



## **COMPARISON RATE SCHEDULE**

**The Loan Club Pty Ltd ABN 43 092 193 354**

**Date of Issue June 2004.**

- From 1 July 2003 credit providers and finance brokers are required to provide a Comparison Rate Schedule to prospective borrowers to compare loans. The true cost of a loan and comparing loans involves much more than looking at the interest rate. There are other factors you should take into account, such as service, repayment frequency and early repayment fees, when comparing loans.
- The comparison rate is a calculation that reveals the cost of a loan taking into account the upfront or ongoing interest rate, together with all other known fees.
- All fees and charges are not included when calculating the comparison rate. Only fees that are definitely charged will be included. For example, the comparison rate does not include fees payable by you if you default in payments or pay out your contract early. Government fees are also excluded.
- The comparison rate is therefore higher than the annual rate of interest since it includes ascertainable fees that are charged to you. The rate may also be higher due to the term of the loan which will affect the comparison rate.
- A warning is included in the comparison rate since the schedule is not a statement of the full cost of credit. The rate can change if the amount of credit or the repayment term is different to the amount or term for the comparison rate stated on the schedule. The warning encourages you to be mindful when using the comparison rate since if your requirements are different to those as stated, they can vary from the comparison rates usefulness.
- The comparison rate as stated on the schedule might not be the same as that stated on your contract. The comparison rate is a rate that is required by the law to help you in comparing the likely cost of similar types of credit products. The rate therefore might not be calculated with regard to your own personal circumstances. Often the true cost of credit can only be determined once a credit application has been received and the actual contract interest rate is determined.
- All credit providers will calculate the comparison rate in the same way using a standard formula which will now enable you to receive a true comparison.
- The comparison rate is determined by using a standard formula which takes into account the repayment frequency, the amount and term of the loan, the interest rate and the fees and charges directly connected to the loan or which are ascertainable.

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LOAN AMOUNT	TERM	AVERAGE ANNUAL PERCENTAGE RATE		COMPARISON RATE #	
		Secured %	Unsecured %	Secured %	Unsecured %
250	2 Weeks	*	*	*	*
600	8 Weeks	*	*	*	*
1000	6 Months	19%	21%	33.200	35.210
1500	1 Year	19%	21%	31.300	33.400
5000	2 Years	19%	21%	28.280	30.360
10000	3 Years	19%	21%	27.950	31.575
15000	4 Years	*	*	*	*
20000	4 Years	*	*	*	*
25000	5 Years	*	*	*	*
30000	5 Years	*	*	*	*
50000	7 Years	*	*	*	*

\* The Loan Club currently does not make loans for these periods

# Calculations are based on weekly repayments with interest and principle paid over the term of the loan.

### POLICY STATEMENTS

Compulsory comparison rates are calculated by adding fixed fees and charges relating to the credit being offered to the interest that will be charged.

The difference between the average rates and the comparative rates is because the fees are payable over the term of the loan. If the fees are paid prior to the loan the comparative rates are the same as the average rates.

Actual costs and comparative rates are available in our offer to potential borrowers.

These rates can be used as a guide only. Applicants should contact (02) 9410 1784 to obtain accurate quotes.

### WARNING 1

The comparison rate applies only to the examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan

### WARNING 2

Credit is available for this amount, except for amounts with an \* but not for the term specified in this schedule. The law requires that, for comparison purposes, the term specified for this amount must be used to calculate the comparison rate.