Comparison Rate Warning

# The National Credit Code (2009) requires that:

* A comparison rate must be included in any advertisement for a fixed term credit product that contains an annual percentage rate; and
* A credit provider must display a comparison rate schedule.

# What is a Comparison rate?

The comparison rate is an indicative interest rate that combines the nominal interest rate with any foreseeable fees and charges associated with the loan, to help consumers compare one loan against another on a cost basis.

**Comparison rate schedule**

## Loan Amount Nominal

**Interest rate**

**Comparison rate\***

##  Loan Term

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unsecured personal loan** | Up to $25,000 | 12.90% | 12.90% | 1 - 10 years |
| **Fixed term personal loan**  | Up to $15,000 | 12.90% | 12.90% | 1 - 7 years |
| **Low interest personal loan**  | Up to $40,000 | 8.90% | 8.90% | 1 - 10 years |
| **Special purpose loan** | Up to $100,000 | 8.90% – 9.90% | 8.90% - 9.90% | 1 - 10 years |
| **Caveat loan** | Up to $150,000 | 9.90% | 9.90% | 1 - 10 years |
| **Secured car loan** | Unlimited(up to 100%of the valuation of the vehicle/vessel) | 6.90% - 8.90% | 6.90% - 8.90% | 1 - 5 years |

 **Method of calculation:**

\*The comparison rate is calculated in accordance with a standard formula which takes into account;

* + The amount & term of the loan,
	+ The repayment frequency,
	+ The interest rate; and
	+ The fees and charges connected with the loan, except for government fees and/or statutory fees that are event based and may not apply throughout the life of the loan eg top-up fees