

28 September 2017

## Suncorp announces changes to interest only lending

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Suncorp has today announced it is introducing new pricing methodology for interest only home lending.

Banking & Wealth CEO, David Carter said the bank currently calculated interest only rates based on the purpose of the loan, but would now also take into account the type of loan repayment.

“Currently, our interest only home lending is priced at the same rate as principal and interest home lending, however following recent changes in the market we have made changes to our systems to differentiate between borrowers repaying interest only, and those repaying principal and interest,” Mr Carter said.

“This change is important as it will ensure the Bank can maintain its position relative to regulatory requirements.

“With the market having effectively repriced interest only lending, and with some lenders having opted out of certain aspects of the market, it’s important for us to also support the focus on this type of lending.

“We are writing to customers this week to advise them of this change and the new interest only rates, which will come into effect on 1 November, 2017.

“As recently announced, we have launched a number of special offers, as well as reductions to some of our fixed rates, giving customers greater choice if they are wanting to move to a principal and interest product, and customers asking to switch will not be charged a fee for doing so.”

Recognising that increases in interest rates have an impact on customers, Suncorp’s rate increases remain below most other lenders. Variable interest rates on existing owner-occupier interest only rates will increase by 0.10% p.a and variable interest rates on all investor interest only rates will increase 0.38% p.a., effective 1 November, 2017.

Despite the changes, the rates remain highly competitive and the majority of customers will continue to pay rates well below the headline, due to our products’ various features and benefits.

Variable interest rates on existing principal and interest owner-occupier and investor rates remain unchanged. Pricing for interest only construction loans also remain unchanged.

For terms and conditions and more information on Suncorp’s rates, [please visit our website](#).

**Ends**

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