

Facts for Mortgage Loans

Fees and Charges

Effective: 22 June 2023

Getting started

Below is an explanation of fees and charges which you may be asked to pay during the course of obtaining your loan. Some of these fees are for services we provide and some are fees that we collect on behalf of others, such as solicitors and government agencies.

Fees and Charges disclosed in this brochure are applicable to loans that are first approved from 1 October 2016. Loans approved prior to 1 October 2016 may have different fees and charges. Please refer to your Terms and Conditions or contact us on 13 19 87.

Establishment Fee and Application Fee

Establishing a loan is an involved process and requires the expertise of trained staff to assess the loan application, create detailed documentation, coordinate settlement and register the mortgage. For this reason an Establishment Fee will apply to most home loans. An Application Fee is applied for the same reasons but is applied when borrowings are increased against an existing security, this is also known as a Top up.

What will the cost be?	Establishment Fee	Application Fee
Premium Plus Package – Variable and Fixed Rate Home Loans	Nil	
Real Deal Home Loan	\$595	\$350
Discounted Real Deal Home Loan		
Fixed Rate Home Loan		
Real Options Home Loan		
Real Equity Credit Facility		
Bridging Loan		
Premium Variable Home Loan	Nil	

Valuation and Inspection Fees

When assessing your application it may be necessary for us to value a property that is being used as security for the loan. A qualified valuer of our choosing will be required to complete the valuation. Generally, Newcastle Permanent will pay the cost of up to one valuation when you establish your loan, up to a maximum of \$500 (minimum loan amounts apply). In all other cases, a Valuation Fee will be payable.

If you are borrowing to build, an Inspection Fee will be payable each time a valuer inspects the building works, for us to make a progress payment. A minimum of two inspections will be required at various stages of the building process.

Valuation and Inspection Fees are payable on first loan drawdown. The amount of any Valuation or Inspection Fee will vary, depending on the property type and location, as we pass on the cost of the third party valuer.

Lenders Mortgage Insurance

Lenders Mortgage Insurance protects Newcastle Permanent against any potential loss we may incur if you fail to meet the minimum loan repayments and we are forced to take possession of the property.

We will generally only require Lenders Mortgage Insurance where the loan amount exceeds 80% of our valuation of the security property.

Lenders Mortgage Insurance is charged by the insurer and will vary depending on the particulars of the loan application. We will charge you what the insurer charges us.

For more information visit newcastlepermanent.com.au/home-loan-faqs

Rate Lock Fee

If you opt to take up our Rate Lock option in relation to your fixed rate home loan, a Rate Lock Fee will be applied. This fee is incurred for each loan account for which you've opted to lock in a rate, and for each instance of locking in a rate. We apply the Rate Lock Fee to your loan account on the day the loan is funded.

What will the cost be?	
Rate Lock Fee per rate lock	\$750

Financial Institution Cheque and Electronic Transfer Fees

If we are required to make payments to payees specified by your solicitor to effect settlement, we may charge a Financial Institution Cheque Fee or Electronic Transfer Fee to your loan account.

What will the cost be?	
Settlement Cheque Fee – Newcastle Permanent cheque only	\$5 per cheque
Electronic Transfer Fee	\$30 per transfer

Legal Fees

There may be legal and other documentation costs associated with your loan such as fees for searches, registration, stamping or remote settlement. In addition, government charges including stamp duty, land registry or state government fees may be collected by us on behalf of the state government.

Guarantee and Indemnity Fee

The Guarantee and Indemnity Fee (also known as the Family Guarantee Fee) allows an immediate family member to assist an eligible borrower (usually a first home buyer) to avoid the cost of Lenders Mortgage Insurance. The immediate family member provides a mortgage over their own property (owner occupied or investment) and a guarantee, to support a separate loan for the deposit on the purchase property.

What will the cost be?	
Guarantee and Indemnity Fee	\$200

During the course of your loan

Administration Fee

The majority of our loans do not have an Administration Fee. Loans that do have an Administration Fee usually offer extra benefits or features such as an offset facility or transactional access. The monthly Administration Fee will be applied to your loan account at the end of each month. For Premium Plus Package the fee is applied on the establishment of the loan and each annual anniversary thereafter.

What will the cost be?	
Real Deal Home Loan	Nil
Discounted Real Deal Home Loan	
Fixed Rate Home Loan	
Real Options Home Loan	
Bridging Loan	
Premium Variable Home Loan	
Real Equity Credit Facility	\$10/month
Premium Plus Package – Variable and Fixed Rate Home Loans	\$395/year

Substitution in Security Fee

Where you require that we vary the security we hold for a loan, a fee will apply.

What will the cost be?	
Substitution in Security Fee	\$350
Valuation Fee	If applicable, cost depends on property type and location

Production Fee

Whenever we are required to produce a document to any government land registry a Production Fee will be incurred which consists of our costs and any additional costs incurred by us for a third party (solicitor) to assist in the production of the document.

Default Administration Fee

This fee only applies if you fall behind in your loan repayments or you do not make your full required repayment.

You can avoid incurring this fee by:

- keeping your loan in advance
- making your loan repayment on time

What will the cost be?	
Where one payment or less is in arrears	\$35 at the end of each relevant month
Where more than one payment is in arrears	\$50 at the end of each relevant month

Redraw Fee

If we allow you to redraw money you have prepaid on your loan, a Redraw Fee may be payable. Redraws are not available on our standard Fixed Rate Home Loans.

What will the cost be?	In Branch	Internet Banking
Premium Plus Package – Variable and Fixed Rate Home Loans	Nil	
Real Deal Home Loan	\$25	Nil
Discounted Real Deal Home Loan		
Real Options Home Loan		
Bridging Loan		
Premium Variable Home Loan		

Document Fee

If you ask us to provide a copy of any statement or document we will charge you a fee.

What will the cost be?	
Per document	\$10

Dishonour Fee

If you ask us to take a payment, either direct debit or salary deduction and you do not have enough funds in your account to cover this payment, you will be charged a fee.

What will the cost be?	
Per dishonour	\$9

Conversion Fee

If you switch from one home loan product to another home loan product with us, a fee will be incurred. This includes switching between Principal and Interest and Interest Only repayments and Owner Occupied and Investment home loans. This fee is payable on or before the date the variation takes effect. Break Costs may also apply if you are converting from a Fixed Rate Home Loan or Premium Plus Package Fixed Rate Home Loan before the end of the fixed rate period.

The following table illustrates applicable conversion fees:

	Premium Plus Package	Other loans
Conversion Fee	\$0	\$350

Finalising your loan

Repaying your loan

When you repay your loan in full, and there are no other loans linked to the security, we will provide you with a discharge form and the Title Deed for you to register with the land registry office.

Discharge Administration Fee

A Discharge Administration Fee is payable when you repay your loan in full and require us to register the discharge on your behalf. If we incur any costs when doing this, the costs will be passed onto you.

Break Costs

If you are under the fixed rate option and you “break” the fixed rate period you must pay us “break costs” we determine to compensate us. “Break costs” comprises any economic loss suffered by us (as a result of the break) as calculated below.

You will break a fixed rate if you are under the fixed rate option and before the end of the fixed rate period you:

- a. repay all of the total amount owing; or
- b. repay early more than \$25,000 of the amount of credit during any one calendar year; or
- c. switch to another product, interest rate or payment type; or
- d. are in default and the total amount owing becomes immediately due for payment.

At any time, you can request an estimate of what Break Costs may apply, or ask for a statement showing the calculations we've used. You can also find more information and examples in the Break Costs and Fixed Interest Rate Guide.

We calculate our economic loss and our calculation binds you. However, you are entitled to dispute any matter connected with this agreement as set out in the Important Information about Mortgage Loans and Home Equity Loans.

The following section describes how we calculate Break Costs on your fixed rate home loan if the disclosure date shown on your Mortgage Loan Schedule is 1 July 2021 or later. This method for calculating the Break Cost on your fixed rate home loan will also apply if you convert your fixed rate home loan and your application to convert your loan is received by us on 1 July 2021 or later.

Depending largely on movements in wholesale interest rates, we may suffer an economic loss if you break the fixed rate period. You must pay us any economic loss we determine:

We calculate the Break Cost (our economic loss) as our reasonable estimate of our loss on a fixed rate loan as a result of an early repayment or switch in accordance with our formula which takes into account the difference between our:

- Wholesale interest rate for the fixed interest period on the date the interest rate was fixed; and
- Wholesale interest rate as at the date of the break for the remaining term of the fixed interest rate period. We also take into account any scheduled principal repayments and the present day value of the Break Cost in our calculation.

The wholesale interest rate is the rate at which we can borrow money to fund our loans.

The approximate amount of the Break Cost can be determined as:

$$\text{Adjusted Home Loan Balance} \times \text{Difference in Wholesale Interest Rate} \times \text{Remaining Term}$$

If you elect to make payments in addition to the scheduled repayments, that is prepay more than \$25,000 of the amount of credit in any one calendar year, our economic loss is calculated as the difference between (a) the Break Cost which would apply if the loan were to be repaid in full and (b) the Break Cost which would apply for the loan balance which would remain after the partial payment.

The following section describes how we calculate Break Costs on your fixed rate home loan if the disclosure date shown on your Mortgage Loan Schedule is prior to 1 July 2021. This method for calculating the Break Cost on your fixed rate home loan will also apply if you convert your fixed rate home loan and the application to convert your loan is received by us prior to 1 July 2021.

Depending largely on movements in market interest rates, we may suffer an economic loss if you break the fixed rate. You must pay us any economic loss we determine as set out below.

We calculate our economic loss as the excess of:

- a. the present value of the repayments we would have received from the time of the break up to the end of the fixed rate period current at the time of the break if the fixed rate period had not been broken over
- b. the present value of the repayments we would receive from the time of the break (if the total amount owing at the time of the break was repaid on the same terms as under this agreement from the time of the break) up to the end of the fixed rate period current at the time of the break but at the “current market rate”.

The “current market rate” is the approximate interest rate at which we could lend that amount for that period at the time of the break.

We use the current market rate as the discount rate.

If you elect to make payments in addition to the scheduled repayments, that is prepay more than \$25,000 of the amount of credit in any one calendar year, our economic loss is a proportion of the amount by which the amount under paragraph (a) exceeds the amount under paragraph (b) being the same proportion that the amount prepaid bears to the total amount owing at the time of the break.

WARNING

Break Costs can be quite high. We suggest you ask us for an estimate of the Break Cost and seek independent financial advice before you make any changes or early repayments to your fixed rate loan.

A fixed rate option may not be suitable for you if you plan on breaking the fixed rate period.

Don't hesitate to contact our friendly staff for more details or further explanations.

Estimate of Fees and Charges to establish your home loan

Newcastle Permanent Home Loan charges (normally added to the loan amount)	
Establishment Fee	\$
Valuation Fee	\$
Inspection Fees	\$
Lenders Mortgage Insurance	\$
Rate Lock Fee	\$
Additional Fees	\$
Other expenses (normally paid to the Solicitor)	
Legal Fees	\$
Stamp Duty	\$
Title Search	\$
Council Certificate	\$
Building and Pest Report	\$
Registration Fees	
Discharge of Mortgage (for each mortgage to be discharged)	\$
Transfer (for each property that needs to be transferred to your name)	\$
Mortgage (for each mortgage)	\$
Strata properties	
Copy of Strata Plan	\$
TOTAL COSTS	\$

Drop into your local branch,
visit the website or call 13 19 87.

newcastlepermanent.com.au

This brochure lists the standard fees and charges that may apply to Newcastle Permanent home loan accounts for personal customers. This brochure is indicative only and does not vary any Terms and Conditions that apply to your individual Loan Agreement. Full Terms and Conditions are provided with loan offers and are available on request by calling 13 19 87. The fees and charges may be higher if your loan is more complex; for example, where there are multiple securities or guarantors. We reserve the right to vary the fees and charges shown in this brochure without notice. Applications for finance are subject to approval. You should be aware that there may be other costs when buying a property, such as stamp duty and conveyancing costs. You should obtain a quote for these costs from your solicitor. Newcastle Permanent, part of Newcastle Greater Mutual Group Ltd ACN 087 651 992, Australian Financial Services Licence/Australian credit licence 238273.