



Mozo Expert Choice Awards
Home Loans 2022

Methodology Report
January 2022



Mozo Experts Choice Awards

Home Loans 2022

Every day, Mozo keeps track of thousands of products in banking, insurance and energy.

We use our knowledge and experience to identify those products that offer great value or market-leading features, and we recognise them with the Mozo Experts Choice Awards.

- For product providers, a Mozo Experts Choice Award is a third-party endorsement of their product.
- For consumers, it's a sign that a product is among the leaders and is worthy of consideration.

This report lists the winners and explains the judging methodology for our 2022 Home Loan awards.

Home Loans - 2022 Winners

Home Lender Bank of the Year



Greater Bank has been crowned Home Lender Bank of the year for 2022 for its award winning products in the Fixed Rate Home Loan, First Home Buyer Loan, Investor Loan and Investor Fixed Home Loan categories. That's more awards across more categories than any other bank we assessed!

Online Home Lender of the Year



Once again, Tic:Toc has been named our Online Home Lender of the Year! This marks the fourth year in a row the tech-focused lender has won this award. They took out more awards and across a wider range of categories than any other lender including Low Cost Home Loan, Offset Home Loan, First Home Buyer Loan, Fixed Rate Home Loan, Investor Home Loan and Investor Fixed Home Loan.

Low Cost Home Loan

For this category the Mozo judges assessed 278 variable rate loans for owner occupier borrowers making principal & interest repayments, and identified these as the lowest cost for several different loan-to-value ratios.

FreedomLend	Variable Home Loan
Homestar	Star Essentials Home Loan
Homestar	Star Gold Home Loan
Nano	Variable Home Loan
One Two	Variable Rate Home Loan
Pacific Mortgage Group	Standard Variable Home Loan
Police Credit Union	The Better Home Loan Special Offer
Reduce Home Loans	Economizer Variable Home Loan
Reduce Home Loans	Rate Cutter Variable Home Loan
Reduce Home Loans	Super Saver Variable Home Loan
Tic:Toc	Variable Home Loan
Well Home Loans	Well Balanced
Well Home Loans	Equity Plus

Offset Home Loan

Of the 208 variable rate loans offering a 100% offset facility, the Mozo judges found that these were the lowest cost.

FreedomLend	Variable Home Loan
Gateway Bank	Variable Rate Home Loan (Premium Package)
homeloans.com.au	Low Rate Home Loan
Homestar	Star Classic Home Loan
Police Credit Union	The Better Home Loan Special Offer
Reduce Home Loans	Economizer Variable
Reduce Home Loans	Rate Lovers Variable Home Loan
Tic:Toc	Variable Home Loan
Well Home Loans	Well Balanced

Packaged Home Loan

To find the lowest cost package loans, the judges assessed 64 products, then identified those that were the lowest cost options where the borrower could also get a credit card and bank account that doesn't charge any account keeping fee with that same provider.

Bank Australia	Premium Home Loan (Package)
Bank First	Discounted Home Loan 3 Year Intro Rate (Premier Package)
Macquarie	Offset Home Loan (Package)
ME	Flexible Home Loan (Member Package)
Queensland Country Bank	Discount Ultimate Home Loan Special (Package)

First Home Buyer Loan

First home buyers often have less than a 20% deposit, so for this category we identified the lowest cost variable rate loans for those looking for a 90% LVR loan. The assessment included special offers for borrowers taking advantage of the government's First Home Loan Deposit Scheme.

Aussie	Select Basic Variable
Bank of Melbourne	Basic Home Loan Special Offer
BankSA	Basic Home Loan Special Offer
Bendigo Bank	Express Home Loan
Greater Bank	Discount Great Rate Home Loan
HSBC	Discounted Home Value Loan
ING	Mortgage Simplifier
MyState Bank	First Home Loan Deposit Scheme Variable Rate
QBANK	First Home Loan Deposit Scheme Special Offer Classic Home Loan
St. George	Basic Home Loan Special Offer
Tic:Toc	Variable Home Loan
Westpac	Flexi First Option Home Loan Special Offer

Fixed Rate Home Loan

To be considered in this category the lender has to offer at least 3 different fixed rate terms which resulted in 164 products being assessed. The judges calculated the annual cost of each fixed rate term offered and ranked them, then averaged the three best results.

Bank of Us	FlexiDiscount Home Loan Fixed
bcu	Fixed Rate Home Loan
Greater Bank	Discount Great Rate Home Loan
Greater Bank	Discount Ultimate Home Loan (Package)
Homeloans360	Fixed Home Loan
Pacific Mortgage Group	Fixed Home Loan
QBANK	Fixed Rate Special
Qudos Bank	Fixed Rate Home Loan
Tic:Toc	Fixed Home Loan

Split Home Loan

This category identifies the leading variable and fixed rate loan combinations from the same lender for homeowners looking to split their loan between fixed and variable rates.

Bank of Us	FlexiDiscount Home Loan / FlexiDiscount Home Loan Fixed
Greater Bank	Discount Great Rate Home Loan / Discount Great Rate Home Loan
Greater Bank	Discount Great Rate Home Loan / Discount Ultimate Home Loan
Homeloans360	Owner Variable Home Loan / Fixed Home Loan
Pacific Mortgage Group	Standard Variable Home Loan / Fixed Home Loan
QBANK	Discounted Classic Home Loan / Fixed Rate Special
Qudos Bank	No Frills Home Loan / Fixed Rate Home Loan
Reduce Home Loans	Economizer Variable / Home Owners Dream Fixed
Reduce Home Loans	Rate Lovers Variable Home Loan / Home Owners Dream Fixed
Reduce Home Loans	Super Saver Variable / Home Owners Dream Fixed
UBank	UHomeLoan - Discount Offer / UHomeLoan Fixed
Well Home Loans	Well Balanced / Well Balanced Fixed

Investor Home Loan

This award assessed the 249 products available for investors that offered both principal & interest and interest only as an option. The winners below were found to be the lowest cost options.

FreedomLend	Variable Home Loan
Greater Bank	Discount Great Rate Home Loan
homeloans.com.au	Low Rate Home Loan
Homestar	Star Classic Investment Variable Home Loan
ING	Mortgage Simplifier
Reduce Home Loans	Investor Rate Lovers Variable
Tic:Toc	Variable Home Loan
UBank	UHomeLoan - Discount Offer for Investor
Well Home Loans	Well Balanced
Yard	Variable Home Loan

Investor Fixed Home Loan

For this award, we identified the lenders with the lowest costs over a range of fixed terms for investors. We assessed 137 options, calculating the annual cost of each fixed rate term offered, averaging the three best results. The calculation was performed using rates applicable to both principal & interest and interest only loans.

bcu	Fixed Rate Home Loan
Defence Bank	Essentials Fixed Home Loan (Ultimate Package)
Greater Bank	Discount Great Rate Home Loan
Greater Bank	Discount Ultimate Home Loan (Package)
Homeloans360	Fixed Home Loan
Pacific Mortgage Group	Fixed Home Loan
Reduce Home Loans	Fixed Rate Wealth Maximizer
Tic:Toc	Fixed Home Loan
UBank	Fixed UHomeLoan
Well Home Loans	Well Balanced Fixed

Green Home Loan

Loans considered for this award must only be available to homes that have been certified with a minimum level of environmental efficiency, of these we calculated the lowest cost option. The Gateway Bank Green Plus Home Loan (Premium Package) not only has a great low rate, but is available for any home that achieves a NatHERS rating of 7 stars or higher.

Gateway Bank

Green Plus Home Loan (Premium Package)

Best New Home Loan

Online lender Nano launched in the second half of 2021, offering loan approvals in minutes for people refinancing with a loan-to-value ratio of up to 75%. While they might be new, their loan has plenty of great features including an offset account, redraw of additional repayments, and a Visa debit card with Google Pay, Apple pay, and no foreign exchange fees. Plus their competitive rates saw them win an award in our Low Cost Loan category!

Nano

Variable Home Loan

How do we judge the winners?

Mozo Experts Choice Awards for Home Loans are awarded based on the following methodology:

Cost Calculations

For variable rate loans, we assumed a 25 year loan is held for 5 years at current interest rates and then discharged. Loans were ranked in order of the total interest and mandatory fees that would be paid in that scenario. Mandatory fees include application or establishment fees, valuation fees, legal fees, settlement fees, regular service fees and discharge fees. Any loans where the fees listed above could not be determined were excluded from the awards. We assumed owner occupiers make principal & interest repayments, and for investors we used the average of a principal & interest and an interest only calculation.

For fixed rate loans, we performed the same calculation but assuming the loan was only held for the fixed rate period and determined the annual cost. We performed this calculation for each fixed rate period available on the product, took the 3 lowest cost results from each product, then averaged and ranked them. Providers with less than 3 fixed rate options were excluded from consideration.

Split loans assume a 50% variable, 50% fixed weighting.

Investor loans were assessed with equal weighting applied to both principal & interest and interest only rates.

All calculations were performed three times using the rates and fees applicable at 5 November 2021, 5 December 2021, and 5 January 2022. Any products not available at each of these three dates were not eligible to win an award.

The results of these calculations were then averaged and ranked. Prior to

averaging across different scenarios, loans costs were standardised by applying a factor to interest costs so that loans of different sizes could be weighted equally, and by annualising each cost so that loans of different terms could be weighted equally.

Low Cost Home Loan

Recognises the lowest cost variable rate home loans for owner occupiers. To qualify for this award, loans must:

- have a variable interest rate;
- be available for a loan of \$400,000;
- allow principal & interest repayments.

In this category we assessed rates offered at 60%, 70%, and 80% loan-to-value ratios and the winners are a combination of those that performed best in each of those assessments as well as those that had the lowest cost across all three assessments.

Offset Home Loan

Recognises the lowest cost variable rate loan with offset account for owner occupiers. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- have a variable interest rate;
- be available for a loan of \$400,000;
- allow principal & interest repayments;
- offer a 100% offset account.

Packaged Home Loan

Recognises the lowest cost variable rate packaged home loan for owner occupiers. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- have a variable interest rate;
- allow principal & interest repayments;
- offer a 100% offset account;
- offer a credit card with no annual fee;
- offer a bank account with no service fee.

For this category the cost calculations detailed above were performed three times using the rates that would apply for three different loan amounts - \$400,000, \$550,000 and \$850,000.

First Home Buyer Loan

Recognises the lowest cost home loans for owner occupiers that are available for borrowers with less than 20% deposit. To qualify for this award, loans must:

- allow a loan-to-value ratio of 90%;
- have a variable interest rate;
- be available for a loan of \$400,000;
- allow principal & interest repayments.

For this category we also considered loans from lenders who are participating in the government's First Home Loan Deposit Scheme.

Fixed Rate Home Loan

Recognises the lowest cost fixed rate loans for owner occupiers. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- have at least three fixed rate terms;
- be available for a loan of \$400,000;
- allow principal & interest repayments.

Split Home Loan

Recognises the lowest cost home loans for owner occupiers that want to have part of their loan on a variable rate and part on a fixed rate. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- allow the interest rate to be split between variable and fixed portions;
- be available for a loan of \$400,000;
- allow principal & interest repayments.

Investor Home Loan

Recognises the lowest cost variable rate loans for investors. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- have a variable interest rate;
- be available for a loan of \$400,000;
- offer both principal & interest and interest only repayment options.

- Products where the rate was only available if packaged with an owner occupier home loan were not eligible for an award.

Investor Fixed Home Loan

Recognises the lowest cost fixed rate loans for investors. To qualify for this award, loans must:

- allow a loan-to-value ratio of 80%;
- have at least 3 fixed rate terms;
- be available for a loan of \$400,000;
- offer both principal & interest and interest only repayment options.

Green Home Loan

Recognises the lowest cost loan that is only available for people purchasing an environmentally friendly property. To qualify for this award, loans must:

- Be restricted to borrowers buying a property with minimum defined level of environmental efficiency
- allow a loan-to-value ratio of 80%;
- have a variable interest rate;
- be available for a loan of \$400,000;
- allow principal & interest repayments.

Best New Home Loan

All new products added to the Mozo home loan database in the last 12 months were considered for this award. Our judging panel assessed each of these products on their benefits to potential customers and any novel features or facilities it offered.

Lender of the Year Awards

To determine the Online Lender of the Year and Home Lender Bank of the Year awards recipients we examined how each lender performed in each of the award categories shown above, looking for consistent and broad ranging performance. This included an assessment of:

- the number of different categories in which they won awards,
- how well they performed relative to other lenders in each category,
- relative strengths or gaps in any categories.

The judges also examined the available data in a number of other areas, including any additional benefits or restrictions that may apply, and published customer ratings, but did not find cause to adjust their conclusions.

What products do we consider?

In carrying out the Mozo Experts Choice Awards in Home Loans, we considered thousands of rate variants across 493 home loans from 89 lenders. A full list of eligible lenders is available at the end of this document.


The analysis is based on data contained in Mozo's product database as at 5 January 2021.

We aim to include most home loan providers in the market in the Mozo Experts Choice Awards. However, not every home loan product on the market will be included in our review. Our analysis only considers mutuals with at least \$500m in total assets.

Any home loan product we review must be available in the market at the time of our analysis and any offers included must be available to the general public on the provider's website.

How many winners are there?

We typically aim to award the top 10% of products in each category. The judges may use their discretion to adjust the cutoff up or down as necessary after examining the difference between products at the margin.



How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's Research Team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Providers do not pay to enter the Mozo Experts Choice Awards.

Should a winning provider wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



About Mozo

Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been used by some of Australia's largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo's management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

Our Mozo Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Director, and Peter Marshall, Research Manager. AJ is a data scientist and actuary and has worked in financial services and product comparison for over 30 years. Peter has worked for a wide range of Australian banks and product comparison for the past 36 years. Both AJ and Peter act as Responsible Manager on Mozo's Australian Financial Service Licence and Australian Credit Licence.

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Appendix

List of all home loan providers considered in the awards.

86 400	Easy Street	Police Bank
abal banking	Firefighters Mutual Bank	Police Credit Union
AMP Bank	firstmac	QBANK
ANZ	FreedomLend	Qudos Bank
Adelaide Bank	G&C Mutual Bank	Queensland Country Bank
Athena	Gateway Bank	RACQ Bank
Aussie	Goldfields Money	RAMS
Australian Military Bank	Great Southern Bank	Reduce Home Loans
Australian Mutual Bank	Greater Bank	Regional Australia Bank
Australian Unity	Health Professionals Bank	Resi
Auswide Bank	Heritage Bank	Resimac
Bank Australia	Homestar	Southern Cross Credit Union
Bank First	homeloans.com.au	St.George
Bank of Melbourne	Homeloans360	Summerland Credit Union
Bank of Queensland	HSBC	Suncorp
Bank of Sydney	Hume Bank	Teachers Mutual Bank
Bank of us	Illawarra Credit Union	Tic:Toc
BankSA	IMB Bank	UBank
BankVic	ING	UniBank
Bankwest	Liberty	Unity Bank
bcu	loans.com.au	Virgin Money
Bendigo Bank	Macquarie	WAW Credit Union
Beyond Bank	ME	Well Home Loans
Bluestone	MOVE Bank	Westpac
Citi	MyState Bank	Yard
Coastline Credit Union	NAB	Yellow Brick Road
Commonwealth Bank	Nano	
Community First Credit Union	Newcastle Permanent	
Credit Union SA	OneTwo	
Defence Bank	P&N Bank	
Delphi Bank	Pacific Mortgage Group	
	People's Choice	