



PRE-PAY INTEREST

in advance

Pre-pay fixed interest in advance for investment home loan customers

Exciting news! If your customer is borrowing for investment purposes they can now pre-pay interest in advance on the NAB Tailored Home Loan – fixed rate, interest-only (stand-alone or in the NAB Choice Package*). Available fixed rate periods are 1, 2, 3, 4 or 5 years.

Available	Not available
For customers borrowing for investment purposes on a fixed rate investment home loan (Owner-Occupied and personal purposes are not allowed)	On any variable rate home loan
Only on NAB Tailored Home Loan – Fixed Rate (stand-alone or NAB Choice Package)*	For building and constructions loans
On fixed rate periods of 1, 2, 3, 4 or 5 years Interest-only period can be 1, 2, 3, 4, 5 or 10 years	For customers borrowing for non-investment and/or Owner-Occupied purposes

Who's eligible?

To determine if your customer is eligible, NAB's standard lending criteria will apply, however please keep in mind there is an additional requirement for customers to hold sufficient funds to meet the first interest in advance payment prior to settlement.

Important things to consider

- **Interest is paid upfront:** Your customer must pay the interest payable to NAB prior to the Interest In Advance commencement date (settlement), and then for the subsequent yearly payments of interest in advance[^].
- **Fixed rate periods:** These do not need to match the interest-only period, however the fixed rate period cannot exceed the remaining interest-only period*.
- **Insurance:** Lenders Mortgage Insurance is available.
- **No principal loan reductions:** Principal loan reductions are not allowed during any fixed rate period unless the customer is repaying the entire loan (early repayment fees may apply).
- **Bank accounts:** A NAB savings or deposit account must be opened (if not already held) to enable NAB to debit any fees and charges.
- **Interest-only options:** During the interest-only period, the customer has the option of fixed rate interest in advance, fixed rate interest in arrears or variable rate interest in arrears.

[^] If the customer is unable to make an interest in advance payment, the loan will be in default, and charges may apply. Interest is payable at the anniversary of the loan.

Interest-only options at a glance

Loan-term structure	Initial interest-only period, rolling to a principal & interest period
Maximum loan term	30 year total loan term (ie. interest only period + principal & interest period)
Loan purpose	<ul style="list-style-type: none"> • Interest in arrears: Owner-Occupied, personal purposes and investment purposes • Interest in advance: Investment housing or personal investment purposes only. Owner-Occupied and personal purposes are not allowed
Loan increase / top up availability	Not available during the fixed rate period
Minimum amount	\$20,000 for NAB Tailored Home Loan – Fixed Rate (\$150,000 minimum total borrowings for NAB Choice Package)*
Minimum interest-only period	12 months
Interest structure	During the interest-only period, the customer has the option of fixed rate interest in advance, fixed rate interest in arrears or variable rate interest in arrears
Interest payment frequency	<ul style="list-style-type: none"> • Interest in advance payments are due annually, prior to the anniversary of the loan • Interest in arrears payments are due on the last business day of each month
Additional repayments	Partial repayments of any amount are not allowed during any fixed rate period. Payments are allowed to the loan during a variable rate period
Offset account	Not available during the fixed rate period. However, it is available during variable rate periods
Roll over	Fixed rate period cannot exceed the remaining interest-only period
Redraw	Not available during the fixed rate period. However, it is available during variable rate periods
Fees and charges	For more detailed information on terms, conditions, fees, charges and lending criteria that may apply, visit nab.com.au/personal/loans/home-loans

Any questions?

Your BDM will be happy to talk this over with you, or you can give us a call on **1300 622 276** between 8am and 7:30pm AEST/AEDT Monday to Friday.



nabroker.com.au



Talk to your BDM



Call 1300 622 276

* When your customers apply for the NAB Choice Package, you must include in the package a minimum of \$150,000 in eligible lending products (which are existing or new lending). Fees and charges are payable. Terms and conditions apply and are available on request from NAB. This is subject to normal lending criteria. For more information, please visit nab.com.au/personal/loans/home-loans. NAB Choice Package will not be available to applicants who reside overseas (regardless of citizenship) and/or for applicants who require Foreign Investment Review Board (FIRB) approval to purchase residential property purchase in Australia. A132452-0518