

# Rate Lock

Option available on fixed rate home loans

## What's a Rate Lock?

Fixed rates are subject to change up until your loan settles. A Rate Lock enables you to lock in the advertised interest rate on selected home loan products, giving you certainty for up to 90 days against potential interest rate increases during that time. To help make your home-buying journey easier, we offer a Rate Lock option on our Premium Plus Package Fixed Rate and Fixed Rate Home Loan products. There is a non-refundable fee for selecting our Rate Lock option.

## How does Rate Lock work?

If you choose to take up our Rate Lock option, the interest rate on your Premium Plus Package Fixed Rate or Fixed Rate Home Loan will be locked for 90 days from when your application is submitted or we receive your valid Rate Lock request. If your loan settles within this 90-day period, you'll benefit from the lower of the two rates – either your locked rate or our current advertised fixed rate. This means you don't need to worry if interest rates increase during this time.

## When can I lock in a rate?

You can request our Rate Lock option on your Premium Plus Package Fixed Rate or Fixed Rate Home Loan at the time of application, or at any time prior to loan settlement. Rate Lock isn't available for loan conversions, top-ups, bridging loans, construction loans, or variable rate loans.

## What interest rate is locked in?

The rate that's locked in will be our advertised interest rate for your selected loan product on the day we receive your valid Rate Lock request.

## What does it cost to Rate Lock?

The Rate Lock Fee is \$750 per loan account. For example, if your application comprises two fixed rate loans over different terms and you'd like to lock in a rate on both, you'll be charged two Rate Lock Fees. When you request a Rate Lock, you agree to pay the fee at the time your loan is funded. We charge the Rate Lock Fee to your loan account on the day the account is funded. The Rate Lock Fee remains payable even if interest rates stay the same or fall, or if your loan does not proceed for any reason, and is non-refundable.

## What's the process for taking out a Rate Lock?

1. Speak with your Newcastle Permanent lender or broker about our Rate Lock option at the time of making your loan application.
2. If opting to Rate Lock, your application will include your agreement to pay the Rate Lock Fee at the time of loan funding.
3. On the day we receive your valid Rate Lock instruction, we'll lock in our current advertised interest rate for your selected loan product.
4. Your rate will be locked-in for 90 days from the day we receive your valid Rate Lock instruction. If you settle your loan within 90 days, we'll apply the lower of the locked-in rate or our advertised interest rate for your selected fixed rate loan product on the day of settlement.
5. We will charge the Rate Lock Fee to your loan account at the time your loan account is funded.

## When does my Rate Lock expire?

Your Rate Lock will expire 90 days from the date we receive your Rate Lock instruction, unless your loan settles before then.

## What happens if my Rate Lock expires before my loan settles?

If your 90-day Rate Lock period expires prior to your loan settlement, you have the option to lock in a new rate (being our current advertised interest rate for your selected loan product at that time), for an additional Rate Lock Fee. You cannot re-lock in the same rate. If you opt not to lock in a new rate, the interest rate applied to your loan will be our advertised interest rate for your selected loan product on the day of settlement.

### Rate Lock considerations

- Our Rate Lock option is there to give you peace of mind that the interest rate applied to your loan at settlement will be no higher than the rate you've locked in, if your loan settles within 90 days.
- Interest rates rise and fall over time. Our Rate Lock option operates as a cap, meaning that if the advertised interest rate for your selected loan product is lower at the time your loan settles than the rate you've locked in, you'll benefit from the lower rate.
- The Rate Lock Fee is non-refundable (unless we decline your loan application, in which case, you would not be required to pay the Rate Lock Fee).
- If you decide to make changes to your loan after it has been approved and loan documents have been issued - for example, selecting a different fixed term, or a variable rate loan - your Rate Lock is non-transferrable, and the Rate Lock Fee remains payable. You can take up a new Rate Lock on your new fixed rate loan, which will incur a second Rate Lock Fee.
- If your Rate Lock expires before your loan settles, and you choose not to lock in a new rate, the interest rate applied to your loan will be our advertised interest rate for your selected loan product on settlement date.

## Still have questions?

Speak to your Newcastle Permanent lender or broker for more information.