

Indicative Interest Rate Bulletin

Solutions and service - not just products

Business Finance Solutions

- Business Acquisition
- Refinance & Restructure
- Working Capital
- Import /Trade Finance
- Invoice Discounting
- Professional Practice Finance
Accountants
Financial Planning
Legal Practices
- Franchise funding
- Rent Roll acquisition
- Business Succession
- Management Buy Out / In
- Agricultural Finance
- Vehicle & Equipment Finance
Finance Lease
Novated Lease
Personal Lease
Commercial Hire Purchase
Chattel Mortgage
- Equipment Rental
- Advisory Services

Commercial Property Finance Solutions

- Acquisition
- Refinance
- Development & Construction
- SMSF Loans

Residential Property Finance Solutions

- Purchase
- Refinance
- Construction
- Wealth creation
- Consolidation

Other Personal Finance Solutions

- Vehicle Buying Service
- Personal lease - non business

Rates are indicative only & subject to change without notice

Business & Commercial Property Finance

Reference Rate BBSW	5.05%	Rates for commercial and business loans will vary with the amount, loan to valuation ratio and the perceived risk rating of the transaction Please ring our office
Comm. Property <60%	8.05%	
Comm. Property 75% LVR	8.99%	
Comm. Property Lo Doc	9.54%	
Business loan—res security	8.31%	

Equipment and Vehicle Finance - Ring (03) 9890 0822 for quotes

Category		1Yr	2 Yrs	3Yrs	4 Yrs	5Yrs
New Plant & Equipment	>\$50k	9.65%	9.65%	9.15%	9.15%	9.15%
Yellow Goods—forklift etc		9.85%	9.85%	9.10%	9.10%	9.10%
Heavy Comm. Vehicles		10.45%	10.45%	9.70%	9.70%	9.70%
New Cars /Light Comm.	<\$50k	8.90%	8.90%	8.65%	8.65%	8.65%
Cars -Non Business Use		10.10%	10.10%	9.35%	9.35%	9.35%

Residential Loans - SVR with "package" discounts for a loan of \$350,000

Lender / Product	Disc	CR	SVR	Comment
AFN - Standard Variable	6.99%	7.01%	7.80%	No ongoing fees
AFN Business Plus	7.25%	7.27%	7.80%	No ongoing fees
Adelaide Bank Smartsaver	6.99%	7.06%	6.99%	\$10 /m account fee
AMP	7.02%	7.04%	7.02%	No annual package fee
ANZ—SVR with Break Free	7.00%	7.00%	7.80%	Package Fee \$375 p/a
Bankwest Premium	6.95%	6.95%	7.80%	No annual package fee
Commonwealth—MAV	7.01%	7.01%	7.81%	Package fee \$350 p/a
Citibank	6.99%	7.31%	6.99%	No annual package fee
ING—Mortgage Simplifier	6.96%	7.01%	7.12%	No annual package fee
Macquarie Classic	6.99%	7.04%	7.80%	No annual package fee
Nab - Tailored HL—Choices	6.97%	7.33%	7.67%	Package fee \$395p/a
Westpac / St George Adv	7.00%	7.14%	7.80%	Package fee \$395p/a

Note: Bank Variable Residential Loan Rates quoted are inclusive of the appropriate lender "package" discount but do not include the annual "package fee". These vary from \$350 to \$395 per annum and are usually debited to an associated credit card. Borrowers should check lenders Comparison Rate Schedules for all loans, these are available on request or may be obtained from the lenders' websites.

Indicative Interest Rates Notes

AFN Residential and Corporate Finance is a specialist mortgage manager, finance broker and consultant

Helping you to achieve your personal and business objectives

Add over 100 years of combined banking and finance industry experience to your advisory team ...

AFN Residential Finance

Australian Finance Network Pty Ltd
(ABN 34 089 429 218)
CRN: 397975

AFN Corporate Finance Pty Ltd

(ABN 44 107 865 681)
ACL: 388858

Suite 3, 109 Union Road Surrey Hills Vic 3127
Phone: (03) 9890 0822 Fax: (03) 9898 9296
Email: loans@australianfinance.com.au
Web: www.australianfinance.com.au

A Guide to the AFN Corporate Finance Reference Rate Sheet

The AFN Reference Rate Sheet is a guide to current interest rates in the market place – to be used for planning purposes. It is not a statement that these are the best rates available.

Discounts – Residential Loans

Most lenders discount their Standard Variable Rate (SVR) for residential loans above certain size thresholds. The trade off is an annual “package” fee that is debited to a credit card or another account—not the mortgage.

Interest Rates can be expressed in many ways

Nominal Rate

The interest rate before any establishment costs and ongoing fees are taken into account. The rates overleaf are nominal rates

Comparison Rate

The nominal rate plus the effect of known establishment and ongoing fees. All lenders are required to quote a Comparison Rate for loans that are subject to the Credit Code – ie that are not business or investment loans.

Effective Rate Including Fees and Charges (ERIC)

This is the true rate – it includes ongoing fees and transaction fees and cannot be declared in advance.

BBSW Bank Bill Swap Rate Wholesale

Rates on commercial loans are based on a margin above what it costs the bank / lender to borrow the money. This is usually the Bank Bill Swap Rate, and may be called the Indicator Rate or similar. Each time the applicable BBSW moves so does your loan rate
Your loan interest rate may be expressed as 5.75% (what the bank pays) + 2.75% (the risk loading for your loan) = 8.50% - the rate you pay

What does this mean to you?

Rate is important but so is the structure of the facility, the security that you have to provide and the relationship with the lender. A facility with a cheap rate but a crippling repayment programme is an illusion. If you have to provide more security than is required you lose any advantage from the cheap rate.

Ring for advice

You don't buy property, or vehicles based purely on price. Similarly with loans you need to look past the interest rate at what the facility will do for you.

For further advice contact the AFN team on **(03) 9890 0822**