

# Facts for Mortgage Loans

## Fees and Charges

Effective: 10 July 2021

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### 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

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 and an Application Fee will apply to a top up.

What will the cost be?	
Premium Plus Package	Nil
Premium Variable Home Loan	Nil
Real Equity Credit Facility	
Discounted Real Deal Home Loan	
Real Deal Variable Home Loan	
Fixed Rate Home Loan	\$595
Interest Only in Advance	
Real Options	
Bridging Loan	
Application Fee (increase borrowing against an existing security)	\$350 plus valuation

### 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 will be required to complete the valuation. If you are building, we may require inspections at various stages of the building process before we allow further progress payments. For all properties, the fee will be set by negotiation depending on the particular property. Generally, Newcastle Permanent will pay the cost of up to one valuation when you establish your loan. However if subsequent valuations are required valuation fees may be payable.

### Lender's Mortgage Insurance

Lender's Mortgage Insurance (also known as Mortgage Default 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 Lender's Mortgage Insurance where the loan amount exceeds 80% of our valuation of the security property.

Lender's 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.

### Financial Institution Cheque Fee

If we are required to issue cheques 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 – NPBS 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 and Property Information Office and Registrar General's fees may be collected by us on behalf of the State Government.

### 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. For Premium Variable Home Loans and Real Equity Credit Facility the fee will be applied to your loan account at the end of each month and on the date of full repayment. 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 Variable Home Loan	
Fixed Rate Home Loan	
Interest Only in Advance	Nil
Premium Variable Home Loan	
Real Options	
Bridging Loan	
Real Equity Credit Facility	\$10/month
Premium Plus Package	\$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 plus valuation
Valuation Fee	

#### Production Fee

Whenever we are required to produce a document to any Government land registry a Production Fee will be incurred which consists of NPBS 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	
Bridging Loans	\$25	Nil
All other eligible home loan products	\$25	\$10

### 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 change from one loan type or rate to another you will be charged a fee. 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 Titles Office.

### Discharge Settlement Fee

A Discharge Settlement Fee is payable when you require us to produce title deeds at settlement when you repay your loan in full.

If Newcastle Permanent Building Society incurs 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:

- repay all of the total amount owing; or
- repay early more than \$25,000 of the amount of credit during any one calendar year; or
- switch to another product, interest rate or payment type; or
- 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	\$
Lender's Mortgage Insurance	\$
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 units	
Copy of Strata Plan	\$
<b>TOTAL COSTS</b>	<b>\$</b>

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

[newcastlepermanent.com.au](http://newcastlepermanent.com.au)

This brochure lists the standard fees and charges that may apply to Newcastle Permanent Building Society Limited mortgage loan accounts. The standard fees and charges detailed in this brochure apply to personal members who borrow from Newcastle Permanent Building Society Limited entirely for their personal use. By reading this brochure you will be able to identify which fees might apply to you. 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 available on request by calling 13 19 87. Newcastle Permanent Building Society Limited reserves the right to vary the fees and charges shown in this brochure. The fees and charges set out in this brochure are subject to change without notice. They are based on a standard loan and may vary depending on your individual circumstances. The fees and charges may be higher if your loan is more complex; for example, where there are multiple securities or guarantors. Applications for finance are subject to approval. You should also be aware that there may be other costs unrelated to the loan or Newcastle Permanent Building Society that you may incur if you are buying a property. These costs may include stamp duty and legal costs for conveyancing. You should obtain a quote for these costs from your solicitor. In this brochure "Newcastle Permanent" or "NPBS" or "we" or "us" or "our" means Newcastle Permanent Building Society Limited ACN 087 651 992, Australian Financial Services Licence/Australian Credit Licence 238273.