



News release

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FirstMac says more borrowers refinance and seek capped rates

One of Australia's leading non-bank mortgage lenders, FirstMac, says it has noted an increase in borrowers refinancing out of loans from the "big four" banks as well as fresh demand for capped interest rate loans.

FirstMac's observations support newly-released AFG Mortgage Index data that found a peak in refinancing activity of 37.2% last month – a two-year high. The data also found an increase in lending market share by the non-majors.

FirstMac Chief Financial Officer James Austin said FirstMac had observed similar uptrends in refinance activity, with an increasing number of applications from borrowers moving away from the four major banks.

There had also been increased enquires about FirstMac's capped interest rate product.

"The capped interest rate product provides borrowers with greater security during this rising interest rate environment whilst still providing the benefits of a cheaper floating interest rate in the short term," Mr Austin said.

"Borrowers taking up FirstMac's FightBack II capped home loan have their variable rate of 6.69% pa capped at a maximum of 7.49% pa for two years. This compares favourably with the average standard variable rate of 7.13% pa and the average two year fixed rate of 7.40% pa across the four major banks."

About FirstMac Limited

FirstMac Limited is a leading Australian owned mortgage finance lender with 30 years experience. It delivers a comprehensive range of loan funding, loan servicing and portfolio management services. FirstMac initially originated and managed home loans through major third party providers, but in 2002 entered the securitisation market and began self-funding its own loan business, by issuing AAA-rated bonds on global capital markets.

FirstMac's presence has grown through the provision of wholesale funding via a national distribution network of mortgage originators and brokers. FirstMac has the highest possible Standard & Poor's servicer rating of 'Strong'.

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