



METHODOLOGY

FIRST HOME BUYER AWARD

What is the CANSTAR First Home Buyer Award?

CANSTAR's First Home Buyer Award uses a sophisticated and unique methodology and is awarded to financial institutions that provide the strongest combination of products and services across the first home buyer market in Australia.

The award aims to give recognition to institutions offering outstanding value home loans as well as additional services that benefit first home buyers in making an informed decision when purchasing a home for the first time.

CANSTAR's First Home Buyer Award is awarded to Bank of the Year and Customer Owned Institution of the Year, which considers mutual banks, credit unions and building societies. The institution which cumulatively receives the highest score across the areas of consideration will be awarded the First Home Buyer Award.

Awards

CANSTAR First Home Buyer awards recognise excellent achievements on two levels, national and state. Bank of the Year award is awarded to an Institution which offers an outstanding value proposition across all states and territories. Customer Owned Institution of the Year Award goes out to one Institution that is present in the particular state or territory and offers outstanding value to First Home Buyers.

Weightings are assigned to each state based on population size (ABS). For the state award, only the number of branches for that particular state will be used.

	NSW	NT	QLD	SA	TAS	VIC	WA	AUS
Bank of the Year								✓
Customer Owned Institution of the Year	✓	✓	✓	✓	✓	✓	✓	

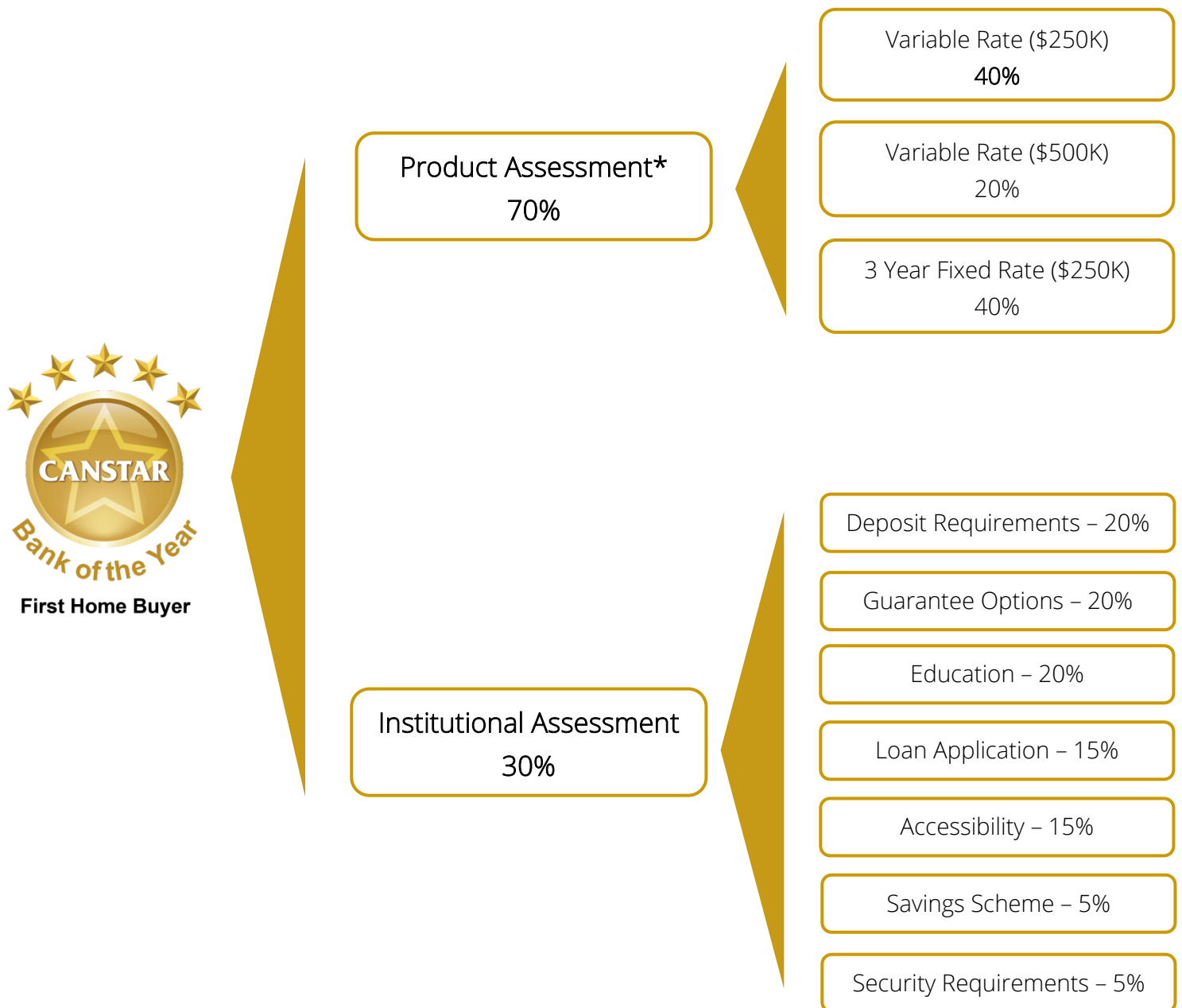
Eligibility Criteria

To be included in the CANSTAR First Home Buyer Award, financial institutions had to provide mortgage products that included both variable and three year fixed rate options. For this award, the institutions must also have face-to-face staff available in the applicable state/territory and offer a full range of banking products



How is the CANSTAR First Home Buyer Award calculated?

To arrive at the total score that makes up the award CANSTAR considered both Product and Institutional Assessment.



* Each institution is represented by their strongest performing product within each of the Product Assessment categories.

Product Assessment

Product assessment is based on mortgage star ratings methodology, with weightings adjusted to reflect the needs of First Home Buyers. Product Assessment assesses both pricing and features of mortgage products.

Product Category	Price Weighting	Feature Weighting
Variable Rate Product	75%	25%
Fixed Rate Product	80%	20%

Pricing Score

Pricing Score
75 -80%



Total Cost is based on
\$250K and \$500K loan amount at 80%
LVR
(Includes: upfront, ongoing and
discharge fees)

Feature Score

Feature Score
20 -25%



Product Features

Feature Categories	Variable Rate	Fixed Rate
Loan Terms	45%	40%
Lending Terms	100%	100%
Product Functionality	40%	35%
Additional Repayments	20%	20%
Transactional Home Loan/Redraw	15%	15%
Offset Facility	15%	15%
Split Facility	25%	25%
Top Up Facility	10%	10%
Portability	10%	10%
Construction Loan	5%	5%
Rate Details	-	10%
Fixed Interest Details	-	70%
Interest in advance	-	30%
Loan Fees	15%	15%
Switch Fees	65%	65%
Mortgage Fees	35%	35%



Institutional Assessment

The institutional assessment is made up of seven categories reflecting additional services institutions provide to benefit first home buyers:

Category	Weight
Deposit Requirements	20%
Guarantee Options	20%
Education	20%
Loan Application	15%
Accessibility	15%
Savings Scheme	5%
Security Requirements	5%

Each of the categories can be explained further:

Deposit Requirements

This section awards scores to institutions with flexible deposit requirements including:

- MAX LVR for First Home Buyers with and without additional costs included
- FHOB Grant can be used as a deposit
- Stamp Duty and LMI can be part of the loan
- Genuine savings

Guarantee Options

This section awards scores to institutions with flexible guarantee options including:

- Family and Non-Family Guarantee for First Home Buyers
- Guarantor can assist with deposit
- Guarantor can provide security

Education

Education section acknowledges additional features or services that an institution provides to first home buyers comprising:

- Information on the overall process involved in buying a house
- Explanation of different loan features
- FAQs for First Home Buyers
- Property, Market and Economic Reports
- Step by Step Guides
- How to Guides
- Various home loan calculators

Loan Application

This section looks at methods First Home Buyers can apply for home loans:

- Ability to apply for a loan online or via branch and/or broker
- Availability of conditional approval
- Availability of Instant valuation
- Availability of home loan pre-approval



Accessibility

A scoring system is assigned and awards the institution with the highest number of branches and mobile lenders across all states and territories with a full score. Information in this section:

- Number of branches
- Number of mobile lenders

Savings Scheme

This section awards scores to institutions based on Online Saver Scores considered for Deposit Accounts Star Ratings.

Security Requirements

This section awards scores to institutions which offer various security requirements including:

- Standalone house
- Flats/units/apartments
- Townhouses
- Commercially zoned property

How often are products reviewed for awards or star ratings purposes?

Awards are fully recalculated every 12 months, based on the latest submissions from each institution. CANSTAR also monitors changes on an ongoing basis.

Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings and awards. However this process is not always possible and it may be that not every product in the market is included nor every feature compared that is relevant to you.

Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings and awards use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers, who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Access the CANSTAR website at www.canstar.com.au if you would like to view the latest star ratings and awards reports of interest.





- Account-based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Life insurance
- Online banking
- Personal loans
- Term deposits
- Youth banking
- Agribusiness
- Car insurance
- Direct life insurance
- Home & Contents
- Managed investments
- Online share trading
- Reward programs
- Travel insurance
- Business banking
- Credit cards
- First home buyer
- Home loans
- Margin lending
- Package banking
- Superannuation
- Travel money cards

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