

19 July 2022

Interest Rates – Lending

Please be advised that Heritage Bank is making changes to mortgage interest rates effective **Wednesday 20 July, 2022**.

The rate changes are as follows:

- Increase all Owner Occupied Variable interest rates by 0.50%^
- Increase Owner Occupied Fixed interest rates by 0.20-0.50%
- Increase all Investor Variable interest rates by 0.50%^
- Increase Investor Fixed interest rates by 0.20-0.50%

^refer to rate sheets for adjustments to discount margins applicable to new loans.

Please ensure that these changes are communicated to the appropriate with your organisation.

Loan qualifying details

Loan Type	Repayment Type	Commitment Calculation
New Mortgage Loans (fixed / variable)*	Principal & Interest or Interest Only	Higher of the Qualifying Rate or actual rate + 3.0% **
Existing Fixed & Variable rate	Principal & Interest or Interest Only	Higher of the Qualifying Rate or actual rate + 3.0% **
Interest Only Loans	Interest Only	Based on the principal amount owing, amortised over the remaining principal & interest period applicable to the loan **

* New mortgage loans/new lending are defined as loans which have not been funded, irrespective of the financier or purpose of the loan.

** Where the remaining principal and interest term is unascertainable, the maximum term for qualification is to be 25 years.

The standard mortgage loan qualifying rate is currently 5.25%.

Reminder: For clients who have not already taken the "Rate Guarantee" option and are now wishing to lock in to a fixed rate, they will need to complete a "Rate Guarantee Acknowledgement" form. This completed/signed form must be in the hands of Heritage by midnight (local time) prior to the day of increase 20 July 2022 to secure Mortgage fixed interest rate.

The form can be submitted up until Unconditional Approval is received for the loan. Once Unconditional Approval is issued, Heritage will no longer accept a Rate Guarantee form.

Regards,

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