

2 December 2024

Interest Rates – Lending

Heritage Bank is making changes to various Owner Occupied and Investment new lending interest rates effective **Tuesday, 3 December 2024, as follows:**

- Decrease all 1 year fixed rates by 0.05%
- No change to 2 years fixed rates
- Increase all 3 years fixed rates by 0.20%
- Increase all 5 years fixed rates by 0.20%

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%.

Reminder: For clients who have not already taken the “Rate Guarantee” option and are now wishing to lock into 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 (3 December 2024) 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,