

**Loan, Nick**

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**From:** Lonsdale, John  
**Sent:** Friday, 1 October 2010 4:13 PM  
**To:** Hall, Ray  
**Cc:** MG FSD Bank Competition Unit  
**Subject:** RE: Sustainable and Competitive Banking - Consumer Package  
[~~SEC-PROTECTED:CABINET-IN-CONFIDENCE~~]

**Security Classification:**  
~~Cabinet In Confidence~~

Ok thanks Ray

The approach was very well received by Ollie. I flashed the 1 pager and he was very impressed (and that was the black and white version)

John

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**From:** Hall, Ray  
**Sent:** Friday, 1 October 2010 1:51 PM  
**To:** Lonsdale, John  
**Cc:** MG FSD Bank Competition Unit  
**Subject:** RE: Sustainable and Competitive Banking - Consumer Package [SEC-PROTECTED:CABINET-IN-CONFIDENCE]

Hi John,

Terms to be standardised would probably start with entry and exit fees which use a range of different terms across institutions and are features that customers are likely to compare. Other contingent fees, for example redraw fees, cheque fees and administration fees, could also be considered.

Cheers  
Ray

**Ray Hall**  
Analyst

Financial System Division  
The Treasury, Langton Crescent, Parkes ACT 2600  
phone: (02) 6263 3017  
email: [ray.hall@treasury.gov.au](mailto:ray.hall@treasury.gov.au)

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**From:** Lonsdale, John  
**Sent:** Friday, 1 October 2010 1:13 PM  
**To:** Loan, Nick  
**Subject:** RE: Sustainable and Competitive Banking - Consumer Package [SEC-PROTECTED:CABINET-IN-CONFIDENCE]

Nick

Thanks excellent. Are there any other examples of terms we would stdise?

John

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**From:** Loan, Nick  
**Sent:** Friday, 1 October 2010 12:20 PM  
**To:** Lonsdale, John  
**Cc:** Watson, Genevieve; Dickson, Tom; MG FSD Bank Competition Unit  
**Subject:** Sustainable and Competitive Banking - Consumer Package [~~SEC-PROTECTED:CABINET-IN-CONFIDENCE~~]

Hi John,

In advance of your mtg with Ollie this afternoon, attached is a snapshot of the consumer banking element of the sustainable & competitive banking package, outlining the rationale, themes & initiatives as they currently stand.

Also attached is a pro forma that Ray has developed of what the mortgage 'Key Facts' document could look like (this is just to give you, possibly Ollie, a sense of this initiative as it will need to be further refined)

We have previously prepared analysis of each of our initiatives (using the RIS template), which may require some minor revisions / refinements, but they are all in pretty good shape.

If you have any questions, or need further information, let us know.

cheers  
nick

**Hall, Ray**

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**From:** Hall, Ray  
**Sent:** Friday, 1 October 2010 12:03 PM  
**To:** MG FSD Bank Competition Unit  
**Subject:** Draft example Mortgage Key Facts document [~~SEC=PROTECTED:CABINET-IN-CONFIDENCE~~]  
**Attachments:** draft example mortgage Key Facts document.docx

**Security Classification:** ~~Cabinet In Confidence~~

Hi Nick,

Please find attached a draft of the Mortgage Key Facts document.

Cheers  
Ray

**Ray Hall**  
Analyst

Financial System Division  
The Treasury, Langton Crescent, Parkes ACT 2600  
phone: (02) 6263 3017  
email: [ray.hall@treasury.gov.au](mailto:ray.hall@treasury.gov.au)

## KEY FACTS ABOUT THIS MORTGAGE

[Mortgage provider logo]

Personalised for:

Date produced:

What you have told us			
Loan Amount:	\$300,000	Value of the property:	\$400,000
Term of the mortgage:	30 years	Loan to valuation ratio (LVR):	75%
Repayment method:	Principal and interest		

Description of this mortgage		
Mortgage Lender:		
Product name:	Variable Rate Wealth package	Rate payable: 6.86%
Product features:	0.50% discount on standard variable rate, interest off-set account, repayment redraw, free transaction account and free credit card, discounted insurance.	

Overall cost of this mortgage	
Total amount to be paid back (including the loan amount and fees)	\$718,900
This means you pay back:	\$2.24 for every \$1 borrowed
Overall comparison rate:	7.00%

What you will pay each month			
Number of monthly payments	Interest rate payable	Fixed or variable rate	Monthly repayments (not including ongoing fees)
360	6.86	Variable	\$1,967

This is a variable rate product, for a one per cent increase in the interest rate, your monthly payment will increase by around \$205.

What fees must you pay?	Fee Amount
Total establishment fees	\$0
Ongoing fees (per year)	\$350

You may have to pay other fees and charges in addition to any fees shown here.

What happens if you do not want this mortgage anymore?						
Early repayment charges						
	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 years
Total termination charges	\$1050	\$1050	\$1050	\$1050	\$350	\$350