cost of commissions paid by lenders to brokers. Increases in overall rates of refinancing could therefore potentially have an adverse effect on lenders, which could lead to higher fees or interest rates. In this context, both industry and consumer stakeholders suggested that any incidence of refinancing that fails to benefit consumers ought to be minimised.
29. The ABS data does not account for 'refinancing' events where the lender remains unchanged. Data provided to ASIC by the Mortgage and Finance Association of Australia (MFAA)¹⁸ indicates that approximately two-thirds of refinancing in Australia involves no change of lender. This suggests that the industry notion of 'refinancing' is much broader than that used by the ABS. The drivers

¹⁶ Australian Bureau of Statistics, 5609.0 – Housing Finance, Australia, Jan 2008

¹⁷ Source: Explanatory Notes, paragraph 29.

¹⁸ Mortgage and Finance Association of Australia, *The BankWest/MFAA Home Finance Index*, Spring 2007.

for this (same-lender) refinancing, and the outcomes for consumers are not explored by the MFAA research.

D. Issues for consumers

Complexity of home loan options

30. The complexity of the home loan options available, and to some degree the variations in the way they are described, makes the choice for consumers a difficult one. A consumer has to take into account the following when weighing up different home loans:
- A range of fees, some contingent on consumers' subsequent use of the loan (for e.g. ATM use), others charged irrespective of their usage. To some extent, they will need to consider possible trade-offs between higher fees with a lower interest rate, or low initial fees with higher ongoing or back-end fees, particularly on early termination.
 - Interest rates, including the rate as advertised, and whether to choose a fixed, flexible, variable, honeymoon or split rate (where the loan is made up of fixed and variable components).
 - The comparison rate, which usefully combines the interest rate and the non-contingent fees, but which does not take into account contingent fees (for e.g. early termination fees), some of which might be substantial.
 - Types of loans, including standard principal and interest loans, low-doc loans or line of credit mortgages.
 - Term of the loan (25, 30 or 40 years).
 - Flexibility and loan features such as redraw or offset facilities, their utility and cost.
 - The likelihood that they will pay out or otherwise refinance the loan early (that is, while the early termination fees are still payable). While not readily knowable, this might determine whether it is better to take a loan with higher upfront fees or risk a loan with higher early termination fees.
31. There is no standardised nomenclature for the features of these products, particularly the fees. This adds to the complexity in decision-making for consumers. This contrasts with the situation in the UK where, particularly in relation to fees on termination, there has been an effort to standardise terminology. For example, all fees payable due to early termination must be referred to as "Early Repayment Charges" (discussed below in paragraph 72).

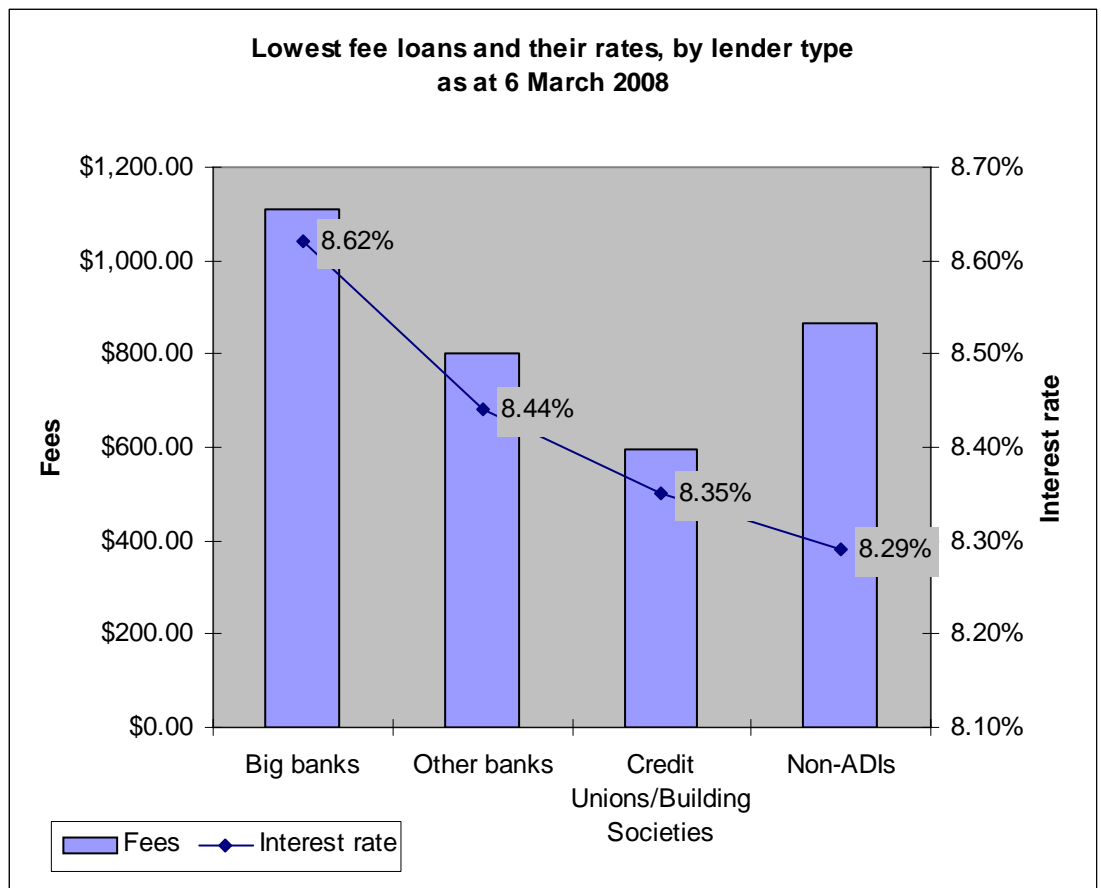
Correlation between fees and interest rates

32. It has been suggested¹⁹ that there is an inverse correlation between fees and interest rates in the Australian mortgage market:

¹⁹ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 5, 'Banking Fee Comparisons – Will Australian Banks be Forced to Prune Fees', 16 March 2007, page 31.

Consumers need to make a trade-off between interest rates and fees, with a lower headline rate having the potential to also attract higher fees for application, valuation, legals, and settlement, as well as deferred establishment fees if the loan is repaid early. Australian banks are also increasingly discounting from the headline rate, as opposed to advertising a lower headline rate, thereby not always providing a clear picture when consumers are assessing mortgage products.

33. We have not done a detailed analysis of whether such a trade-off exists. To broadly gauge whether there is always a correlation between high fees and low interest rates, we prepared a chart showing the loan with the lowest total fees available within each category of lender and the corresponding interest rate for that loan.²⁰ At the time of analysis, the standard variable interest rate of the major banks was at least 8.97%.



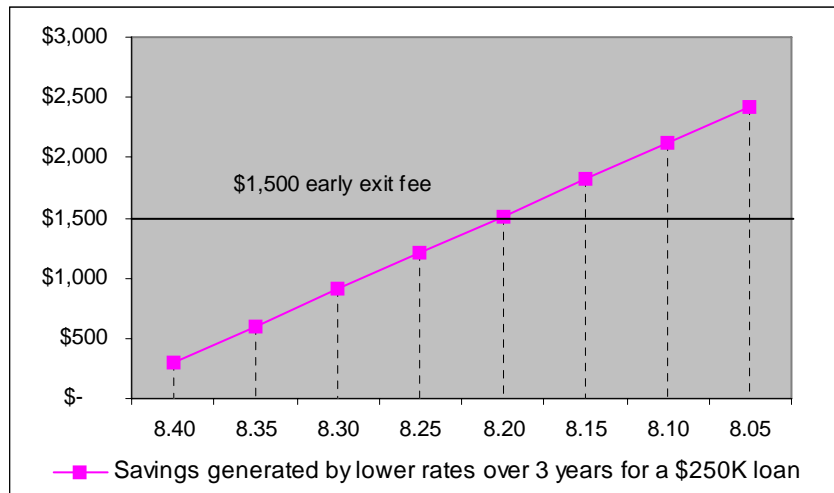
34. The chart above shows that the lowest fee loan overall also has the second lowest variable rate in this group. For consumers shopping around for a home loan, this suggests that higher fee loans do not always provide lower interest rates.

²⁰Data obtained from Infochoice Ltd, based on a loan amount of \$250,000 terminated within three years. ASIC notes that there is a Credit Union offering lower fees (\$200) with an interest rate of 8.14%, however it has profession-based membership restrictions and is therefore excluded from this comparison. Interest rates are at 6 March 2008.

Early termination fees

35. As the prevalence and level of early termination fees has grown, some do not appear to be related to the underlying costs they are purporting to recover. This is potentially so for those early termination fees that are a fixed percentage of the total amount financed, or a multiple of the monthly repayment amount.
36. These methods of calculation can lead to significantly higher early termination fees. ASIC's review of fees identified a variable rate loan product that charges a \$5,685 early termination fee on a \$250,000 variable rate loan (representing 2.27% of the total loan amount),²¹ and a basic rate loan product that charges a \$7,580 early termination fee, also on a \$250,000 loan (representing 3.03% of the total loan amount).²²
37. The size of these fees might now present a barrier to switching loans during the period in which they are applicable (that is, within the first three to five years). The chart below illustrates the interest rate saving that a consumer would need to obtain to recover the costs imposed by an early termination fee. A consumer with an existing loan who would incur an early termination fee would have to balance the potential saving in interest against the size of the early termination fee. They would also have to have regard to the risk that interest savings could evaporate if the new lender raises interest rates.

Trade off between early termination fees and interest rate savings



38. The chart shows that a \$1,500 early termination fee could be recovered, over three years, by an interest rate saving of at least 20

²¹ For this product, the fee of \$5,685 amounts to three monthly repayments on a \$250,000 mortgage, and applies if the loan is terminated any time in the first five years.

²² For this product, the fee of \$7,580 amounts to four monthly repayments on a \$250,000 mortgage, and applies any time in the first three years. The early termination fee reduces to three monthly repayments in the fourth and fifth years of the mortgage.

basis points (in this case, a drop from 8.40% to 8.20%). A \$3,000 early termination fee would require an interest rate saving, over three years, exceeding 35 basis points.

Comparison rates

39. The mandatory comparison rate regime attempts to help consumers to compare loans across credit providers, by reducing the cost of credit to a single comparison interest rate. Several assumptions are made in order to derive a comparison rate. The comparison rate does not include fees that are contingent on certain events and therefore unascertainable at the time that the loan is being advertised or offered to the consumer. This means that early termination fees are not included within the comparison rate because, at such time, it is not certain whether they will ever be payable.
40. It has been suggested that the exclusion of early termination fees from the calculation of the comparison rate has driven the emergence and growth of early termination fees in Australian mortgage products. This is because lenders charging high early termination fees are still able to advertise relatively low comparison interest rates.
41. The inclusion of early termination fees within comparison rates would require assumptions to be made, as the circumstances in which early termination fees apply, and their method of calculation, varies across lenders. Rolling early termination fees into comparison rates would most likely involve using industry-wide average loan durations.

Role of mortgage brokers

42. In practice, consumers are increasingly relying on the advice of intermediaries to help them make decisions about home loans, presumably in response to a growth in the complexity and diversity of home loan products. A recent Fujitsu Consulting & JPMorgan report puts the figure of broker-originated home loans as above 37% and the broker share of refinancing at over 50%.²³
43. Finance brokers are not consistently regulated across the Australian jurisdictions. While industry representative bodies have taken significant steps to set standards for their members, there is no comprehensive mandatory disclosure regime, nor universal minimum standards for competency and training and there is no minimum standard that advice provided by a broker must currently

²³ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 5, *'Banking Fee Comparisons – Will Australian Banks be Forced to Prune Fees'*, 16 March 2007, page 13.

meet. Not all brokers are members of an external dispute resolution (EDR) scheme.

44. In its Draft Report, 'Review of Australia's Consumer Policy framework, the Productivity Commission highlighted some public policy issues raised by finance broking:

Finance brokers are generally compensated by credit providers, not the consumer seeking the information. This may create conflicts of interest, and provide opportunities for less reputable brokers to take advantage of some consumers by, for example, placing loans with a lender that is more expensive but that pays a higher rate of commission to the broker. There is evidence to suggest that some non-mainstream lenders pay commissions significantly above industry averages (MCCA 2004b, p. 11).²⁴

45. The Fujitsu Consulting & JPMorgan report notes that commission levels to Australian brokers are "holding up well above international benchmarks"²⁵. Australian broker commissions currently average approximately 0.65% of the sum borrowed, along with an annual trailing commission averaging 0.20% of the sum borrowed.²⁶ In comparison, average commissions paid to brokers in the UK are 0.45% of the sum borrowed (with no trailing commission) and 0.54% of the sum borrowed in the USA (with no trailing commission).²⁷ The commissions contribute to distribution costs and are passed onto consumers.
46. The Ministerial Council on Consumer Affairs has released a draft bill to regulate mortgage brokers. The Productivity Commission has also recommended that mortgage brokers should be nationally regulated through the introduction a positive licensing scheme administered by ASIC. These proposals are discussed in Section G of this report.

Lenders Mortgage Insurance

47. Lenders Mortgage Insurance (LMI) is an insurance policy that covers lenders in the event of a home loan default. LMI covers any shortfall between the outstanding loan amount and the sale proceeds of the mortgaged property. The two largest LMI insurers in Australia are Genworth Financial Inc (Genworth) and PMI Mortgage Insurance Ltd (PMI).

²⁴ Productivity Commission 2007, Review of Australia's Consumer Policy Framework, Draft Report, Canberra, page 399.

²⁵ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 5, 'Banking Fee Comparisons – Will Australian Banks be Forced to Prune Fees', 16 March 2007, page 13.

²⁶ Fujitsu Consulting & JPMorgan, Australian Mortgage Industry Volume 6, "Mortgage Stress – are Australian Households in a Pickle?", 18 September 2007, page 17. Trailing commissions are paid annually by the lender to the broker for a specified period.

²⁷ Data provided by Fujitsu Consulting.

48. Lenders typically require LMI where the ratio of the loan to the value of the mortgaged property (loan to valuation ratio, or LVR) exceeds 80%. The cost of LMI depends on the actual LVR and the borrowed sum, and can be substantial (up to \$10,000 or more). Lenders normally pass the cost of LMI onto consumers (in most cases, it can be added the loan amount). Although consumers bear the cost of LMI, they do not benefit from it directly – that is, they remain legally responsible for any shortfall.²⁸
49. As far as we are aware, an LMI policy cannot be transferred from one lender to another. Consumers who refinance their loans with a new lender within two years of taking out their loan might get a 20% refund of the LMI premium.²⁹ A consumer refinancing a loan with a high LVR could therefore be required to pay the costs of a new LMI policy with the new lender, which might be a potential barrier to switching lenders.

²⁸ Consumers benefit indirectly because LMI allows consumers to buy homes with smaller deposits (that is, higher LVRs).

²⁹ According to the Genworth website, “A partial refund of the insurance premium may be applicable if the loan is repaid within the first 2 years”.
<http://genworth.com.au/aboutlmi/understandinglmi/index.htm>

E. Regulation of Fees in Australia

The Uniform Consumer Credit Code (UCCC)

50. The UCCC applies to credit that is provided to individuals for personal, domestic or household purposes. Lending to bodies corporate or for investment or small business purposes is not regulated by the UCCC. It does not apply to lending for the purchase of investment properties. There is no specific statutory regulation of such lending although industry codes would apply.
51. The UCCC regulates the relationship between a borrower and lender and does not generally apply to intermediaries, including mortgage and finance brokers.³⁰ The UCCC mandates the content of contractual and pre-contractual disclosure and provides relief mechanisms for consumers.³¹
52. Fees and charges are permitted under the UCCC so long as they are authorised by, and disclosed in, the contract. The policy intent of the UCCC, in relation to early termination fees, was examined during the second reading of the Bill enacting the UCCC, with the Member for Brisbane Central, Peter Beattie saying:
- the Bill ensures that consumers can repay or terminate their obligations earlier than full term but that credit providers can charge reasonable and proportionate fees or charges in such circumstances provided that they accurately reflect the loss that credit providers suffer from the exercise of this right.*³²
53. This policy intent is given effect by s 72 of the UCCC, discussed below under the heading *Unconscionability*.

Disclosure

54. Section 15G of the UCCC requires that a contract document must contain, if ascertainable, (a) the credit fees and charges that are or might be payable under the contract and when they will be payable, (b) their amount or method of calculation, and (c) the total amount payable. If appropriate, the contract must also contain a statement that fees may be changed, and how the debtor must be informed of this.
55. Information is ascertainable if it can be ascertained on the basis of statutory assumptions in s 158(4): that (a) there will be no change in the credit fees and charges as so disclosed and no new fees or

³⁰ Those intermediaries who are members of the Mortgage and Finance Association of Australia (MFAA) are subject to the MFAA Code of Practice.

³¹ Industry codes, such as the Code of Banking Practice, might also apply.

³² Queensland Hansard, Legislative Assembly Second Reading Speech of Consumer Credit (Queensland) Bill, 2 September 1994, page 9174.

charges imposed; and (b) that the debtor will pay the fees and charges required by the contract at the times required by the contract.

56. Section 15H says that if the amount or frequency of payment of a credit fee or charge may be changed under the contract, or a new credit fee or charge may be imposed, a statement must be included to that effect. The statement must also describe the means by which the debtor will be informed of the change.
57. This disclosure regime appears to envisage a situation where the method of calculation of a fee payable under the loan contract, for example an early termination fee, is not ascertainable and therefore not able to be disclosed at the time of contracting.

Unconscionability

58. An establishment or early termination fee is subject to challenge by the debtor or guarantor on the grounds that it is unconscionable under s 72 of the UCCC.

59. For establishment fees, s 72(3) provides that:

In determining whether an establishment fee or charge is unconscionable, the Court is to have regard to whether the amount of the fee or charge is equal to the credit provider's reasonable costs of determining an application for credit and the initial administrative costs of providing the credit or is equal to the credit provider's average reasonable costs of those things in respect of that class of contract.

60. For early termination fees, s 72(4) provides that:

A fee or charge payable on early termination of the contract or a prepayment of an amount under the credit contract is unconscionable if and only if it appears to the Court that it exceeds a reasonable estimate of the credit provider's loss arising from the early termination or prepayment, including the credit provider's average reasonable administrative costs in respect of such a termination or prepayment.

61. The phrase "credit provider's loss" is otherwise undefined in the UCCC, and it therefore remains somewhat unclear what the scope of such loss might be.
62. There is no definition of 'unconscionable' in the UCCC. Justice Morris in the 2005 VCAT case of *Director of Consumer Affairs Victoria v City Finance Loans and Cash Solutions*, said that in determining unconscionability a tribunal would likely have regard to common law notions of unconscionability, in particular the circumstances of each party. He stated that unconscionability focuses on whether one party has taken advantage of the other and

has exploited the comparative advantage.³³ Morris J held that there is no implied obligation to refrain from charging an unconscionable establishment fee, rather that a lender is at risk if it charges an unconscionable establishment fee.³⁴

63. We are unaware of other cases where entry or exit fees have been challenged on the grounds of unconscionability under the UCCC. The absence of cases might be, in part, attributable to the fact that state government consumer agencies do not³⁵ have standing to make applications relating to s 72 (or Division 3 in general), however recent law reform proposals would change this (see Section G). The cost and uncertainty of litigation relative to the sums involved might mitigate against individual consumers taking action.
64. Although there is a regulation-making power to prohibit certain fees in s 29 of the UCCC, it has not been used.

Mandatory Comparison Rate (MCR)

65. Part 9A Division 2 of the UCCC requires the use of a comparison rate in advertisements containing an annual percentage rate. The objective of the provisions is to “assist consumers to identify the true cost of credit offered by credit providers” by capturing the total cost of credit provided including interest, fees and charges.
66. For the purposes of calculating the relevant MCR, credit fees or charges are taken to not be ascertainable if their imposition or amount is dependent on events that might or might not happen and therefore do not need to be included in the calculation of the MCR. Consequently, fees associated with early termination generally would not be included in the rate.

The Australian Securities and Investments Commission Act (ASIC Act)

67. ASIC has limited jurisdiction in relation to credit, and does not regulate disclosure in relation to the mortgage products. ASIC's jurisdiction arises under the consumer protection provisions (Part 2 Division 2) of the ASIC Act. Part 2 Division 2 contains prohibitions on misleading representations (s12BB), unconscionable conduct (s12CA) and misleading or deceptive conduct (s12DA) in relation to financial services, including credit.

³³ Director of Consumer Affairs v City Finance Loans (Credit) [2005] VCAT 1989 (30 September 2005) at paragraph 31.

³⁴ Director of Consumer Affairs v City Finance Loans (Credit) [2005] VCAT 1989 (30 September 2005).

³⁵ Since 18 March 2008, the Director of Consumer Affairs in Victoria has been able to make applications under section 72 of the UCCC, with the passing of the *Consumer Credit (Victoria) and Other Acts Amendment Bill 2007*.

F. Regulation of Fees in the United Kingdom

68. In the United Kingdom, the Financial Services Authority (FSA) regulates mortgage lending. The FSA has done recent work on fees, in particular fees paid on termination of mortgage loans. These are split into Mortgage Exit Administration Fees, and Early Repayment Charges. Disclosure of both these types of fees is generally dealt with under the Mortgage Conduct of Business (MCOB) Rules.

Mortgage Exit Administration Fees (MEAFs)

69. A MEAF is a provision in a contract between a lender and consumer that obliges the consumer to pay a sum for the costs of administration services that a lender incurs when a consumer exits a mortgage contract.
70. In January 2007, the FSA released a Statement of Good Practice in relation to Mortgage exit administration fees (MEAFs) based on the Unfair Terms in Consumer Contracts Regulations 1999). The regulations require that MEAF terms be fair.
71. The FSA has said that if "a MEAF term is drafted to enable the lender to recover the cost of the administration services, which a lender provides when a consumer exits the mortgage, the lender should ensure that the MEAF represents in fact the cost of the lender's administration services."

Early Repayment Charges (ERCs)

72. Early repayment charges are regulated as follows by the FSA, under the Mortgage Conduct of Business rules (MCOB).
73. ERCS must be disclosed in illustrations before a consumer enters into a regulated mortgage contract.³⁶ The illustration must include, among other things, the following information:
- an explanation of whether early repayment charges are payable;
 - an explanation of when early repayment charges are payable;

³⁶ A regulated mortgage contract is a contract which, at the time it is entered into, satisfies the following conditions (PERG 4.4.1):

- (1) the contract is one where a lender provides credit to an individual or trustees (the 'borrower');
- (2) the contract provides for the obligation of the borrower to repay to be secured by a first legal mortgage on land (other than timeshare accommodation) in the United Kingdom; and
- (3) at least 40% of that land is used, or is intended to be used, as or in connection with a dwelling by the borrower (or, where trustees are the borrower, by an individual who is a beneficiary of the trust) or by a related person.

- an explanation of any other fees that are payable if the regulated mortgage contract is repaid early, and the current level of these fees;
 - a basic explanation of the basis on which early repayment charges are calculated (for example, as a percentage of the loan or as so many months' interest), including where appropriate details of any cash back or other incentives that must be repaid;
 - example cash amounts of any early repayment charges indicating the range of charges that apply over the period during which such charges;
 - the maximum early repayment charge that the consumer could be charged, plus the cost of any other fees, which must be shown as cash amounts; and
 - details of whether or not the regulated mortgage contract is portable on moving house and a brief explanation of any conditions or restrictions that apply.
74. A firm must describe any ERC as an 'early repayment charge' and not use any other expression to describe them (MCOB 2.2.3).
75. An ERC must be able to be expressed as a cash value and must be a reasonable pre-estimate of the costs as a result of the consumer repaying the amount due under the regulated mortgage contract (MCOB 12.3.1).
76. In addition, an ERC will be in breach of the Unfair Contract Regulations where it is not expressed in a plain and intelligible way in the contract (Unfair Contract Terms Regulatory Guide 1.3.1).
77. In early 2007, the FSA completed a thematic project about mortgage ERCs.³⁷ This was undertaken in response to consumer complaints under the Unfair Terms in Consumer Contracts Regulations 1999. The FSA reviewed over 60 mortgage contracts containing ERC terms. The FSA said that it considered an ERC term
- *may be unfair where it requires a consumer to pay a disproportionately high sum for leaving a mortgage contract early; and*
 - *will be in breach of the Regulations where it is not expressed in clear and plain English.*³⁸

The FSA said that it “did not find widespread unfair terms”.

³⁷ http://www.fsa.gov.uk/pages/About/What/thematic/retail_risks/thematic_project/index.shtml

³⁸ http://www.moneymadeclear.fsa.gov.uk/news/product/unfair_contracts/unfair_early_repayment_charges.html

G. Law Reform Proposals in Australia

Uniform Consumer Credit code

78. In August 2007, the Ministerial Council on Consumer Affairs (MCCA) released the Fringe Lending Consultation Package, calling for submissions on proposed amendments to the UCCC.³⁹ The submissions are currently being considered. The amendments, among other things, seek to:
- a. Modify section 72 of the UCCC to enable all fees and charges (and the combination of interest, fees and charges) to be reviewable and to permit a court, when considering an application under section 72, to take into account the objective reasonableness of costs incurred in establishing or terminating a loan of that type. The proposal would change the terminology used in section 72 from 'unconscionable' to 'unreasonable'. This shift was considered necessary following the decision in *Director of Consumer Affairs Victoria v City Finance Loans and Cash Solutions* (see above); and
 - b. Insert a new section 72A to allow applications challenging fees under Division 3 by a Government Consumer Agency. This would give an appropriate agency the standing to represent the public interest, or individual debtors or groups of debtors.
79. The Standing Committee of Officials of Consumer Affairs has agreed to the commissioning of research into pre-contractual disclosure with the goal of developing a new disclosure model better addressing the needs of consumers.⁴⁰

Unfair Contract Terms

80. Consumer Affairs Victoria, with the support of the Victorian Government, intends to extend the Unfair Contracts Terms regime (Part 2B of the Fair Trading Act (Vic)) to consumer credit contracts, with a target commencement date of 1 January 2009.⁴¹

Mandatory Comparison Rate Review

81. The MCCA introduced mandatory comparison rates with a three-year sunset clause (30 June 2006). After a review of the MCR, the sunset clause was extended from 30 June 2006 until 30 June 2009. The review involved the preparation of a consultation Regulatory

³⁹ Ministerial Council on Consumer Affairs, Consumer Credit Code Amendment Bill 2007, Consumer Credit Amendment Regulation 2007 Consultation Package, August 2007.

⁴⁰ <http://www.creditcode.gov.au/display.asp?file=/content/whatsnew.htm> accessed 4 March 2008.

⁴¹ Consumer Affairs Victoria, Consultation Paper, 'Application of unfair contract terms legislation to consumer credit contracts', VIC 2007, pages 1 & 9.

Impact Statement (RIS), followed by a Final Impact Statement, overseen by the Office of Best Practice Regulation. The independent review is still being considered.

Regulation of Finance Brokers and Credit Providers

82. The MCCA has released the Exposure Draft Finance Broking Bill 2007 for public comment. The draft bill proposes regulation of mortgage brokers, finance brokers, single line broking, single mobile operators and franchised organisations. The reforms would include requirements that a broker has a reasonable basis for recommending a particular product and must provide a written notice to the customer setting out required information, including the amount of fees payable to the broker and to the credit provider. Among other things, the reforms would also include:
- licensing and probity checks for brokers;
 - mandatory skills and ongoing professional development;
 - mandatory membership of an ASIC-approved EDR scheme;
 - a requirement that brokers take out professional indemnity insurance;
 - prohibiting charging upfront fees and lodging caveats over property to secure fees;
 - a requirement that brokers make sufficient enquiries about consumers financial status to ensure they can afford the product recommended; and
 - redress for losses when a consumer enters into an inappropriate credit product on the broker's recommendation.

Productivity Commission Draft Report: Regulation of Credit

83. The Productivity Commission's Draft Report, 'Review of Australia's Consumer Policy Framework', released in December 2007, recommends that:
- responsibility for finance brokers and other credit providers should be transferred to the Australian government, with regulatory requirements encompassed within ASIC's financial services regime;
 - as part of this transfer the Uniform Consumer Credit Code, appropriately modified, should be retained;
 - Australian, State and Territory Governments should determine the precise requirements and how to incorporate them into the broader financial services regime; and
 - that there be a licensing system for finance brokers and a registration system for credit providers.
84. The report also recommends the introduction of a 'tightly constrained unfair contract terms provision' into the proposed national generic consumer law. Its application would be limited to

standard form contracts and would explicitly exclude terms dealing with non-contingent or upfront contract prices.

1 April 2008

Big Banks Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
ANZ Bank	Variable Loan	\$500	\$0.00	\$160	\$700	\$1,585
ANZ Bank	Money Saver Land loan	\$500	\$360.00	\$160	\$700	\$1,992
Colonial-Products of the CBA	Standard Variable Rate Home Loan	\$600	\$288.00	\$0	\$700	\$1,913
Commonwealth Bank	Complete Home Loan	\$550	\$288.00	\$150	\$700	\$2,013
HomePath	HomePath Home Loan	\$0	\$0.00	\$0	\$1,300	\$1,300
HomeSide Lending	Reducible Mortgage \$0 Standard Variable	\$500	\$216.00	\$0	\$1,750	\$2,834
HomeSide Lending	Offset Homeloan	\$500	\$288.00	\$0	\$0	\$1,158
HomeSide Lending	HomeSide HomePlus	\$600	\$360.00	\$0	\$1,500	\$2,832
NAB	NAB Tailored Home Loan \$0 Variable Rate with 100% offset	\$600	\$360.00	\$0	\$900	\$2,182
NAB	National Choice Package	\$0	\$1,125.00	\$0	\$900	\$2,401
one direct	one direct variable loan	\$60	\$0.00	\$150	\$1,000	\$1,410
St. George Bank	Variable Loan	\$700	\$360.00	\$350	\$1,000	\$2,792
St. George Bank	St.George No Deposit Home Loan	\$850	\$432.00	\$350	\$3,750	\$5,766
St. George Bank	Variable Loan (Advantage Package)	\$100	\$0.00	\$0	\$1,000	\$1,110
Westpac Banking Corporation	Premium Option Home Loan	\$600	\$288.00	\$250	\$700	\$2,158
Westpac Banking Corporation	Rocket Repay Home Loan	\$600	\$597.00	\$250	\$700	\$2,647

Assumes \$250K mortgage

AVERAGES	\$453.75	\$310.13	\$113.75	\$1,081.25	\$2,255.81
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$1,110.00
RANGES: MAX	\$850.00	\$1,125.00	\$350.00	\$3,750.00	\$5,766.00
DIFFERENCE	\$850.00	\$1,125.00	\$350.00	\$3,750.00	\$4,656.00

Other Banks Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Adelaide Bank	Standard Variable	\$450	\$288.00	\$275	\$595	\$1,978
Adelaide Bank	Variable SmartFit	\$695	\$288.00	\$275	\$595	\$2,223
AMP Banking	Professional Package Variable Rate Loan (\$250,000-\$749,999)	\$0	\$1,047.00	\$300	\$1,000	\$2,997
Arab Bank	Standard Variable Rate Home Loan	\$600	\$0.00	\$250	\$0	\$1,200
Bank of Queensland	Standard Variable	\$495	\$288.00	\$250	\$495	\$1,848
Bank of Queensland	Home Loan Privileges \$250k +	\$0	\$1,125.00	\$250	\$495	\$2,246
BankWest	Mortgage Shredder	\$700	\$432.00	\$0	\$1,500	\$3,056
Bendigo Bank	Residential Variable Loan	\$695	\$288.00	\$30	\$0	\$1,308
Bendigo Bank	Bendigo Green Home Loan	\$685	\$0.00	\$0	\$0	\$960
Bendigo Bank	Bendigo Home Loan Package	\$660	\$288.00	\$30	\$0	\$1,273
Citibank	Standard Variable Offset	\$649	\$288.00	\$300	\$1,000	\$2,557
Citibank	Standard Variable	\$649	\$288.00	\$300	\$1,000	\$2,557
Citibank	Mortgage Plus Standard Variable \$200K to <\$300K	\$250	\$1,050.00	\$300	\$1,000	\$2,951
Citibank	Mortgage Plus Standard Variable Offset \$200K <\$300K	\$250	\$1,050.00	\$300	\$1,000	\$2,951
HSBC	Variable Loan	\$650	\$0.00	\$300	\$1,000	\$1,970
HSBC	Variable Home Smart	\$650	\$0.00	\$300	\$1,000	\$1,950
HSBC	Home Rewards Loan	\$650	\$0.00	\$300	\$1,000	\$2,270
HSBC	PowerVantage Variable \$0 NSW	\$400	\$720.00	\$300	\$1,000	\$2,452
ING Bank	Mortgage Simplifier	\$220	\$0.00	\$250	\$700	\$1,460
ING Bank	Professional SVR < \$500,000	\$220	\$0.00	\$0	\$700	\$1,210
Macquarie Bank	Macquarie SELECT Classic	\$0	\$720.00	\$500	\$1,000	\$2,302
Members Equity Bank	SMHL Standard	\$0	\$0.00	\$200	\$600	\$800
Members Equity Bank	SMHL Offset	\$0	\$0.00	\$200	\$600	\$800
Suncorp	Standard Variable	\$600	\$360.00	\$250	\$600	\$2,152

Assumes \$250K mortgage

AVERAGES	\$423.67	\$355.00	\$227.50	\$703.33	\$1,977.96
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00
RANGES: MAX	\$700.00	\$1,125.00	\$500.00	\$1,500.00	\$3,056.00
DIFFERENCE	\$700.00	\$1,125.00	\$500.00	\$1,500.00	\$2,256.00

Credit Union & Building Society Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Austral Credit Union Ltd	Standard Home Loan	\$700	\$0.00	\$350	\$3,000	\$4,050
Austral Credit Union Ltd	Premium Home Loan (variable)	\$700	\$900.00	\$350	\$3,000	\$5,251
Australian Central Credit Union	Standard Variable Rate Home Loan	\$150	\$252.00	\$0	\$0	\$821
Australian Central Credit Union	Construction Home Loan	\$775	\$252.00	\$0	\$0	\$1,046
Australian Central Credit Union	Home and Investment Loan Package \$0 Standard Variable	\$150	\$885.00	\$0	\$0	\$1,731
B&E Ltd	FlexiChoice Variable Rate Loan	\$650	\$288.00	\$350	\$400	\$1,918
B&E Ltd	Economical Loan	\$0	\$288.00	\$350	\$400	\$1,308
B&E Ltd	EasyPlan Loan	\$650	\$288.00	\$350	\$400	\$1,958
B&E Ltd	TopLine Loan	\$400	\$0.00	\$350	\$600	\$1,560
Bananacoast Community Credit Union	Standard Variable	\$395	\$0.00	\$0	\$0	\$645
Bananacoast Community Credit Union	Premier Package Variable	\$395	\$0.00	\$0	\$0	\$645
Bananacoast Community Credit Union	Flexi Home Loan	\$395	\$0.00	\$0	\$0	\$645
Bankstown City Credit Union	Home Manager	\$1,140	\$0.00	\$179	\$500	\$1,944
Bankstown City Credit Union	Property Manager	\$1,140	\$0.00	\$179	\$500	\$1,944
Big Sky Credit Union	Standard Variable	\$600	\$0.00	\$0	\$0	\$600

Credit Union & Building Society Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Cairns Penny Savings and Loans	Home Loan	\$650	\$180.00	\$60	\$0	\$1,129
Capricornia Credit Union	Premier Plus	\$990	\$0.00	\$0	\$0	\$990
Capricornia Credit Union	Standard Home Loan	\$400	\$0.00	\$100	\$590	\$1,390
Community CPS Australia	Home & Investment Loan	\$695	\$0.00	\$0	\$0	\$705
Community CPS Australia	Pinnacle +Plus Home & Investment Loan	\$200	\$0.00	\$0	\$590	\$800
Community CPS Australia	Straight Forward Home Loan	\$695	\$270.00	\$0	\$0	\$995
Community CPS Australia	Parent Equity Home Loan	\$845	\$0.00	\$0	\$0	\$855
Community First Credit Union	True Value Variable Home Loan	\$1,040	\$0.00	\$0	\$625	\$1,675
Community First Credit Union	True Professional Home Loan	\$1,040	\$600.00	\$100	\$625	\$2,576
Community First Credit Union	Reducer Home loan	\$1,040	\$0.00	\$0	\$625	\$1,675
Comtax Credit Union	Housing Loan L47	\$0	\$0.00	\$0	\$1,000	\$1,000
CUA	Standard Variable Loan	\$795	\$0.00	\$0	\$950	\$1,995
CUA	Discounted Variable	\$795	\$0.00	\$0	\$950	\$1,995
Encompass Credit Union	Standard Variable Home Loan	\$910	\$0.00	\$0	\$1,250	\$2,470
Gateway Credit Union	Property Investment Home Loan	\$620	\$0.00	\$0	\$0	\$620
Gateway Credit Union	Variable Home Loan	\$620	\$0.00	\$0	\$0	\$620
Heritage Building Society	Standard Variable	\$600	\$180.00	\$200	\$0	\$1,117
Heritage Building Society	Bridging Loan	\$900	\$0.00	\$200	\$0	\$1,100
Heritage Building Society	Premium Variable	\$0	\$0.00	\$200	\$800	\$1,100
Heritage Building Society	Professional Package	\$0	\$750.00	\$200	\$800	\$2,471
HOME Building Society	Base Variable Rate Loan	\$664	\$288.00	\$0	\$0	\$1,297
Illawarra Credit Union	Standard Variable Loan	\$600	\$288.00	\$0	\$200	\$1,308
IMB	IMB Standard Variable Home Loan	\$759	\$0.00	\$50	\$1,500	\$2,509
IMB	IMB Professional Mortgage Home Loan \$200,000 to \$299,999	\$314	\$0.00	\$50	\$1,500	\$2,064
Intech Credit Union Limited	Classic Home Loan	\$875	\$0.00	\$0	\$0	\$1,075
Maroondah Credit Union	Variable Loan	\$600	\$0.00	\$0	\$0	\$600
mecu	Premium Home Loan	\$595	\$0.00	\$0	\$1,000	\$1,595
mecu	Second Mortgage Loan	\$595	\$0.00	\$0	\$0	\$595
mecu	Bridging Loan	\$595	\$0.00	\$0	\$0	\$595
mecu	Residential Investment Interest Only	\$595	\$0.00	\$0	\$0	\$595
mecu	Premium Home Loan \$250k +	\$595	\$0.00	\$0	\$1,000	\$1,595
mecu	goGreen Home Improvement Loan (Secured)	\$595	\$0.00	\$0	\$0	\$595
mecu	Premium First Home Buyers Home Loan	\$595	\$0.00	\$0	\$1,000	\$1,595
Newcastle Permanent Building Society	Real Options Home Loan	\$0	\$0.00	\$0	\$900	\$1,175
Newcastle Permanent Building Society	Premium Variable Home Loan	\$0	\$252.00	\$0	\$900	\$1,446
Newcastle Permanent Building Society	Premium Plus Package Home loan	\$0	\$750.00	\$0	\$900	\$2,176
NSW Teachers Credit Union	My First Home Loan	\$0	\$0.00	\$0	\$0	\$200
NSW Teachers Credit Union	Teachers Flexi Choice Loan	\$250	\$0.00	\$0	\$0	\$450
NSW Teachers Credit Union	Teachers Interest Only Loan	\$250	\$0.00	\$0	\$0	\$450
Police and Nurses Credit Society	Lifestyle Home Loan \$0 Variable Rate	\$650	\$180.00	\$0	\$0	\$1,257
Police and Nurses Credit Society	Lifestyle Home Loan \$0 Variable Rate (no monthly fee)	\$650	\$0.00	\$0	\$0	\$1,060
Police Credit	Housing Loan	\$666	\$0.00	\$0	\$0	\$666
Police Credit	Top\$0Up Housing Loan	\$666	\$0.00	\$0	\$0	\$666
Power Credit Union	Standard Variable Home Loan	\$768	\$0.00	\$0	\$500	\$1,298
Queensland Professional Credit Union	friendly home loan	\$679	\$360.00	\$75	\$0	\$1,436
Queensland Teachers Credit Union	Standard Variable	\$515	\$0.00	\$274	\$0	\$1,089
Queensland Teachers Credit Union	Home Loan Overdraft	\$515	\$0.00	\$274	\$0	\$1,089
Queensland Teachers Credit Union	Home Equity Loan	\$515	\$0.00	\$274	\$0	\$789
Queensland Teachers Credit Union	Home Equity Overdraft	\$515	\$0.00	\$274	\$0	\$789
Queenslanders Credit Union	Original Home Loan	\$595	\$0.00	\$150	\$1,875	\$2,920
Railways Credit Union	Economy Home Loan	\$0	\$180.00	\$600	\$600	\$2,022
RegionalOne Credit Union	Variable Loan	\$975	\$0.00	\$0	\$0	\$990
Savings & Loans Credit Union	Home Loan	\$600	\$0.00	\$250	\$500	\$1,630
Savings & Loans Credit Union	Bridging Finance	\$600	\$0.00	\$250	\$500	\$1,600
Savings & Loans Credit Union	Construction	\$700	\$0.00	\$250	\$500	\$1,700
Savings & Loans Credit Union	Discounted Variable Home/Investment Loan >\$250,000	\$600	\$288.00	\$250	\$500	\$1,958
Savings & Loans Credit Union	Nil End Debt Bridging Loans	\$850	\$0.00	\$250	\$500	\$1,600
Savings & Loans Credit Union	Discounted Variable Rate Bridging Loan >\$250,000	\$600	\$288.00	\$250	\$500	\$1,958
Select Credit Union	super mortgage loan	\$547	\$0.00	\$0	\$1,000	\$1,547
SERVICE ONE Members Banking	Standard Variable Loan	\$600	\$0.00	\$0	\$0	\$880
South West Credit Union	VARIABLE	\$930	\$0.00	\$715	\$0	\$1,645
Sydney Credit Union	Standard Variable Loan	\$753	\$0.00	\$0	\$0	\$1,773
Sydney Credit Union	Propack Home Loan (\$150K \$0 \$250K)	\$600	\$0.00	\$0	\$600	\$2,220
The Rock Building Society	Standard Variable	\$600	\$180.00	\$0	\$1,200	\$1,997
Transcomm Credit Union	Home/Equity Loan	\$920	\$0.00	\$0	\$0	\$920
Unicom Credit Union	Standard Variable Home Loan	\$600	\$0.00	\$0	\$0	\$800
United Credit Union	Classic Home Loan	\$600	\$288.00	\$0	\$0	\$1,283
United Credit Union	Access Plus	\$600	\$288.00	\$0	\$0	\$1,233
United Credit Union	Premium Home Loan	\$600	\$0.00	\$0	\$0	\$900
Victoria Teachers Credit Union	Bridging Loan	\$600	\$0.00	\$350	\$0	\$1,200
Victoria Teachers Credit Union	Construction Loan	\$600	\$1,050.00	\$0	\$0	\$2,251

Credit Union & Building Society Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Victoria Teachers Credit Union	Offset Home Loan	\$600	\$0.00	\$0	\$0	\$850
Wagga Mutual Credit Union	Standard Variable Home Loan	\$880	\$0.00	\$0	\$0	\$880

Assumes \$250K mortgage

AVERAGES	\$582.28	\$111.51	\$92.09	\$400.91	\$1,388.11
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00
RANGES: MAX	\$1,139.75	\$1,050.00	\$715.00	\$3,000.00	\$5,251.00
DIFFERENCE	\$1,139.75	\$1,050.00	\$715.00	\$3,000.00	\$5,051.00

Large Non-ADI Variable Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
A M O	AMO Gold Home Loan	\$740	\$0.00	\$0	\$1,895	\$2,635
AIMS Home Loans	AIMS Gold Standard Variable Home Loan	\$660	\$0.00	\$0	\$3,790	\$4,560
AIMS Home Loans	AIMS Smarter Way Variable Home Loan	\$660	\$0.00	\$0	\$3,790	\$4,560
AIMS Home Loans	AIMS Professional Package Variable Home Loan	\$660	\$684.00	\$0	\$5,685	\$7,170
Aussie	Aussie Home Loan	\$600	\$0.00	\$215	\$500	\$1,315
Aussie	Aussie All\$0In\$0One	\$600	\$0.00	\$215	\$1,000	\$2,115
Aussie	Premium Plus \$200k\$0\$349999	\$350	\$480.00	\$965	\$0	\$1,839
Award Mortgage Solutions	Standard Full Doc	\$770	\$0.00	\$0	\$3,000	\$3,770
GE Money	GE Money Flexible Options Standard \$250,000\$0\$500,000	\$500	\$0.00	\$0	\$2,750	\$3,250
GE Money	Flexible Options Basic	\$500	\$0.00	\$350	\$2,750	\$3,965
Homeloans Ltd	Balanced Securitised Variable	\$864	\$0.00	\$0	\$0	\$864
Homeloans Ltd	Smart Saver	\$1,049	\$0.00	\$0	\$0	\$1,049
Homeloans Ltd	R8 Saver	\$949	\$1,200.00	\$0	\$0	\$2,550
Homeloans Ltd	Flexi Standard	\$864	\$0.00	\$0	\$0	\$864
Homeloans Ltd	Easy Saver	\$874	\$0.00	\$300	\$2,500	\$3,674
Homeloans Ltd	All Purpose 100	\$864	\$432.00	\$300	\$0	\$1,620
LaTrobe Financial Services	Housing Loan	\$1,455	\$150.00	\$980	\$300	\$3,412
Liberty Financial	Star	\$770	\$0.00	\$0	\$770	\$1,590
Morgan Brooks DIRECT	Premium Home Loan	\$0	\$0.00	\$0	\$3,790	\$3,790
Mortgage House	Elite Variable	\$600	\$0.00	\$195	\$3,000	\$4,045
Mortgage House	Home Loan Plus	\$500	\$0.00	\$150	\$1,500	\$2,400
Mortgage House	Bullet 'All in One' Variable Rate	\$500	\$0.00	\$150	\$1,500	\$2,400
Mortgage House	Easy Credit	\$600	\$0.00	\$195	\$1,895	\$2,940
Mortgage House	Executive Professional Plus	\$500	\$1,125.00	\$2,475	\$0	\$4,540
Nationwide Mortgage	True Saver Home Loan	\$655	\$0.00	\$195	\$1,895	\$2,744
Nationwide Mortgage	First Choice Home Loan	\$655	\$0.00	\$195	\$1,895	\$2,744
Nationwide Mortgage	Low Deposit Home Loan	\$660	\$0.00	\$195	\$1,895	\$2,750
Nationwide Mortgage	True Saver Pro\$0Pack	\$905	\$900.00	\$195	\$1,895	\$4,195
Nationwide Mortgage	First Choice Pro\$0Pack	\$905	\$900.00	\$195	\$1,895	\$4,195
New\$0Loan	Bank Beater	\$900	\$0.00	\$500	\$3,000	\$4,650
RAMS Home Loans	Standard Variable	\$845	\$288.00	\$295	\$3,750	\$5,570
RAMS Home Loans	Standard Pro Pack	\$595	\$900.00	\$295	\$3,750	\$6,136
RAMS Home Loans	Zero Home Loan	\$745	\$0.00	\$295	\$3,750	\$5,085
RateBusters	Rate Buster	\$1,485	\$0.00	\$300	\$550	\$2,335
RateBusters	Fee Buster	\$220	\$0.00	\$300	\$550	\$1,070
RateBusters	Rate Reducer	\$1,760	\$990.00	\$295	\$4,737	\$8,113
RateBusters	Fee Reducer	\$495	\$990.00	\$295	\$4,737	\$6,848
RESI Mortgage Corporation	Complete Home Loan	\$616	\$0.00	\$275	\$1,895	\$2,786
RESI Mortgage Corporation	breakTHRU Home Loan	\$616	\$0.00	\$275	\$1,895	\$2,786
SAVE Finance	Save Finance Pro Pack	\$795	\$900.00	\$0	\$3,000	\$4,996
Sydney Home Loans	Sydney Yellow	\$825	\$0.00	\$0	\$0	\$875
Virgin Money	Virgin Standard Home Loan Variable	\$310	\$0.00	\$0	\$850	\$1,160
Wizard Home Loans	Smart Choice Loan	\$760	\$0.00	\$0	\$1,250	\$2,010
Yes Home Loans	Equity Access Standard	\$835	\$0.00	\$0	\$350	\$1,185
Yes Home Loans	Construction Loans	\$835	\$0.00	\$0	\$3,000	\$3,835
Yes Home Loans	Credit Access	\$835	\$0.00	\$0	\$2,500	\$3,335

Assumes \$250K mortgage

AVERAGES	\$732.15	\$216.07	\$230.22	\$1,944.62	\$3,267.83
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$864.00
RANGES: MAX	\$1,760.00	\$1,200.00	\$2,475.00	\$5,684.67	\$8,113.23
DIFFERENCE	\$1,760.00	\$1,200.00	\$2,475.00	\$5,684.67	\$7,249.23

Big Banks Basic Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
ANZ Bank	Money Saver	\$500	\$360	\$160	\$700	\$1,720
Colonial-Products of the CBA	Rate Saver Basic	\$600	\$288	\$0	\$700	\$1,588
Commonwealth Bank	Economiser Home Loan	\$600	\$288	\$0	\$700	\$1,588
HomeSide Lending	Plain & Simple Principal and Interest Loan	\$300	\$0	\$0	\$0	\$300
HomeSide Lending	Plain and Simple Interest Only Loan	\$300	\$0	\$0	\$0	\$300
HomeSide Lending	HomeSide HomePlus Interest Only Loan (Variable)	\$600	\$360	\$0	\$1,500	\$2,460
NAB	Base Variable Rate Home Loan (\$250,000 to \$500,000)	\$600	\$0	\$0	\$900	\$1,500
St. George Bank	St.George Basic Home Loan	\$350	\$360	\$350	\$900	\$1,960
Westpac Banking Corporation	First Option Home Loan	\$600	\$360	\$250	\$700	\$1,910

Assumes \$250K mortgage

AVERAGES	\$494.44	\$224.00	\$84.44	\$677.78	\$1,480.67
RANGES: MIN	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00
RANGES: MAX	\$600.00	\$360.00	\$350.00	\$1,500.00	\$2,460.00
DIFFERENCE	\$300.00	\$360.00	\$350.00	\$1,500.00	\$2,160.00

Other Banks Basic Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Adelaide Bank	Greatsaver	\$450	\$0	\$275	\$595	\$1,320
AMP Banking	Basic Variable Rate Loan	\$0	\$0	\$300	\$1,000	\$1,300
Arab Bank	The Basics Home Loan	\$600	\$288	\$250	\$0	\$1,138
Bank of Queensland	Economy	\$595	\$360	\$250	\$495	\$1,700
BankWest	BankWest Lite Home Loan	\$500	\$0	\$0	\$0	\$500
BankWest	BankWest Lite Plus Home Loan \$250,000 to \$1,000,000	\$0	\$1,080	\$0	\$0	\$1,080
Citibank	Basic Mortgage	\$649	\$0	\$300	\$1,000	\$1,949
HSBC	Home Value	\$650	\$0	\$300	\$1,000	\$1,950
ING Bank	Mortgage Simplifier	\$220	\$0	\$250	\$700	\$1,170
Macquarie Bank	Macquarie SELECT Basic	\$650	\$0	\$500	\$1,000	\$2,150
Suncorp	Back to Basics	\$600	\$0	\$250	\$600	\$1,450

Assumes \$250K mortgage

AVERAGES	\$446.73	\$157.09	\$243.18	\$580.91	\$1,427.91
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00
RANGES: MAX	\$650.00	\$1,080.00	\$500.00	\$1,000.00	\$2,150.00
DIFFERENCE	\$650.00	\$1,080.00	\$500.00	\$1,000.00	\$1,650.00

Credit Union & Building Society Basic Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	Early Termination Fee	Total fees in 3 years
Austral Credit Union Ltd	Basic Variable Loan	\$1,200	\$0	\$350	\$3,000	\$4,550
Australian Central Credit Union	Discount Variable Rate Home Loan	\$775	\$288	\$0	\$0	\$1,063
Big Sky Credit Union	Basic Variable	\$600	\$0	\$0	\$0	\$600
Community CPS Australia	Basic Variable Home Loan	\$695	\$396	\$0	\$0	\$1,091
Community First Credit Union	True Basic	\$1,040	\$0	\$75	\$625	\$1,740
CUA	Basic Variable	\$795	\$0	\$0	\$950	\$1,745
CUA	Basic Variable greater than \$250,000	\$795	\$0	\$0	\$0	\$795
Easy Street Financial Services	EasyHome basic Variable	\$0	\$0	\$0	\$625	\$625
Encompass Credit Union	Basic Home Loan	\$910	\$0	\$0	\$1,750	\$2,660
Heritage Building Society	Basic Variable	\$600	\$0	\$200	\$800	\$1,600
Heritage Building Society	Select Variable	\$400	\$180	\$200	\$800	\$1,580
HOME Building Society	No Frills	\$339	\$0	\$0	\$0	\$339
Illawarra Credit Union	Basic Home Loan	\$600	\$288	\$0	\$0	\$888
IMB	IMB Budget Home Loan	\$759	\$360	\$50	\$1,500	\$2,669
IMB	IMB Budget Blue Home Loan	\$759	\$0	\$50	\$1,500	\$2,309
Maroondah Credit Union	No Frills	\$800	\$0	\$0	\$0	\$800
mecu	Basic Home Loan	\$595	\$0	\$300	\$0	\$895
Newcastle Permanent Building Society	Real Deal Home Loan	\$0	\$0	\$0	\$900	\$900
NSW Teachers Credit Union	Teachers Basic Option Loan	\$250	\$0	\$0	\$750	\$1,000
Police and Nurses Credit Society	Easy pay Home Loan	\$650	\$180	\$0	\$0	\$830
Police and Nurses Credit Society	Advantage Home Loan	\$650	\$180	\$0	\$0	\$830
Police Credit	Base Variable Housing Loan	\$600	\$0	\$0	\$700	\$1,300
Railways Credit Union	Home Mortgage Loan	\$350	\$0	\$50	\$600	\$1,000
RTA Staff Credit Union	FastRoad Home Loan	\$630	\$0	\$0	\$0	\$630
Savings & Loans Credit Union	Discounted Variable Rate Construction Loan >\$250,000	\$700	\$288	\$250	\$500	\$1,738
SERVICE ONE Members Banking	Basic Loan	\$600	\$0	\$0	\$0	\$600
South West Credit Union	Variable	\$930	\$0	\$715	\$0	\$1,645
Sydney Credit Union	Basic Home Loan	\$753	\$0	\$0	\$0	\$753
The Rock Building Society	Advantage +	\$600	\$0	\$0	\$1,200	\$1,800
Unicom Credit Union	Basic Home Loan	\$600	\$288	\$0	\$200	\$1,088
Victoria Teachers Credit Union	Basic Home Loan	\$600	\$0	\$0	\$1,895	\$2,495

Assumes \$250K mortgage

AVERAGES	\$631.40	\$78.97	\$72.26	\$590.16	\$1,372.79
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$339.00
RANGES: MAX	\$1,200.00	\$396.00	\$715.00	\$3,000.00	\$4,550.00
DIFFERENCE	\$1,200.00	\$396.00	\$715.00	\$3,000.00	\$4,211.00

Large Non-ADI Basic Loan Fees

Ref: 125: Review of mortgage entry and exit fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
A M O	AMO Smart Rate Saver Home Loan	\$775	\$0	\$150	\$2,500	\$3,425
AIMS Home Loans	AIMS Super Rate Variable Home Loan	\$1,430	\$0	\$0	\$7,580	\$9,010
Aussie	Aussie Basic	\$600	\$0	\$215	\$1,000	\$1,815
Homeloans Ltd	Easy Saver	\$874	\$0	\$495	\$2,500	\$3,869
New\$0Loan	Professional Advantage (Zero Annual Fee)	\$900	\$0	\$500	\$2,000	\$3,400
RAMS Home Loans	Basic Loan	\$845	\$0	\$295	\$3,750	\$4,890
RAMS Home Loans	Interest Saver	\$150	\$0	\$295	\$700	\$1,145
RAMS Home Loans	IO Maximiser	\$450	\$900	\$295	\$3,750	\$5,395
RESI Mortgage Corporation	Resi Great Rate Home Loan	\$396	\$0	\$275	\$5,685	\$6,356
Sydney Home Loans	Sydney Basic Variable Home Loan	\$875	\$0	\$0	\$0	\$875
Virgin Money	Virgin Standard Home Loan Variable	\$310	\$0	\$0	\$850	\$1,160
Wizard Home Loans	Rate Breaker Loan	\$760	\$0	\$0	\$2,250	\$3,010
Wizard Home Loans	Clear Value	\$760	\$0	\$0	\$2,250	\$3,010
Yes Home Loans	Basic Home Loan	\$1,085	\$1,050	\$0	\$2,500	\$4,635

Assumes \$250K mortgage

AVERAGES	\$729.29	\$139.29	\$180.00	\$2,665.30	\$3,713.87
RANGES: MIN	\$150.00	\$0.00	\$0.00	\$0.00	\$875.00
RANGES: MAX	\$1,430.00	\$1,050.00	\$500.00	\$7,579.56	\$9,009.56
DIFFERENCE	\$1,280.00	\$1,050.00	\$500.00	\$7,579.56	\$8,134.56

Big Banks Intro (12mths) Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
ANZ Bank	Easy Start	\$500	\$360	\$160	\$700	\$1,967
Colonial-Products of the CBA	1 Year Guaranteed Rate Home Loan	\$600	\$288	\$0	\$700	\$1,913
Colonial-Products of the CBA	12 Month Discounted Variable Rate Home Loan	\$600	\$288	\$0	\$700	\$1,913
Commonwealth Bank	Complete Home Loan \$0 12 mth Discounted Variable Rate	\$600	\$288	\$0	\$700	\$1,908
Commonwealth Bank	One Year Guaranteed Rate	\$600	\$288	\$0	\$700	\$1,913
HomeSide Lending	Reducible Mortgage \$0 1 yr intro fixed	\$600	\$216	\$0	\$1,750	\$2,934
HomeSide Lending	HomeSide HomePlus 1 Year Intro	\$600	\$360	\$0	\$1,500	\$2,832
NAB	Introductory Rate Home Loan (12 months Fixed)	\$600	\$360	\$0	\$360	\$1,642
NAB	Introductory Rate Home Loan (12 months Variable)	\$600	\$360	\$0	\$1,000	\$2,282
St. George Bank	Discount Variable rate	\$700	\$360	\$350	\$2,250	\$4,042
St. George Bank	Introductory 1 Year Fixed Rate	\$700	\$360	\$0	\$2,250	\$3,682
Westpac Banking Corporation	Premium Option 1 Year Guaranteed Rate	\$600	\$288	\$250	\$800	\$1,958

AVERAGES	\$608.33	\$318.00	\$63.33	\$1,117.50	\$2,415.50
RANGES: MIN	\$500.00	\$216.00	\$0.00	\$360.00	\$1,642.00
RANGES: MAX	\$700.00	\$360.00	\$350.00	\$2,250.00	\$4,042.00
DIFFERENCE	\$200.00	\$144.00	\$350.00	\$1,890.00	\$2,400.00

Other Banks Intro (12mths) Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Adelaide Bank	12 Month Introductory Fixed Rate	\$450	\$288	\$275	\$595	\$1,778
Adelaide Bank	12 Month Discount Variable Rate	\$450	\$288	\$275	\$595	\$1,778
AMP Banking	Introductory 1 Year Fixed Rate Loan	\$0	\$0	\$300	\$1,000	\$1,600
AMP Banking	Introductory Professional Package Variable Rate Loan	\$0	\$1,047	\$300	\$1,000	\$2,997
Arab Bank	HeadStart Home Loan \$0 12 Months Introductory Rate	\$600	\$288	\$250	\$0	\$1,508
BankWest	Mortgage Shredder Variable Introductory Rate	\$700	\$0	\$0	\$1,500	\$2,612
BankWest	Mortgage Shredder fixed Introductory Rate	\$700	\$0	\$0	\$1,500	\$2,612
HSBC	Intro Variable Rate Loan	\$650	\$0	\$300	\$1,000	\$2,270
HSBC	Introductory Home Smart	\$650	\$0	\$300	\$1,000	\$2,250
ING Bank	Construction Loan	\$220	\$0	\$0	\$700	\$1,210
Suncorp	1 Year Introductory Fixed	\$600	\$360	\$250	\$600	\$2,132

AVERAGES	\$456.36	\$206.45	\$204.55	\$862.73	\$2,067.91
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$1,210.00
RANGES: MAX	\$700.00	\$1,047.00	\$300.00	\$1,500.00	\$2,997.00
DIFFERENCE	\$700.00	\$1,047.00	\$300.00	\$1,500.00	\$1,787.00

Credit Union & Building Society Intro (12mths) Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
Australian Central Credit Union	12 Month Honeymoon Home Loan	\$775	\$252	\$0	\$0	\$1,446
B&E Ltd	FlexiChoice 1 Year Introductory Loan	\$650	\$288	\$350	\$400	\$1,918
Big Sky Credit Union	Standard Variable	\$600	\$0	\$0	\$0	\$600
Cairns Penny Savings and Loans	Home Loan 12 Month Special	\$650	\$180	\$60	\$400	\$1,529
Community CPS Australia	Introductory Loan (12 months fixed)	\$695	\$0	\$0	\$0	\$705
CUA	1yr Introductory Variable Rate	\$795	\$0	\$0	\$950	\$1,995
Encompass Credit Union	Introductory Home Loan	\$910	\$0	\$0	\$1,750	\$2,960
Gateway Credit Union	Honeymoon Home Loan	\$620	\$0	\$0	\$600	\$1,220
Heritage Building Society	Value Plus	\$600	\$180	\$200	\$800	\$1,817
HOME Building Society	Classic Honeymoon \$0 12 Month Intro	\$664	\$0	\$0	\$675	\$1,664
Illawarra Credit Union	Flying Start Loan	\$600	\$288	\$0	\$1,895	\$3,003
IMB	IMB Discount Variable Home Loan	\$759	\$0	\$50	\$1,500	\$2,509
mecu	Premium Home Loan (Introductory Rate)	\$595	\$0	\$0	\$0	\$595
mecu	Premium Investment Loan (Introductory Rate)	\$595	\$0	\$0	\$0	\$595
Newcastle Permanent Building Society	Intro Rate Home Loan	\$0	\$0	\$0	\$900	\$1,175
NSW Teachers Credit Union	Teachers Advantage Loan	\$250	\$0	\$0	\$0	\$250
Police and Nurses Credit Society	Lifestyle Home Loan \$0 Introductory Rate	\$650	\$180	\$0	\$0	\$1,257
Police Credit	Housing Loan	\$666	\$0	\$0	\$0	\$666
Queensland Professional Credit Union	friendly home loan introductory	\$679	\$360	\$75	\$0	\$1,436
Queenslanders Credit Union	Easy Living Home Loan	\$595	\$0	\$0	\$1,875	\$2,470
Railways Credit Union	First Home Loan	\$350	\$0	\$50	\$600	\$1,325
RTA Staff Credit Union	1 year fixed home loan	\$380	\$0	\$0	\$500	\$880
Savings & Loans Credit Union	Fixed Rate Loan Special Rate	\$600	\$0	\$250	\$500	\$1,600
Savings & Loans Credit Union	1 year Fixed Intro Latitude	\$600	\$0	\$250	\$500	\$1,600
Savings & Loans Credit Union	1 Year Intro Special Construction Loan	\$700	\$0	\$250	\$500	\$1,700
SERVICE ONE Members Banking	Honeymoon Rate	\$600	\$0	\$0	\$0	\$630
Sydney Credit Union	Introductory Loan	\$753	\$0	\$0	\$0	\$1,773
The Rock Building Society	Home Loan Cruncher	\$600	\$360	\$0	\$1,200	\$2,182
Unicom Credit Union	Flying Start Home Loan	\$600	\$0	\$0	\$0	\$800
United Credit Union	Premium Home Loan	\$600	\$0	\$0	\$0	\$900
United Credit Union © Australian Securities and Investments Commission April 2008			\$288	\$0	\$0	\$1,233

AVERAGES	\$601.20	\$579.65	\$405.00	\$501.40	\$1,433.28
RANGES: MIN	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00
RANGES: MAX	\$910.00	\$360.00	\$350.00	\$1,894.89	\$3,002.89
DIFFERENCE	\$910.00	\$360.00	\$350.00	\$1,894.89	\$2,752.89

Large Non-ADI Intro (12mths) Loan Fees

Institution	Product Name	Total Setup Fee	Service fees over 3 years	Discharge fee	If terminated within 3 years	Total fees in 3 years
AIMS Home Loans	AIMS Super Saver Discount Variable	\$660	\$0	\$0	\$5,685	\$6,455
Award Mortgage Solutions	Standard Full Doc (Intro)	\$1,430	\$0	\$0	\$3,000	\$4,430
LaTrobe Financial Services	Discount Variable 12 Months	\$1,455	\$150	\$0	\$0	\$2,132
RAMS Home Loans	Easy Start	\$845	\$900	\$295	\$3,750	\$6,686
Yes Home Loans	Discount Credit Access	\$835	\$0	\$0	\$0	\$835

AVERAGES	\$1,045.00	\$210.00	\$59.00	\$2,486.93	\$4,107.53
RANGES: MIN	\$660.00	\$0.00	\$0.00	\$0.00	\$835.00
RANGES: MAX	\$1,455.00	\$900.00	\$295.00	\$5,684.67	\$6,686.00
DIFFERENCE	\$795.00	\$900.00	\$295.00	\$5,684.67	\$5,851.00