



Mozo Expert Choice Awards **Home Loans 2023**

Methodology Report
January 2023



Mozo Experts Choice Awards

Home Loans 2023

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 2023 Home Loan awards.

Home Loans - 2023 Winners

Home Lender Bank of the Year



Bendigo Bank has been crowned Home Lender Bank of the year for 2023 for its award wins that showcase the broad range of borrowers it offers outstanding products for. Bendigo took out awards in the Low Cost Home Loan, Offset Home Loan, First Home Buyer Loan and Investor Home Loan categories.

Home Lender Mutual Bank of the Year

The logo for Hume Bank, consisting of the text 'Hume Bank' in a bold, white, sans-serif font, centered within a dark blue rectangular box with a light blue horizontal bar at the bottom.

Hume Bank

Hume Bank took out awards in a wide variety of categories, and was the best performing of all of the member-owned banks in these awards. Hume Bank won awards across Low Cost Home Loan, Offset Home Loan, Investor Home Loan and Fixed Rate Home Loan categories, making it our Home Lender Mutual Bank of the Year.

Home Lender Credit Union of the Year



Police Credit Union was the strongest performing credit union in our awards assessment process, taking out wins in the Low Cost Home Loan, Offset Home Loan, Fixed Rate Home Loan and Investor Fixed Home Loan categories.

Low Cost Home Loan

For this category the Mozo judges assessed 325 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.

Auswide Bank	Basic Home Loan
Bank of Sydney	BOSBasic Home Loan
Bank of Sydney	Expect More No Annual Fee Home Loan
Bank of us	FlexiDiscount Home Loan
bcu	OMG Home Loan
Bendigo Bank	Express Home Loan
Homeloans360	Owner Variable Home Loan
HSBC	Discounted Home Value Loan
Hume Bank	liteBlue Discounted Variable Home Loan
loans.com.au	Variable Home Loan 70
Pacific Mortgage Group	Standard Variable Home Loan
Police Credit Union	The Better Home Loan Special Offer
QBANK	Discounted Classic Home Loan
Qudos Bank	No Frills Home Loan
RACQ Bank	Fair Dinkum Home Loan
The Mutual Bank	Special Budget Home Loan
Unloan	Variable Home Loan

Offset Home Loan

Of the 183 variable rate loans offering a 100% offset facility, the Mozo judges found that these were the lowest cost.

Bank First	Complete Home Loan
Bank of Sydney	Expect More No Annual Fee Home Loan
Bank of us	Topline
Bendigo Bank	Express Home Loan
G&C Mutual Bank	Momentum Home Loan Special Offer
Homeloans360	Owner Variable Home Loan
Hume Bank	myBlue Variable Rate Home Loan
MOVE Bank	Straightforward Plus
Police Credit Union	The Better Home Loan Special Offer
Virgin Money	Reward Me Variable Rate Home Loan

Packaged Home Loan

To find the lowest cost package loans, the judges assessed 52 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.

Credit Union SA	Variable Rate Home Loan Package Special Offer
HSBC	Home Smart Loan Package Special
HSBC	Standard Variable Rate Package Home Loan
ING	Orange Advantage
Macquarie	Offset Home Loan Package
ME	Flexible Home Loan (Member Package)
People's Choice	Variable Home Loan Package
QBANK	Classic Plus Home Loan Package Offer
Qudos Bank	Low Cost Home Loan - Value 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.

Auswide Bank	Basic Home Loan
Bank of us	FlexiDiscount First Home Guarantee Scheme Special
Bendigo Bank	Express Home Loan
Easy Street	Street Smart Variable Home Loan
G&C Mutual Bank	First Home Buyer Loan Special
Greater Bank	Discount Great Rate Home Loan
MyState Bank	Home Guarantee Scheme Variable Rate
QBANK	FHBG Special Offer Classic Home Loan
Tic:Toc	Variable Home Loan

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 131 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 Australia	Basic Home Loan Fixed
Bank Australia	Fixed Premium Home Loan
bcu	Fixed Rate Home Loan
Hume Bank	myBlue Fixed Rate Home Loan
IMB Bank	Fixed Home Loan
Pacific Mortgage Group	Fixed Home Loan
Police Bank	Police Value Home Loan
Police Credit Union	Fixed Rate Home Loan
Tic:Toc	Fixed Home Loan

Investor Home Loan

This award assessed the 195 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.

Auswide Bank	Basic Home Loan
Bank First	Complete Home Loan
Bendigo Bank	Express Home Loan
Easy Street	Street Smart Variable Home Loan
Homestar	Star Classic Investment Variable Home Loan
HSBC	Discounted Home Value Loan
Hume Bank	liteBlue Discounted Variable Home Loan
Queensland Country Bank	Investor Home Loan (Ultimate Package)

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 123 loan 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.

Bank Australia	Basic Home Loan Fixed
Bank Australia	Fixed Premium Home Loan
bcu	Fixed Rate Home Loan
Easy Street	Fixed Home Loan
HSBC	Fixed Rate Home Loan Package
HSBC	Fixed Rate Home Loan
Hume Bank	myBlue Fixed Rate Home Loan
Police Credit Union	Fixed Rate Home Loan
Tic:Toc	Fixed Home Loan

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 loans with the lowest costs.

Bank Australia

Clean Energy Home Loan Eco Plus

Gateway Bank

Green Plus Home Loan (Premium Package)

Gateway Bank

Green Home Loan (Premium Package)

Best New Home Loan

Launched halfway through 2022 and backed by Commonwealth Bank, Unloan offers a simple product suite, with rate discounts that automatically apply the longer you stay with the lender. Although only available to refinancers for now, minimal fees and a quick and 10 minutes application process make Unloan an attractive option and strong entrance to the home lending market.

Unloan

Unloan Variable

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 assume 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.

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

All fixed rate calculations were performed three times using the rates and fees applicable at 10 November 2022, 10 December 2022, and 10 January 2023. Any products not available at each of these three dates were not eligible to win an award. Variable rate products were assessed at rates and fees applicable on 10 January 2023.

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

averaging across different scenarios, loan 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 were those that performed best in each of those 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.

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 ‘of the Year’ award 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 of a similar type in each category,
- relative strengths or gaps in any categories.

What products do we consider?

In carrying out the Mozo Experts Choice Awards in Home Loans, we considered thousands of rate variants across 480 home loans from 98 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 10 January 2023 for variable rate products, and 10 November 2022, 10 December 2022 and 10 January 2023 for fixed rate products.

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 license 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.

Important Information

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Appendix

List of all home loan providers considered in the awards.

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