

8 October 2024

Interest Rates – Lending

Heritage Bank is making changes to various Owner Occupied and Investment new lending interest rates effective tomorrow, **9 October 2024**, as follows:

- Decrease all 1-year fixed rates by 0.25%
- Decrease all 2-years fixed rates by 0.20%
- Decrease all 3-years fixed rates by 0.40%
- Decrease all 5-years fixed rates by 0.50%

Please ensure that these changes are communicated to the appropriate people within 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%.

Regards,