



GE Money
Australia

MEDIA RELEASE

GE Money reduces home loan variable interest rates by .1 per cent.

15 April 2009

Melbourne: GE Money has announced it will reduce home loan variable interest rates by 10 basis points for mortgages previously sold through third party mortgage managers, brokers and other introducers and AMS (previously Wizard) following the latest review of its cost of funding and the recent Reserve Bank's change to the cash rate.

The rate reduction is effective Friday, 24 April 2009.

"While we are keen to pass on as much benefit to customers as we can, the continued volatility in the wholesale money markets since the global financial crisis has taken hold means we continue to have an extraordinarily high cost of funds for home loans that we continue to service," said Lisa Davis, Managing Director of GE Money Home Lending.

"We remain at an acute disadvantage to local banks which have a deposit base to draw on as a cheap source of funding and also enjoy the support of the Government guarantee – unlike non-bank lenders like GE Money. This increasing cost of funds was the main reason behind our decision to exit the capital-intensive, low-returning mortgage business in October last year," Ms Davis explained.

GE Money also reminds its home loan customers that from 1 March 2009 it has been temporarily waiving the Deferred Administration Fee (DAF) for its home loan customers to assist them in moving to another lender. The DAF is a charge payable when a customer discharges a home loan before a predetermined period has elapsed. The maximum period is five years from settlement of the initial loan. This covers some of the costs borne by the lender when establishing the loan.

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GE Money Australia

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