

finder Awards 2018 Methodology: Best Owner Occupier Home Loan -Variable



Dynamic Scoring

Finder's dynamic scoring system is the market-leading method used to score product metrics throughout the finder Awards.

Rather than awarding a set number of points for certain values (e.g. 5 points for credit card interest rates between 15% and 18%), Finder's dynamic scoring system adjusts scores based on the actual range of values across the market. In each judgement period, the range of values across each specific category is divided into 10 percentile groups. The best 10% of metrics receive a score of 10, the next 10% receive a score of nine, and so on. Thus scoring automatically adjusts if the values across the market move. Scoring also adjusts as metrics change across categories due to product types (e.g. rewards credit cards tend to have higher interest rates than other cards).

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Selection Criteria

- \$600k loan value
- 80% loan-to-value ratio
- Principal and interest

Methodology: Selected product features ("metrics") were analysed and weighted as follows:

- interest rate 70%
- fees 15% (including application fees service fees, settlement fees, valuation fees, legal fees, exit fees)
- offset account 15%*

Metrics were compared to the rest of the market at four dates in the preceding year on 1 September 2017, 2 December 2017, 1 March 2018, 1 June 2018. Products must have been available for at least the most recent two of these four quarters. The score over all four periods was averaged. Metrics were scored out of 10 relevant to the market using finder's dynamic scoring system. The top 10% received the top score, with descending points awarded from there. Metrics marked with an * were allocated scores manually. "Fees" incorporates application, settlement, valuation, ongoing, discharge and legal fees. Tiebreakers are ranked by lowest interest rate. Only the highest rating product from each provider was considered.