

ALERT

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Home Loan Key Facts Sheets

What are they?

From 1 January 2012, the consumer credit legislation governing disclosure on new home loans comes into effect. The *National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Act 2011* will require all lenders who offer standard home loans to provide 'Home Loan Key Facts Sheets' to consumers on request.

The legislation introduces a standardised layout that all lenders must adhere to when preparing a Key Facts Sheet and also stipulates the content that must be included.

The intention of the legislation is to make it easier for consumers to compare and select a home loan by requiring all lenders to produce and present the Key Facts Sheet in the same form.

What home loans require Key Facts Sheets?

The new reforms concern 'Standard Home Loans', which are loans acquired to purchase residential property or to refinance credit that has been provided wholly or predominantly to purchase residential property.

The legislation covers variable and fixed rate home loans. Interest only loans and 'split loans' are not covered.

What information must they contain?

All Home Loan Key Facts Sheets must contain certain information, including:

- the total amount to be paid back over the life of the loan (including the loan amount, interest and fees);
- whether any establishment fee or ongoing fees are payable;
- what the repayments would be for each month and each year; and
- a personalised comparison rate (interest rate including fees).

Key Facts Sheets must be A4 in size. The regulations also stipulate the colours to be used for all text, headings and backgrounds.



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When must you give one?

While the requirements relating to the form and content of a Key Facts Sheet are strictly regulated, lenders are only required to give a Key Facts Sheet to consumers on request.

Importantly, if the lender has a website that enables a consumer to apply for or make an inquiry about a standard home loan online, the lender must also ensure that consumers can access a Key Facts Sheet from their website.

To view a sample Key Facts Sheet, please click one of the following links:

[Variable Home Loan sample](#)

[Fixed Home Loan sample](#)

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