



RateCity

Personal and Car Loan Awards

Methodology

2021

Personal and Car Loan Awards Methodology

The RateCity Personal and Car Loan awards celebrate lenders who consistently offer competitive loans to Australian consumers.

The awards are based on our market-leading Real Time Ratings™ system which gives every loan in our database a score out of five, based on cost and flexibility.

Importantly, these scores are calculated every day, capturing product changes as they happen – a factor missed by some awards programs.

To determine the Gold Award winners, we average the daily Real Time Ratings™ scores over a three-month period.

While these industry awards recognise consistent performers, people should refer to the most current Real time Rating™ scores on our website alongside other key product information when selecting a loan and consider their own personal financial needs.

RateCity Personal and Car Loan Awards

Award Categories

Personal loans

- Best excellent credit personal loans
- Best green personal loans

Personal loans

- Best new car loans
- Best used car loans
- Best green car loans



How Real Time Ratings™ are calculated

RateCity's Real Time Ratings™ gives each personal and car loan a score out of five, based on the cost, flexibility and features it offers. RateCity's Real Time Ratings™ also factors in a person's loan size and borrowing type. Importantly, every personal loan and car loan is re-rated every day to account for any changes in the product and/ or the marketplace. More information on how the scores are calculated can be found [here](#).

Eligibility

All loans in the RateCity database are considered in the awards, provided they:

- meet the criteria of the category;
- are still available on the day the awards are calculated; and -
- remain competitive on the day the awards are finalised
(i.e. their Real Time Rating™ must be in the top half of products in the category).

Gold awards are presented to the top 10 per cent of home loan products in each category.

Lenders that have been in the market for less than six months are still eligible for an award, however on the days they were not in the market, they will receive a score of zero.

To ensure integrity in our awards process, RateCity does not charge lenders to be listed, rated, or to receive an award.

Risk-based pricing

When it comes to personal loans, some providers charge different interest rates based on a borrower's credit worthiness (known as risk-based pricing), while other lenders charge a flat-rate, but only approve loans to people who pass their stringent credit checks.

The challenge for ratings systems is the criteria between lenders varies widely. Comparing products with mismatched criteria or taking an average of a lenders risk-based rates is unhelpful for consumers and could incorrectly influence their decision-making.

As a result, our personal loan awards are limited to 'excellent credit' personal loan products only and each lender's minimum rate is assumed in our Real Time Ratings™ calculations. People who do not fit this category can use our Personal Loan Marketplace, which uses your details to check what rates you are likely to be offered, and your chance of getting your personal loan approved, without having to submit an application with the lender.

Criteria for personal loan and car loans awards categories:

Personal loans



Best excellent credit personal loans

Type of loan:	Borrower profile:
Any personal loan. Includes fixed and variable interest rates, risk-based or flat fee pricing.	Based on a \$20,000 loan over 3 years, unsecured. Assumes borrower has an excellent credit history.

Other: excludes broker loans, personal loans packaged with a home loan and specific purpose loans such as green loans.



Best green personal loans

Type of loan:	Borrower profile:
Any personal loan offered for the purchase of environmentally friendly products such as solar panels. Loans can offer fixed or variable interest rates.	Based on a \$10,000 loan over 3 years, unsecured. Assumes borrower has an excellent credit history.

Other: only includes loans specifically for green activities.

Car loans



Best new car loans

Type of loan:	Borrower profile:
Any new car loan, fixed or variable rate.	Based on a \$30,000 loan over 5 years (secured or unsecured).

Other: excludes green car loans, broker car loans and car loans packaged with a home loan.



Best used car loans

Type of loan:	Borrower profile:
Any used car loan, fixed or variable rate.	Based on a \$20,000 loan over 3 years (secured or unsecured).

Other: excludes green car loans, broker car loans and car loans packaged with a home loan.



Best green car loans

Type of loan:	Borrower profile:
Any car loan that requires a person to purchase a car that is more environmentally friendly than a standard car. Loans can offer either fixed or variable rates.	Based on a \$30,000 loan over 5 years (secured or unsecured).

Other: excludes broker loans and standard car loans.