



First Home Buyer Award

July 2019

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	✓	✓	✓	✓	✓	✓	✓	

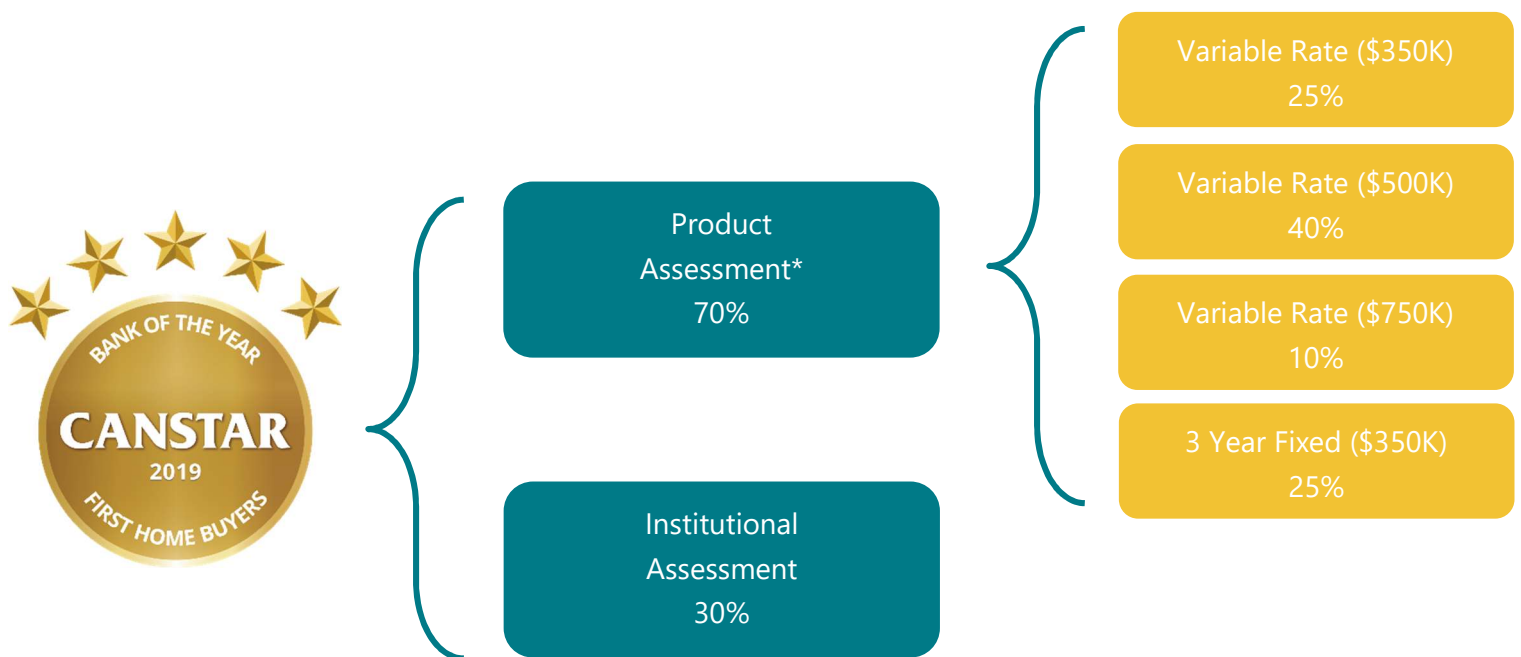
What types of products are evaluated for Canstar’s *First Home Buyer Award*?

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 considers both a 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.

	80% LVR	90% LVR	Price Weight	Feature Weight
Variable Rate Product	80%	20%	80%	20%
Fixed Rate Product			80%	20%

Pricing Score

The pricing score is based on the Total Cost of the home loan. Total cost is based on three loan amounts of \$350K, \$500K and \$750K at 80% and 90% LVR.

Total Cost includes the following:

- Six months of historical data
- Includes interest cost, plus upfront, ongoing and discharge fees
- For Fixed Rate loans:
 - At least one rollover of the fixed rate
 - 60 Day period where a product reverts to a standard variable product interest rate (revert rate)

Feature Score

The features component takes into account more than 200 product features and allocated points. These product features are grouped into 4 different categories with weights given to each relevant area. The following table outlines the weightings of each of the feature categories per profile:

Feature Categories	Variable Rate	Fixed Rate
Loan Terms	40%	40%
Lending Terms	100%	100%
Product Functionality	50%	40%
Additional Repayments	15%	15%
Transactional Home Loan/Redraw	20%	20%
Offset Facility	25%	25%
Split Facility	20%	20%
Top Up Facility	5%	5%
Portability	5%	5%
Construction Loan	5%	5%
Online Self Service	5%	5%
Rate Details	-	10%
Fixed Interest Details	-	100%
Interest in Advance	-	0%
Loan Fees	10%	10%
Switch Fees	75%	75%
Mortgage Fees	25%	25%

Institutional Assessment

Institutional Assessment is made up of six categories reflecting additional services institutions provide to benefit first home buyers:

Category	Weight	Description
Deposit Requirements	20%	Max LVR; Guarantee Options; Financial Gifts; Genuine savings and length of time
Guarantee Options	20%	Family and non-Family guarantee can be used; Guarantor can provide security and/or deposit; Other Guarantee options
Education	20%	Educational materials such as info on overall process involved in buying a house, explanation of different loan features and also property buying checklists.
Loan Application	15%	Application can be done – online, branch or broker; Is online pre-approval, conditional approval available, instant valuation
Accessibility	15%	Considers the number of branches and mobile lenders in every state across all institutions
Security Requirements	5%	Security can be: standalone house, flats/units/apartments, townhouses; commercially zoned property; etc.
Savings Scheme	5%	This section awards scores to institutions based on Regular Saver Scores considered for Savings and Transaction Accounts Star Rating

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

The First Home Buyer Award is recalculated every 12 months based on the latest rates and features offered by each institution. Canstar also monitors rate 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. However, this process is not always possible and it may be that not every product in the market is included in the rating 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

COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

To the extent that the information in this report constitutes general advice, this advice has been prepared by Canstar Research Pty Ltd A.C.N. 114 422 909 Australian Financial Services Licence ("AFSL") and Australian Credit Licence number ("ACL") 437917 ("Canstar"). The information has been prepared without taking into account your individual investment objectives, financial circumstances or needs. Before you decide whether or not to acquire a particular financial product you should assess whether it is appropriate for you in the light of your own personal circumstances, having regard to your own objectives, financial situation and needs. You may wish to obtain financial advice from a suitably qualified adviser before making any decision to acquire a financial product. Canstar provides information about credit products. It is not a credit provider and in giving you information it is not making any suggestion or recommendation to you about a particular credit product. Please refer to Canstar's FSG for more information.

The information in this report must not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without Canstar's prior written consent. All information obtained by Canstar from external sources is believed to be accurate and reliable. Under no circumstances shall Canstar have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of Canstar or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information.

The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

The word "CANSTAR", the gold star in a circle logo (with or without surmounting stars), "Be Canstar Sure", the word "WEALTHBRICKS" and versions of the foregoing are trademarks or registered trademarks of Canstar Pty Ltd A.C.N. 053 646 165. Reference to third party products, services or other information by trade name, trademark or otherwise does not constitute or imply endorsement, sponsorship or recommendation of Canstar by the respective trademark owner.

Copyright 2019 Canstar Research Pty Ltd A.C.N. 114 422 909.

