

Changes to QBE Lender's Mortgage Insurance

QBE, our Lender's Mortgage Insurance (LMI) provider, have recently reviewed their pricing which is to be increased effective August 3rd 2009:

The table below reflects the new premiums:

Maximum 95% LVR (excl. capitalisation) REVISED premiums effective August 3rd 2009

Loan Amount	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
LVR Band			
80.01% to 82%	0.45%	0.58%	0.80%
82.01% to 84%	0.68%	0.87%	1.12%
84.01% to 86%	0.84%	1.10%	1.39%
86.01% to 88%	1.01%	1.31%	1.67%
88.01% to 90%	1.36%	1.78%	2.24%
90.01% to 92%	1.87%	2.44%	3.68%
92.01% to 94%	2.10%	2.74%	3.96%
94.01% to 95%	2.33%	3.04%	4.18%

Maximum 95% LVR (excl. capitalisation) PREVIOUS premium charges

Loan Amount	Up to \$300,000	\$300,001 to \$600,000	\$600,001 to \$1M
LVR Band			
80.01% to 82%	0.43%	0.56%	0.77%
82.01% to 84%	0.65%	0.84%	1.08%
84.01% to 86%	0.81%	1.06%	1.34%
86.01% to 88%	0.97%	1.26%	1.61%
88.01% to 90%	1.13%	1.48%	1.87%
90.01% to 92%	1.56%	2.03%	3.07%
92.01% to 94%	1.75%	2.28%	3.30%
94.01% to 95%	1.94%	2.53%	3.48%

As you can see the premium increases more as the LVR increases. For a \$200,000 loan:

At 85% LVR:	previous premium - \$1,620;	revised premium - \$1,680	2% increase
At 90% LVR:	previous premium - \$2,260;	revised premium - \$2,720	20% increase
At 95% LVR:	previous premium - \$3,880;	revised premium - \$4,660	20% increase