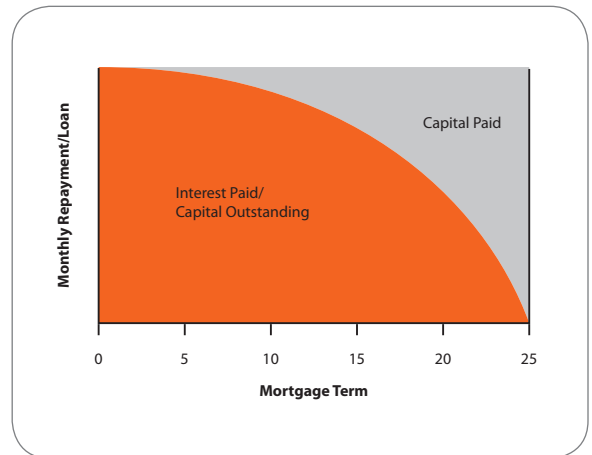


Repayment methods explained

The repayment mortgage

- * Monthly repayments to your lender consists of an element of capital and interest
- * Your loan reduces gradually, building up equity in your home
- * At the end of the mortgage term your mortgage will be repaid, providing you keep up with monthly repayments
- * Suitable if you want to guarantee the repayment of your mortgage
- * Provides a low risk method of repaying your mortgage



The interest-only mortgage

- * Monthly repayments to your lender consist of interest only
- * Your loan amount remains the same (no capital repayments are made) and equity is not built up in your home, but monthly repayments are lower
- * Suitable for people who wish to repay the capital at the end of the mortgage term. However, it is your responsibility to ensure an adequate repayment method is in place
- * At the end of the mortgage term you self-manage the repayment of your loan typically by using savings, investments, inheritance, selling your home
- * Not all lenders accept this repayment method unless an investment vehicle is in place

