

# Home buying guide.



### **Things you need to know**

We have prepared this advice without considering your objectives, financial situation or needs. So before acting on this advice, you should consider whether it is appropriate to your circumstances. To get the terms and conditions for Transaction, Savings and Investment Accounts and the Product Disclosure Statement and General Information and Terms and Conditions booklet for the First Home Saver Account (issued by Commonwealth Bank of Australia), you can call 13 2221, visit [commbank.com.au](http://commbank.com.au) or visit any of our branches. These documents should be considered in making any decision about these products.

You should also obtain professional legal, financial and taxation advice specific to your individual needs.

Any taxation information is based on the continuation of current laws and how we have interpreted those laws.

### **How we and our staff are remunerated**

Our staff are remunerated by salary that includes superannuation benefits. The amount of salary varies according to the staff member's position within the Bank. Our staff may also be eligible for an annual bonus payment which is based on a number of factors. These include how they perform against sales targets and whether they meet customer service standards. Our staff may also receive payments for business they refer to others in the Bank who specialise in certain products and/or services. The amount of these payments will range between \$5 and \$30 depending on the type of business referred. Our staff may also receive benefits such as tickets to sporting and cultural events, corporate promotional merchandise or other similar benefits from product providers whose products they may sell or for business they may refer to product providers. We receive commission for selling Home and Contents insurance and Loan Protection insurance. The commission amount ranges between 0% and 20% of every annual premium amount.

The issuer and insurer of Home and Contents Insurance is Commonwealth Insurance Limited ABN 96 067 524 216 AFSL 235030 (CIL) and Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 is an arranger of the insurance. Loan Protection Insurance is issued by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA). CommInsure is the registered business name of CIL and CMLA. CIL and CMLA are wholly owned but non-guaranteed subsidiaries of Commonwealth Bank of Australia ABN 48 123 123 124. Commonwealth Bank of Australia and its subsidiaries (excluding CIL) do not guarantee the obligations or performance of CIL or the products they offer.

Product Disclosure Statements (PDSs) are available for these products at [comminsure.com.au](http://comminsure.com.au) or from any of our branches and should be considered before making any decision about these products.

Applications for finance are subject to the Bank's normal credit approval. Full terms and conditions will be included in the Bank's loan offer. Other fees and charges are payable. Fixed Rate, 12 Month Discounted Variable Rate and 1 Year Guaranteed Rate periods start from date of first loan drawing. After the relevant period the interest rate converts to the relevant Standard Variable home loan interest rate applicable at the time. The 3 Year Special Economiser discounted Base Variable Rate period starts from date of first loan drawing. After the 3 year period, the interest rate converts to the relevant Base Variable Rate applicable at the time. Loans for business purposes are excluded.

An annual fee and eligibility criteria applies to Wealth Package and terms and conditions are available at any branch.

If you have a complaint you can find out about our dispute resolution process by calling 13 2221.

# What you need to know and where to find it

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# Introduction

Buying a home – it's your dream. Turning your dream into a reality begins with the right information.

This brochure can help answer some of your questions including:

- What's involved in buying a home?
- How much can I borrow?
- How can I get my deposit faster?
- How do I apply for a loan and what do I need to provide?
- After you've approved my loan, when can I walk through my new front door or access the loan funds?
- How do I contact you if I need more information?

# Steps in the home buying process

Maybe you've never bought a home before or you just want to confirm what happens. These steps can guide you through the home buying process.

What's involved	Summary
<p><b>Research the market</b></p> <p>To make a good buy in any market, you need to do your research. This means getting to know the local area you want to buy into, checking property listings and going to lots of property viewings and auctions.</p> <p>Our Property Value Guide can help with your research. It provides average house and unit price information by location.</p> <p>Also, try to keep track of the properties you've seen, take photos and write down key details (including the advertised sell price and the actual sell price).</p>	<ul style="list-style-type: none"><li>• Research the market.</li><li>• Access our Property Value Guide on <a href="http://commbank.com.au/pvg/">commbank.com.au/pvg/</a></li><li>• Take photos and write down key details for the properties you visit.</li></ul>
<p><b>Do the figures</b></p> <p>Before you start looking for a property, you need to know what you can afford to spend and repay. Our home loan calculators can help you work out how much you can borrow. Or better still, we can give you a pre-approved home loan that's valid for 6 months. For more details, refer to the Commonwealth Bank HomeSeeker Loan.</p> <p>If you're still saving for your deposit, page 9 outlines various ways to get your deposit together.</p> <p>It's really important to make sure you look at the total cost of buying your home. Other than your loan, you will also need to pay for stamp duty, property and pest inspections, conveyancing fees and government fees. You can use our Purchase Cost Calculator to estimate your expenses.</p>	<ul style="list-style-type: none"><li>• Access our home loan calculators at <a href="http://commbank.com.au">commbank.com.au</a></li><li>• Get pre-approved finance with our HomeSeeker Loan.</li><li>• Refer to 'Getting your deposit together' on page 9.</li><li>• Refer to Borrowing options on page 8.</li></ul>
<p><b>Choose a loan and apply for it</b></p> <p>Once you know how much you can borrow, you need to choose a loan and apply for it. It's recommended that you have your finance pre-approved, however you can always apply for a loan after you find a property. Don't leave it too late – other buyers with approved finance may be able to move faster.</p> <p>For more details on applying for a loan and the information you need to provide, refer to page 11. To find out how long the process takes and what's involved, refer to page 18.</p>	<ul style="list-style-type: none"><li>• Find out more about our range of home loans in the Home and Investment Home Loans brochure.</li><li>• Refer to 'How long does it take to get your loan?' on page 18.</li></ul>

What's involved	Summary
<p><b>Negotiate a price</b></p> <p>For a private treaty sale, once you've found the home you want to buy, you can make an offer to the vendor or their agent. Sometimes you can agree on a conditional offer. For example, you agree to buy the home as long as the vendor lets you get a property and pest inspection first.</p>	<ul style="list-style-type: none"> <li>• Make an offer.</li> </ul>
<p><b>Arrange conveyancing</b></p> <p>Conveyancing is the process of legally transferring a property from the vendor to the buyer. You can arrange it through a solicitor or licensed conveyancer. If you have the time and skills, you can do it yourself.</p> <p>Before a vendor can offer a property for sale, they must have a contract of sale and make it available for inspection. Your solicitor or conveyancer should review this contract. They should also conduct final checks on the property and make enquiries to local authorities.</p>	<ul style="list-style-type: none"> <li>• Review the contract of sale.</li> <li>• Conduct final checks and enquiries.</li> </ul>
<p><b>Have the property inspected</b></p> <p>Once you've found a potential home, you should arrange for a property and pest inspection before you exchange contracts. This way you'll find out about any problems upfront.</p> <p>You should also check with your council and the state government roads and traffic authority about zoning issues and future property developments that may affect your home.</p>	<ul style="list-style-type: none"> <li>• Arrange for a property and pest inspection.</li> <li>• Check for zoning issues and any future property developments.</li> </ul>
<p><b>Exchange contracts and pay the deposit</b></p> <p>After your legal representative reviews the contract of sale, you and the vendor each sign a copy and pass them to each other. This is known as 'exchange of contracts'.</p> <p>If you buy a home at auction, you need to exchange contracts and pay a deposit (usually 10% of the purchase price) on the spot. For a private treaty sale, you need to pay a holding deposit (usually 1%) to show good faith and then pay the 10% deposit when you exchange contracts. Even though you pay a holding deposit, it doesn't mean the property will be held exclusively for you.</p>	<ul style="list-style-type: none"> <li>• Exchange contracts.</li> <li>• Pay the deposit.</li> </ul>

What's involved	Summary
<p><b>Cooling-off period</b></p> <p>After you exchange contracts in a private treaty sale, a legal cooling-off period may apply. During this time you may be able to withdraw from the contract to buy the property. The length of the cooling-off period varies from state to state. There is no cooling off period if you buy a home at auction.</p>	<ul style="list-style-type: none"> <li>You may be able to change your mind during the cooling-off period, however in most cases you will lose your deposit.</li> </ul>
<p><b>Arrange insurance</b></p> <p>When you apply for a home loan, you also need to arrange for building insurance. You should also consider contents insurance for when you move in.</p> <p>You can get a premium estimate by visiting one of our branches. You can also get a premium estimate online at <a href="http://commbank.com.au">commbank.com.au</a> or by calling 13 2221, 24 hours a day, 7 days a week.</p> <p>We also provide Loan Protection cover that helps meet your loan commitments if you die, become terminally ill, suffer a medical trauma, become disabled or involuntarily unemployed.</p>	<ul style="list-style-type: none"> <li>Get a premium estimate for home insurance by visiting one of our branches, going to <a href="http://commbank.com.au">commbank.com.au</a> or by calling 13 2221.</li> <li>Find out more about Loan Protection cover by visiting one of our branches, or going to <a href="http://commbank.com.au">commbank.com.au</a> or by calling 13 2221.</li> </ul>
<p><b>Settlement</b></p> <p>This is when you pay the balance of the property's purchase price and take ownership of the property. Final settlement normally takes place up to 6 weeks after you exchange contracts.</p> <p>The title deeds (if any) will be handed to us (if you purchased the property with a loan). The vendor's agent then gives you the keys.</p>	<ul style="list-style-type: none"> <li>Pay the balance of the purchase price.</li> <li>Settlement takes place.</li> <li>Move in or access the loan funds.</li> </ul>

# How much do you need to borrow?

Before you start looking for a home, you really need to get an idea of how much you need to borrow. To work this out, you need to consider 3 key details: how much you can borrow or comfortably repay each month; what your total costs will be; and how much deposit you'll need.

This information will help you find a property you can afford – without compromising your lifestyle.

## Work out how much you can borrow or repay each month

Depending on your income and what you're buying, you may be able to borrow as much as 95% of the property's value. To make sure you can manage the loan, your loan repayments, financial commitments such as credit cards/other bills and other expenses need to be taken into consideration.

Allow for interest rate rises and other unexpected costs when doing your calculations. Your lender will be able to discuss these with you in terms of your income and what you can safely afford.

Most importantly, take into account your current and future lifestyle and desired spending habits.

Jason earns \$3,000 per month (\$36,000 per annum) and his partner Susan earns \$4,000 per month (\$48,000 per annum). As their combined total monthly income is \$7,000, Jason and Susan's monthly commitments for all borrowings (including their Home/Investment Home Loan), shouldn't exceed \$2,800 ( $\$7,000 \times 40\%$ ).

To work out how much you can borrow or comfortably repay each month, what your total costs will be, and how much deposit you'll need, use the calculators at [commbank.com.au/usefultools](http://commbank.com.au/usefultools)

If you want to confirm these figures, visit a Personal Lender at one of our branches or arrange for a Mobile Lender to visit you.

To make sure you can manage the loan, your loan repayments, financial commitments such as credit cards/other bills and other expenses need to be taken into consideration.

Allow for interest rate rises and other unexpected costs when doing your calculations. Your lender will be able to discuss these with you in terms of your income and what you can safely afford.

Most importantly, take into account your current and future lifestyle and desired spending habits.

### **If you're buying an investment property**

You may be able to include up to 80% of your rental income as income before tax in assessing your ability to repay the loan.

### **Work out what your total costs will be**

Some people underestimate the total costs to buy a property and apply for a smaller loan than they need or buy a house they can't afford. Make sure you allow for all of the costs and not just the purchase price. These include:

- Inspection costs – Before you buy a property, professionals need to confirm that it is structurally sound and is not infested with termites.
- Conveyancing costs – Your legal representative needs to check the contract of sale, the loan contract and complete other tasks.
- Stamp duty and other government costs – Stamp duty must be paid on the mortgage and on the contract of sale or transfer. This is usually the biggest cost and varies from state to territory.
- Set-up costs – These can include a loan establishment fee and may vary depending on the financial institution. You may be able to save on our set-up costs – look on our website or ask us about any special deals.
- Changes to interest rates – You need to consider how interest rate changes may affect your future repayments.

### **Work out how much deposit you need**

You normally need a deposit of around 20% of the purchase price of the property. The bigger the deposit, the smaller your loan and the lower your repayments and interest charges. For more information on how we can help you get your deposit, refer to page 9.

You may be able to apply for a loan with a deposit which is less than 20%.

### **Do you need Lender's Mortgage Insurance?**

You need Lender's Mortgage Insurance when we lend you more than:

- 60% of the property value for Low Doc Loans.
- 80% of the property value for all other loans.

### **What are the benefits?**

You benefit from having Lender's Mortgage Insurance because you can buy a property with a smaller deposit.

Tom and Mary want to buy a house that is valued at \$400,000. They have saved up a deposit of \$50,000. Normally, we would only lend them up to \$320,000 (\$400,000 x 80%) and they would need a deposit of \$80,000. As their combined income can support the loan, they take out Lender's Mortgage Insurance and we lend them the \$350,000 they need to buy the house.

We (the lender) are protected if you default on your loan and your property is sold for less than the amount that is outstanding on the loan. However, if the mortgage insurer pays us the amount owing under the contract, you are still liable for that amount.

You need to pay a one-off insurance charge for Lender's Mortgage Insurance. However as we add this charge to your loan amount, it doesn't cost you anything upfront.

## **Borrowing options**

There are various ways to borrow money. The choice you make affects how much you can borrow as well as the types of loans you can apply for.

Generally, people borrow money on their own or with a partner. We offer other ways to borrow money which can give you the flexibility you need to be able to buy the property you want. These include Property Share (purchase with friends and keep your finances separate) or Family Support (assistance from immediate family to secure and/or repay your loan) and Low Documentation loans for self-employed people.

### **You can do the figures online**

If you want to work out how much you can borrow or the estimated costs to buy your property, you can visit our Home Loan calculators at [commbank.com.au](http://commbank.com.au) (on the main menu select Personal, then Home Loans).

# Getting your deposit together

The amount of deposit you have makes a big difference. The more you've saved, the less you'll need to borrow. This means you make lower repayments and pay less interest.

## Saving and budgeting

Working out a budget can help build up your deposit faster. Even if you don't always stick to it, you'll be amazed at how it can help you save. Also, if you already own a property you may be able to use equity in that property to help with the deposit for your new home.

The following products can help you save money.

### Online savings account

NetBank Saver really helps you save online. It is a high interest savings account that is linked to a Streamline transaction account.

### First Home Saver Account (FHSA)

This account has been developed by the Government to make it easier for you to save for your first home. The Government will contribute 17% on every dollar of the first \$5,000 of individual contributions made each financial year. Interest earned on the account will be taxed at a rate of 15%, but this will be paid to the Tax Office by us and you will not have to declare income / interest earned on the FHSA when completing your tax return. Better still, there

is no minimum deposit amount and no monthly account fees, however there are restrictions applying to eligibility, when you can take money out and for what purpose.

### Term deposits

A term deposit is a great way to help you save for a deposit. It's ideal if you don't need instant access to your money and you want a guaranteed fixed rate of return for a certain period.

You only need \$5,000 to open a Commonwealth Bank Term Deposit.

### First Home Owner Grant

If you're buying your first home, you may be eligible for a First Home Owner Grant (FHOG). FHOG is a government assistance program which can provide you with a one-off payment to use towards the deposit for your first home.

Most state governments also offer various means tested packages to assist first home buyers. Also, you may be eligible for discounts on stamp duty. So it's a good idea to check out all of your options.

As we are an agent for FHOG, we can make it easier for you by handling all of your paperwork. To find out more, ask your lender. You can also visit [firsthome.gov.au](http://firsthome.gov.au) or contact the Office of State Revenue or your conveyancer.

Here are the answers to some frequently asked questions about FHOG.

**Q What is the First Home Owner Grant (FHOG)?**

A When the GST was introduced, the Commonwealth Government introduced the FHOG to offset the impact of the GST for first home buyers. It entitles eligible applicants to a one-off payment on their first home.

**Q Do apartments qualify as well as houses?**

A Yes.

**Q Is the FHOG means tested?**

A No. The grant is not means tested.

**Q If my partner and I are applying for the grant to buy our first home do we both qualify?**

A No. If you are both buying and living in the same property, only one of you will receive the FHOG (ie one FHOG payment will be made to the both of you as a couple).

If either of you has previously owned a home (or investment property), no grant will be available.

**Q Can I use the grant for an investment property?**

A No. To be eligible for the grant the property you are buying must be intended to be your principal place of residence.

## Deposit Guarantees

A Deposit Guarantee can be used instead of a cash deposit to help you buy a property. It is generally used when you have cash tied up in other investments (such as shares or a term deposit) or when you're waiting to sell your existing property before you can get the cash you need for the 10% deposit on the new property.

When you use a Deposit Guarantee, you need to pay the full purchase price of the property at settlement. By this time, you should have access to the cash that is tied up elsewhere.

You can use a Deposit Guarantee for deposits of up to 10% of the purchase price and for terms of up to 48 months.

**Please note:** We act as an agent for Vero Insurance Limited to provide Deposit Guarantees. Vero Insurance issues Deposit Guarantees under the registered trademark 'Deposit Power'. We receive commission for each Deposit Guarantee we sell.

# Applying for a loan

Before we can process your loan application, you need to give us certain information. The following checklist shows what you need to provide with your application. All documents can be copies unless stated otherwise.

## Identification

If you are a new Commonwealth Bank customer, the following identity documentation (original or **certified copies** only):

- One **Primary Photographic Identification Document**; OR
- Two **Primary Non-Photographic Identification Documents**; OR
- One **Primary Non-Photographic AND one Secondary Identification Document**.

Examples of these may include:

### **Primary Photographic Identification Documents** (must contain your photograph)

- Passport
- Australian driver's licence
- Proof of age card or birth card issued in Australia.

### **Primary Non-Photographic Identification Documents**

- Birth certificate
- Citizenship certificate
- Pension card issued by Centrelink that entitles financial benefits.

### **Secondary Identification Documents**

(must show your name and residential address)

- Foreign driver's licence
- A recent notice issued by the Australian Tax Office
- An electricity, gas or council rates notice showing details of any service provided to you.

## **Certified Copies of Identification**

The law permits certain Prescribed Persons to certify copies of original identity documentation to allow the Bank to verify your identity. For more information on the Certified Copies process or for a complete list of people who can certify copies of identification, call **13 2221** or download the Certified Copies Identification form from our website **commbank.com.au**.

## Income

**If you earn a wage or salary**

- Your two most recent electronic pay slips (less than 60 days old) which show the employer's and employee's name,

**OR** any two of the following:

- Most recent PAYG Payment Summary
- Current employment contract detailing income and salary
- A letter from your employer outlining how long you've been employed and your income details.

**If you are a contractor**

Your most recent employment contract with income details.

**If you are self-employed**

- Your last two years' Financial Statements and two most recent Notice of Assessments,

**OR** if you are applying for a Low Documentation Loan you'll need:

- To have been self employed in the same industry for at least 1 year
- Your ABN (if you have held your ABN for less than 1 year you'll need to provide confirmation of self employment from another source, e.g. a Certificate of Incorporation).

**Also** if your Loan to Valuation Ratio (LVR) is greater than 60%, you will need to:

- Provide Business Activity Statements (BAS) verified by the Australian Tax Office (ATO) for the past 12 months
- Confirm that your income is registered for GST for a minimum of 12 months (where income is \$75,000 or greater per annum).
- Where your annual income is less than \$75,000 (and hence not registered for GST), in some cases you may be asked to provide 6 months worth of statements for your primary business or personal transaction account.

**If you earn rental income**

One of the following:

- A letter from the Managing/Real Estate Agent which confirms expected rental income
- The Lease Agreement
- Proof of rental income from your bank records or from Financial Statements (for self-employed applicants or companies).

**If you receive Government Income (e.g. Centrelink and/or Veteran Affairs)**

Your latest government advice letter which shows your income/benefit (less than 90 days old).

## Loans and savings not with the Commonwealth Bank

### If you have a current loan

- 6 months' statements for all secured debts
- 1 month statements for all other loan and credit card debts (non-secured).

### If you have savings or investments being used for the loan

Your passbooks and/or statements for the last 1 month.

## Other details

### If you have a legal representative

Their name, address and contact details.

### If you have received a monetary gift that is being used for the loan

A letter from the person that is giving you the monetary gift which:

- States that the funds are an unconditional gift; OR
- Sets out the loan conditions/repayment terms.

### If you have found a property or have an existing property for security

### If you currently own the property offered as security:

- A rates notice, which shows the street address and title reference.

### If you are buying a property to be offered as security

- Contract of Sale (Offer of Acceptance in WA) and your solicitor or conveyancer's name, address and contact details.

### If you are applying for an Equity Unlock Loan for Seniors

- Existing home insurance policy documents

### If you are building a home and are ready to start building

- Fixed price building contract
- Original council-approved plans and specifications (to be provided to the valuer).

## Insurance

### If you have existing insurance on the property

Any insurance documents (e.g. policy schedules)

We can offer straightforward insurance for you and your assets. During our appointment, we will provide you with more information on the options that are available.

# Your Loan Options at a Glance

The chart below lists the different benefits of each of our home loans. Use it to help you choose the loan that best suits your needs.

	Economiser Home/ Investment Home Loan		Viridian Line of Credit <sup>oo</sup>
	3 Year Special Base Variable Interest Rate	Base Variable Interest Rate	Residential Equity Rate
I want...	A discounted Base Variable rate for new borrowings	Great rate for basic features	A borrowing and savings account in one
An offset account to help me save on interest costs and own my home/investment property sooner	✗	✗	A transactional focus account, direct salary credit to help save interest costs
To make additional repayments when I have extra cash	✓	✓	Deposit all your income, savings and extra cash
To be able to redraw my additional repayments <sup>oo</sup>	✓ (min. \$2,000 over the counter at any Commonwealth Bank branch or \$500 electronically with a \$50 fee for both)	✓ (min. \$2,000 over the counter at any Commonwealth Bank branch or \$500 electronically with a \$50 fee for both)	Withdrawals can be made at any time for any amount*
The choice of principal and interest repayments or interest only payments	✓ <sup>o</sup>	✓ <sup>o</sup>	✓ <sup>**</sup>
A split loan combining the flexibility of a variable interest rate with the certainty of a fixed interest rate <sup>***</sup>	✗	✗	✗
To take my loan with me when I move/buy another investment property to save time and money	✓	✓	✓

\* Subject to your available credit and, where applicable, daily card limits.

\*\* Provided monthly interest, fees, and charges are met, you choose when you repay.

\*\*\* Taking both a 1 Year Guaranteed Rate and a 12 Month Discounted Variable Rate as part of a split loan (Variable and Fixed Rate Options) is not allowed.

+ Additional repayments of up to \$10,000 are allowed on Fixed Rate Home Loans and Investment Home Loans in any year during a fixed rate period (except Interest in Advance).

<sup>o</sup> If interest only option is chosen, repayment redraw is not available for the term of the loan.

# MISA is not available on Interest in Advance Fixed Rate Investment Home Loans.

Complete Home/Investment Home Loan			
1-5, 7, 10 and 15 Year Fixed Rate Home/Investment Home Loan	Standard Variable Rate Home/Investment Home Loan	12 Month Discounted Variable Rate Home/Investment Home Loan	1 Year Guaranteed Rate Home/Investment Home Loan
Fixed rate for forward planning	Great rate and all the benefits	A discounted rate with benefits for new borrowings	Great rate and all the benefits for new borrowings
✓ <sup>#</sup>	✓	✓	✓
✓ Max \$10,000p.a.*	✓	✓	✓
Not available	✓ (min. \$1,000 over the counter at any Commonwealth Bank branch with a \$5 fee and \$500 electronically with no fee)	✓ (min. \$1,000 over the counter at any Commonwealth Bank branch with a \$5 fee and \$500 electronically with no fee)	✓ (min. \$1,000 over the counter at any Commonwealth Bank branch with a \$5 fee and \$500 electronically with no fee)
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓

<sup>∞</sup> Please be aware that investment and personal borrowings need to be separately apportioned if you wish to claim a tax deductible interest expense on investments. You may prefer to keep such borrowings separate. You should also obtain professional legal, financial and taxation advice specific to your individual needs. Information on taxation is based on the continuation of current laws and their interpretation.

Fees and conditions may apply to some of the above benefits.

# Your Loan Options at a Glance

	Economiser Home/ Investment Home Loan (Cont...)		Viridian Line of Credit <sup>oo</sup>
	3 Year Special Base Variable Interest Rate	Base Variable Interest Rate	Residential Equity Rate
I want...			
The choice of weekly, fortnightly or monthly repayments (interest only is monthly)	✓ <sup>o</sup>	✓ <sup>o</sup>	✓ <sup>**</sup>
To apply for a loan, even if I don't have the usual income documentation required (ie self employed)	✗	✓	✓
To pay my monthly home and contents insurance premium through my loan account ~	✓	✓	✓
To be exempt from Monthly Account Fees and Withdrawal Fees on selected Commonwealth Bank transaction accounts if I have a qualifying Relationship Balance in eligible loans and deposits with the Bank ^	✓	✓	✓
My family members to help me get into the property market	✓	✓	✓
To purchase a property with someone else however keep my finances totally separate	✓	✓	✓

~ This payment option will be made available at the Bank's discretion. This option applies when your loan repayments and insurance premiums are made by direct debit.

^ Your Relationship Balance is calculated from the aggregate of savings and borrowings you have in eligible Commonwealth Bank accounts. For more information please refer to the Transaction, Savings and Investment Accounts Terms and Conditions available at any branch. The Relationship

Balance benefit does not exempt you from NetBank Service Fees or Access Fees charged on transactions, including balance enquiries using non-Commonwealth Bank ATMs in Australia, ASB Bank ATMs in New Zealand, PT Bank Commonwealth ATMs in Indonesia and the Maestro, Cirrus and Visa Plus networks overseas.

Complete Home/Investment Home Loan (Cont...)

1-5, 7, 10 and 15 Year Fixed Rate Home/ Investment Home Loan	Standard Variable Rate Home/Investment Home Loan	12 Month Discounted Variable Rate Home/ Investment Home Loan	1 Year Guaranteed Rate Home/ Investment Home Loan
✓	✓	✓	✓
✓	✓	x	x
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓
✓	✓	✓	✓

# How long does it take to get your loan?

This section outlines the 4 key steps to complete your home loan. In some cases, steps may not apply or may take longer – especially if there are special circumstances or different State regulations apply.<sup>2</sup>

<p>Step</p> <p>1</p>	<p><b>We approve your loan and either provide you with loan documents the same day, or send them to you.</b></p> <ul style="list-style-type: none"><li>• If we approve the loan, we send you the Loan Offer<sup>3</sup> and Mortgage documents within 2 business days. In some cases we can approve your loan and you can have all your documents, in 60 minutes.<sup>4</sup></li><li>• We assess your loan application. If we decline the loan, we will contact you within 1 business day.</li></ul>
<p>Step</p> <p>2</p>	<p><b>You sign and return the relevant documents</b></p> <ul style="list-style-type: none"><li>• You review the documents.</li><li>• You provide the information we asked for.</li><li>• You return the completed documents.</li><li>• We make sure you have correctly completed all of the documents we need.</li><li>• We provide settlement instructions.</li></ul>

<sup>2</sup> These steps provide a general outline of what's involved. The steps may change and if there are any delays, we will contact you to advise the new timeframes, any outstanding requirements and keep you informed during the whole process. In these steps, we assume the following:

- with your application, you gave us all of the information we asked for.
- we already completed a property valuation (we don't always need full valuations, your Lender will advise).
- the security is acceptable.
- excludes time required by other parties (e.g. your solicitor or other financial institution when refinancing).
- timeframes may vary if different state regulations apply.

<sup>3</sup> The Loan Offer consists of a Loan Schedule (which has detailed information about our offer to you) and the Usual Terms and Conditions for Consumer Mortgage Lending booklet. You have 21 days from the Date of Disclosure shown in the Loan Schedule to accept our offer.

<sup>4</sup> 60 –minute home loan available if eligibility criteria are met, including no more than two individual borrowers, no guarantors and all required documentation provided. Individual circumstances may lead to some home loan applications taking longer than 60 minutes.

<p>Step</p> <p>3</p>	<p><b>We exchange information with other parties</b></p> <ul style="list-style-type: none"><li>• We exchange information with your legal representative and/or other financial institutions (if you are refinancing).</li><li>• If you are buying a property, your legal representative contacts us to book a settlement date.</li><li>• Your legal representative advises you of the settlement date (normally 1 week before settlement).</li></ul>
<p>Step</p> <p>4</p>	<p><b>Settlement takes place</b></p> <ul style="list-style-type: none"><li>• We debit your loan account (or other relevant account) with stamp duty and registrations costs.</li><li>• We/your legal representative register the Title Deeds and Mortgages at the Titles Office.</li><li>• The seller's legal representative tells the real estate agent to give you the keys to the property.</li><li>• After settlement, we send you a home loan statement and letter with information to help you manage your loan.</li></ul>

# Key contacts and more information

If you need help or have any questions, please contact us. We are here to give you the information you need and to make the home buying process easier.

## Contact us

- Visit **commbank.com.au** and **Apply Now** for a home loan.

Simply complete our **5 minute online application** and one of our Home Loan Specialists will call at a time that suits you to assist with the rest of your application. The information required to complete the online application is “front of mind” meaning you won’t need to trawl through your records to provide answers.

When our Home Loan Specialist calls you, they have already done their homework on your situation so they can quickly provide information to help you choose the right home loan solution for your needs, ensure all details are correct to pave the way for a streamlined process, and even provide on the spot conditional approval.

If you’re eligible for a home loan, you’ll receive your loan offer in the mail in three to five business days.

- Call us from 8am to 10pm, 7 days a week on **13 2224** to speak to one of our Home Loan Specialists
- Visit any of our branches

## Visit one of our personal lenders

You can make an appointment to see one of our personal lenders at any branch.

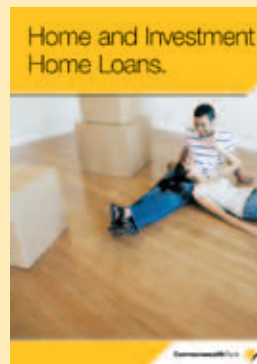
## Arrange for one of our Mobile Lenders to visit you

You can arrange for one of our Mobile Lenders to visit you wherever you are and at a time that suits you including outside normal business hours.

### Home and Investment Home Loans

This brochure contains essential information about the Home and Investment Home Loans we can offer you. It also outlines various ways you can borrow money and shows you how we can help you save money on fees.

To get a copy, visit any branch or download a copy from **commbank.com.au** (on the main menu select Personal, then Home Loans).



# Glossary

You can understand the home buying process better by looking up key words or terms you're not familiar with.

<b>Certificate of Title</b>	This is the document of title to land or real property. It identifies ownership of the land, registered mortgages, and any encumbrances or easements. The Certificate of Title is usually held by the lender as security for a loan.
<b>Company Title</b>	Where the unit holders are actually shareholders in a private company that owns the property. You do not obtain a Certificate of Title for the property, but purchase shares in the private company that owns the property.
<b>Comparison Rate</b>	A 'Comparison Rate' is an attempt to express some of the costs of a loan into a single interest rate. These 'costs' include the nominal interest rate, some 'up-front' fees and ongoing charges. It does not include fees and charges based on future events, which may not occur, e.g. redraw fees, progress payments, which are not typical of all loans. The aim of the Comparison Rate is to help consumers make a more informed judgement of the costs of a loan, and in so doing, help them to compare various like loan products and services offered by the various lending institutions. The Uniform Consumer Credit Code (UCCC) has been amended to require a 'Comparison Rate' to be quoted on all advertising for home loans where an interest rate is stated.
<b>Conveyancing</b>	The legal transfer of ownership of property from the vendor's name to the buyer's name.
<b>Cooling Off Period</b>	Where applicable, it's a period after exchange of contracts during which time the contracts may be cancelled.
<b>Disbursements</b>	Various fees and charges, additional to solicitors' or conveyancers' professional costs associated with the sale or purchase of a property. Disbursements include search fees, enquiry fees, survey costs and inspection costs.
<b>Drawdown</b>	The debiting of the loan at settlement or funding.
<b>Equity</b>	The amount of ownership you have in your property, i.e. the difference between what you owe and what it is currently worth.
<b>Establishment Fees</b>	Fees charged to cover, or partially cover, a lender's costs in setting up a loan.

<b>Exchange of Contracts (Exchange)</b>	The Contract of Sale (or Offer of Acceptance in WA) is prepared in duplicate, usually by the seller's solicitor or conveyancer. The original is signed by the seller and a copy is forwarded to the buyer for their signature. Once both copies are signed, contracts are exchanged and the buyer and seller each receive a copy signed by the other. Each party is then legally bound to proceed with the purchase of the property, subject to the terms of the Contract of Sale or Offer of Acceptance.
<b>Formal Loan Approval</b>	When the home lender provides confirmation that a loan is formally approved and all conditions of the Loan Offer have been satisfied.
<b>Gearing</b>	The ratio of your own money to borrowed money in an investment. Positive gearing is when you borrow to invest in an income producing asset and the returns (income) from that asset exceed the cost of borrowing. Negative gearing is when you borrow to invest in an income producing asset and the cost of borrowing exceeds the returns (income) from that asset.
<b>Interest Only Payment</b>	Monthly payments are equal to the interest and fees charged to a loan account and there is no reduction to the principal loan amount.
<b>Land Tax</b>	A state government tax payable by owners, based on the value of the land.
<b>Lender's Mortgage Insurance</b>	This insurance protects the lender should the borrower default and the property is sold for less than the outstanding amount on the loan. The borrower remains liable to the mortgage insurer for the amount it has to pay the lender.
<b>Loan to Valuation Ratio</b>	The amount of the loan expressed as a percentage of the property's value.
<b>Loan Offer</b>	An offer of finance which sets out the full terms and conditions of the credit contract, including any special conditions you must satisfy before a lender will advance you the credit.
<b>Loan Pre-approval Letter</b>	A letter from a home lender that, based on information provided by you, states how much they would be prepared to lend you, and some of the terms and conditions that would apply. It is generally not an absolute guarantee of loan approval.
<b>Loan Service Fee</b>	The fee charged by your home lender to administer the loan, normally charged monthly.
<b>Market Value</b>	An estimate of the highest price a buyer would pay for a property.

<b>Mortgage</b>	A mortgage is a contract between the mortgagor (being the person who owns the real property) and the mortgagee (being the person or lender to whom the property is mortgaged) which secures the repayment of a loan.
<b>Mortgage Registration Fee</b>	A state or territory government fee charged when a mortgage is established or discharged over your property.
<b>Offer to Purchase</b>	A written offer of a specified price for a particular property. The offer may be conditional or unconditional.
<b>Option to Buy</b>	A legal document giving a person the right to buy. The document outlines the required price and applicable period, with a fee being applicable. If the property is bought, the fee is deducted from the purchase price; if the purchase does not proceed, the fee is non-refundable.
<b>Portable Loan (portability)</b>	Allows you to change an existing security property with a new security property without repaying the loan.
<b>Principal</b>	The amount of money lent by the lender.
<b>Private Sale</b>	The seller (vendor) does not engage a real estate agent, but acts for him/herself, thereby avoiding a real estate agent's commission.
<b>Private Treaty Sale</b>	Sale of property by private negotiation and contract, with or without a real estate agent.
<b>Refinancing</b>	To replace or extend an existing loan with a new loan from the same or another financial institution.
<b>Reserve Price</b>	The minimum price to be accepted by the vendor at auction.
<b>Search</b>	The process of investigating title to land to ascertain if the vendor has the right to transfer ownership.
<b>Secured Loan</b>	A loan which is secured by a mortgage over your property.
<b>Servicing Your Loan</b>	This refers to the day-to-day management of your loan, including repaying your loan. For example, changing your repayments or requesting a duplicate loan statement.
<b>Settlement</b>	The transaction that completes the sale. Monies are handed over in exchange for relevant documents. The purchaser can then take legal ownership of the property.
<b>Settlement Attendance Fee</b>	Charged by the home lender when they arrange funding of the loan for the purchase of the property or when you refinance your loan with another credit provider.

<b>Settlement Fee Discharge</b>	Charged by the home lender when they attend settlement when your property is sold or when you refinance your loan with another credit provider.
<b>Special Repayments</b>	Any money paid into the loan in addition to the required minimum repayments. The amount of special repayments may be available for redraw, depending on your loan option.
<b>Stamp Duty on Contract (also known as Transfer Stamp Duty)</b>	A state or territory government tax (based on where the property is situated) payable by the purchaser of real estate and assessed on the purchase price of the property. Depending on the individual state legislation, the duty is payable to the Office of State Revenue anytime from the day of settlement to 3 months after the date of exchange of contracts. Some first home buyers may be eligible for a concession on the stamp duty.
<b>Stamp Duty on Mortgage</b>	A state or territory government tax (based on where the property is situated) payable by the borrower and assessed on the amount secured by the mortgage. The higher the amount secured by the mortgage the greater the Stamp Duty on Mortgage that is payable.
<b>Strata Inspection</b>	A certificate that will disclose information about the management committee of a body corporate, including insurances, cost of levies and strata policies.
<b>Title Search</b>	The process of investigating a title of a property, to ascertain if the vendor has the right to transfer ownership or if there are any prior encumbrances on the title.
<b>Torrens Title</b>	Torrens Title is the name given to the system of registration of ownership and dealing with property. Under this system title to a property is established by a statutory title issued by the Registrar General. It is the most common form of residential property ownership.
<b>Transfer</b>	A document registered in the Land Titles Office which records the transfer of ownership from the vendor to the buyer.
<b>Valuation</b>	A report detailing a property's value.
<b>Vendor</b>	A person who offers a property for sale.
<b>Zoning</b>	Statutory description of the allowable uses of land as set out by local councils or planning authorities.

**13 2224**

8 am–10 pm

7 days a week

**[commbank.com.au](https://www.commbank.com.au)**

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