

# Fixed Rate (Interest Only) Mortgage Loan



## Product Description

The HomeSide Fixed Rate (Interest Only) Mortgage Loan is an interest only loan for residential investment properties where the interest rate is fixed for the period of the loan. Regardless of interest rate fluctuations, driven by changing economic conditions, the interest rate and interest payments will remain the same for the period of the loan.

Fixed Rate Mortgages can be of two types:

- Interest charged monthly in arrears or
- Interest charged annually in advance.

The Fixed Rate (Interest Only) Mortgage with interest charged monthly in arrears is available for one, two, three, or five year terms. A Fixed Rate (Interest Only) Mortgage with interest charged in advance is available for a one year term only.

Fixed Rate (interest Only) Mortgage Loans are contracted over five years. This provides the borrower with the option of rolling over the fixed term period without recontracting the loan, up to a maximum of five years. The minimum loan amount is \$50,000.

The HomeSide Fixed Rate (Interest Only) Mortgage Loan can only be used for the purchase or refinance of residential investment properties.

The HomeSide Fixed Rate (Interest Only) Mortgage has many features providing borrowers with substantial benefits, some of which are listed below.

Features	Benefits
Fixed interest rate	Gives borrowers the peace of mind in knowing exactly what the interest rate will be for the fixed term.
Interest only	Borrowers only pay the amount of interest calculated on the loan. Payments of principal are not permitted.*
Pay interest in arrears or advance	Borrowers can choose to pay interest annually in advance or monthly in arrears depending on the term of the loan.
Automated payment	There's no need to worry about when payments are due as they are made automatically by direct debit to a nominated account held with any bank or building society.
Various terms to choose from	Interest in arrears loans are available for one, two, three, and five year terms. Interest in advance loans are available for a 1 year term.
Rollover flexibility	At the end of the fixed term borrowers can apply to fix the interest rate again for any term available for this type of loan. Borrowers can also apply to transfer the loan to another HomeSide product (subject to approval).
Packaging	Borrowers can package the Fixed Rate Loan with other HomeSide Lending products. This flexibility allows borrowers to customise finance to suit their needs.
Portability	If borrowers sell the property and buy another, they can take their Fixed Rate (Interest Only) Mortgage Loan with them.

\* Fixed Rate (Interest Only) Mortgage Loans repaid in full within 4 years of settlement will attract an early exit fee.

Terms and Conditions and Fees and Charges apply to all HomeSide Lending products. Refer HomeSide Lending for more information.