

## 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%	8.99%	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%	10.61%	1 - 10 years
Secured car loan	Unlimited (up to 100% of the valuation of the vehicle/vessel)	7.90% - 8.90%	7.90% - 8.90%	1 - 5 years
Home Loan	Unlimited (up to 70% of the valuation of the property)	8.24%	8.33%**	1-30years

### 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

\*\*calculated based on a \$150,000 loan over a 25-year loan term