

Thursday, 5 May 2022

NEWCASTLE PERMANENT CHANGES VARIABLE HOME LOAN RATES AND DEPOSIT RATES

Newcastle Permanent today announced it will increase interest rates for all variable loans and has increased a number of deposit rates.

This announcement follows the [RBA's decision on Tuesday](#) to increase interest rates from an historic low of 0.10% to 0.35%.

All variable home loan rates and business loan rates will increase by 0.25% p.a. and take effect from 18 May 2022 and will apply to new and existing customers. Rates will also be increased on a number of deposit products, including an increase of 0.60% p.a. on selected term deposit offers.

Newcastle Permanent CEO, Bernadette Inglis, said the decision was made after reviewing the customer-owned organisation's interest rates and the broader market.

"Increasing home loan interest rates is never an easy decision, however our rates have been very low for a long time our move reflects the RBA's change in the official cash rate as well as changing market conditions.

"During the pandemic, we saw an unprecedented increase in customers who were able to build up their savings. Today, more than 90% of our home loan customers are ahead of their repayments, putting them in a good position to manage an increase in interest rates.

"We are considerate of the needs of both our home loan and deposit customers. While in recent times our home loan customers have enjoyed the lowest interest rates in history, our savings customers, many of whom are self-funded retirees, have experienced a lower level of return on their funds," Ms Inglis said.

"As a proud customer-owned mutual, it is our responsibility to consider all our customers when reviewing our interest rates, and consider the needs of not just our borrowers, but also our savings and deposit customers.

"It's the money we raise from customer deposits that enables us to lend money to thousands of home owners every year. We have more than 325,000 customers, of whom 270,000 are savings and deposit customers, and we want to support as many of them as possible.

Contact the Media Centre:
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Media Statement



“Today we are also announcing we are increasing rates on a number of savings products, including an increase of 0.60% p.a. on selected term deposit offers. This increase will provide some relief to customers who’ve withstood the historically low interest rate period,” she said.

Newcastle Permanent will directly contact variable loan customers, through email or letter, whose accounts have been affected by today’s announcement. From 18 May, savings and deposit customers will be able to see their new account rate through their online banking.

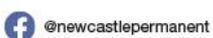
Newcastle Permanent has a range of home loan options available for customers including splitting loans between fixed and variable rates as well as range of competitive fixed-rate options. Customers are encouraged to discuss their banking needs, including customers who are experiencing financial difficulty, with their local branch manager or contact the Customer Contact Centre on 13 19 87 to ensure they have the right home loan, savings or deposit account for their individual needs.

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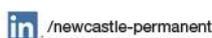
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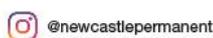
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