

# Fees we charge for consumer mortgage lending products

Effective January 2010

This booklet provides information on the fees we may charge when you purchase any of the following consumer mortgage lending products.

- Commonwealth Bank Home Loans
- Investment Home Loans
- Viridian Line of Credit (non broker customers only)
- Line of Credit (broker customers only)
- Equity Unlock Loan for Seniors
- Mortgage Interest Saver Account (MISA)

You can obtain up-to-date information on fees and charges by talking to your lender or broker, or by telephoning us.



# Contents

<b>Section 1: Understanding fees and charges</b>	<b>1</b>
When we may charge fees	1
How to save on fees	1
How we collect fees	1
Government charges	2
Changes to fees	2
What the words mean	3
<b>Section 2: Summary of fees</b>	<b>4</b>
Fees payable at the time of settlement or funding	4
Fees that may apply during the term of your loan	8
Fees if you prepay or switch a fixed rate loan or prepay a guaranteed rate loan	14
Fees if you pay off your loan early	16
<b>Section 3: Home Loan glossary</b>	<b>17</b>

# Section 1: Understanding fees and charges

## **When we may charge fees**

The Commonwealth Bank charges fees for administering your account and providing banking services.

The fees we charge may vary depending on the product you choose or the type of service you request. Our aim is to meet your needs by providing products and services that are value for money.

Broadly, we may charge fees:

- At the time of settlement
- During the term of the loan
- If you break a fixed or guaranteed rate loan
- When you pay the full amount of the loan for any reason.

## **How to save on fees**

There are ways the Bank can help you to minimise the fees it charges. For example, Packages such as Wealth Package (non-broker customers only) and Mortgage Advantage (broker customers only) have been specially designed to save you money.

To be eligible for a Package you must have an initial 'total home lending balance' of at least \$150,000 and pay \$350 per year, through any Commonwealth Bank transaction account or Credit Card Account.

Through a Package, we waive the upfront Establishment Fee (up to \$600) and the Loan service fees (up to \$8 p/m for home loans and \$12 p/m for Viridian Lines of Credit or Lines of Credit). There are many more benefits. Please ask us for more information by calling us.

## **How we collect fees**

The Bank will collect the relevant fee by making a debit to your Loan Account or nominated account when we process your request or transaction.

## **Government charges**

Government charges such as stamp duty, transfer and mortgage registration fees will apply to all loans. These charges are determined by the relevant State Government, and will vary from State to State.

**Note:** Government fees are not bank fees. The Bank collects these charges on behalf of the Government. Please contact the relevant State Government Department to find out how much you will be charged.

## **Norfolk Island Government charges**

Stamp Duty – Government stamp duty is payable on cheques issued in Norfolk Island.

Goods and Services Tax – The Norfolk Island Government may charge a Goods and Services Tax on certain service fees the Bank provides. The Bank collects the Goods and Services Tax from you and passes this on to the Government.

## **Changes to fees**

The Bank may vary the fee and the amounts shown in this booklet. We will notify you of any changes by advertising in a leading daily newspaper in each State, or in writing to you, no later than the day on which the variation takes effect, or as required under your Loan Contract.

## **What the words mean**

Unless otherwise stated, when we refer to home loan we are also referring to:

- An investment home loan; or
- Low Documentation home loans; or
- Interest in Advance; or
- Off the Plan Purchase home loans.

Unless otherwise stated, when we use the term Viridian Line of Credit we are also referring to:

- Low Documentation Viridian Lines of Credit; or
- Off the Plan Purchase Viridian Lines of Credit; or
- Equity Unlock Loan for Seniors

which are available only if the Loan was not introduced to us through a broker.

Unless otherwise stated, when we use the term Line of Credit we are also referring to:

- Low Documentation Lines of Credit; or
- Off the Plan Purchase Lines of Credit; or
- Equity Unlock Loan for Seniors

which are available only if the Loan was introduced to us through an accredited broker.

# Section 2: Summary of fees

## Fees payable at the time of settlement or funding

There are fees associated with the preparation to settlement of a home loan. These may include instructing bank staff to prepare relevant loan documents and any correspondence that may arise when we talk to your legal representative.

Your Loan Contract Schedule identifies the fees that are payable at settlement.

**Note:** If you take up a Package with your loan then we will waive the upfront Establishment Fee and Loan Service Fee.

Name of fee	When the fee is payable	\$
Additional Security Fee	Payable if we require you to provide more than one security (i.e. the security used to support the repayment of the loan), and one or more of these securities is 'new' i.e. does not already secure another loan.	\$150 per new security
Establishment Fee	Home loans/Viridian Line of Credit/Line of Credit (excluding Off the Plan Purchase).	\$600
	Equity Unlock Loan for Seniors.	\$950
	Off the Plan Purchase for new and existing home loan and Viridian Line of Credit/Line of Credit customers (variable rate loans only).	\$800

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Establishment Fee (cont.)	Split Loans with Variable & Fixed Rate Options.	\$600 for each of the 1st two loans plus \$300 for each additional loan
	Home loans/Viridian Line of Credit/Line of Credit and you already have an existing home loan/Viridian Line of Credit/Line of Credit.	\$300
	If you increase an existing home loan/Viridian Line of Credit/Line of Credit.	\$300
Lenders' Mortgage Insurance Premium	<p>If you have less than the required deposit we may ask you to pay for Lender's Mortgage Insurance (LMI).</p> <p>LMI protects the bank from any loss in cases of default.</p> <p>The LMI premium is not a bank fee.</p>	To be advised when we calculate the premium

Name of fee	When the fee is payable	\$
Low Deposit Premium	<p>If you have less than the required deposit we may ask you to pay a Low Deposit Premium instead of LMI.</p> <p>The Low Deposit Premium (LDP) may be charged by the Bank where the ratio of loan amount to valuation of the Security Property (LVR) exceeds 80%. In other cases where the LVR exceeds 80% Lenders Mortgage Insurance (LMI) may be payable. Both the LDP and LMI allow the customer to borrow with a lower deposit. LDP is a fee that is charged in recognition that a higher LVR (above 80%) poses a higher risk of loss to the Bank. The loan attributes determine whether a loan will incur LDP or LMI.</p> <p>LDP is slightly less than a LMI premium for the same LVR on comparable loan amounts and properties.</p>	To be advised when we calculate the (premium)
Progressive Drawing Fee	Payable when the Bank makes a number of progressive payments to fund your loan amount. Payable at your final drawing.	\$50 per drawing

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Rate Lock Fee	<p>Payable if you elect to lock in your interest rate. This non-refundable fee applies to Guaranteed Rate and 1-5 Year Fixed Rate home loans only.</p> <p>We will lock in the interest rate for 90 days from the date we process your request.</p>	\$750 per rate lock
Security Guarantee Fee	Payable if a guarantor is listed on the loan schedule.	\$200 per borrower
Settlement Fee (Attendance)	Payable regardless of whether we attend settlement or not, when the Bank or our representative, arranges the funding of the loan for a refinance loan with another credit provider or the purchase of a security property.	\$150
Settlement Cheque Fee	<p>Payable if you:</p> <ul style="list-style-type: none"> <li>• require additional cheques (more than two) to fund/settle the loan</li> <li>• cancel a cheque – we will charge this fee regardless of the number of cheques originally issued.</li> </ul>	<p>\$5.40 per cheque</p> <p>\$10.00 per cancelled cheque</p>

## Fees that may apply during the term of your loan

We may also charge fees during the term of your loan depending on what services you ask us to provide. We will debit these fees to your Loan Account or a nominated account when the Bank processes your request.

Name of fee	When the fee is payable	\$
<p>Access Fees (overseas transactions)</p>	<p>Payable if you make withdrawals and account balance enquiries on your Loan Account.</p> <p>Different Access Fees apply depending on the method of access you choose (fees are in Australian currency):</p> <ul style="list-style-type: none"> <li>• Through the Automatic Teller Machines of ASB Bank in New Zealand, Commonwealth Bank in Indonesia and Commonwealth Bank in Vietnam.</li> <li>• Overseas access through the Maestro and Cirrus, MasterCard or Visa Plus networks of electronic terminals.</li> </ul> <p>– Maestro or Debit MasterCard EFTPOS transaction</p>	<p>\$2</p> <p>\$1 plus 2% of transaction value</p>

Name of fee	When the fee is payable	\$
Access Fees (overseas transactions) (cont.)	– Cirrus, MasterCard or Visa Plus ATM balance enquiry.	\$2
	– Cirrus, MasterCard or Visa Plus ATM cash withdrawal.	\$5 plus 2% of transaction value
ATM fees within Australia	Note: The Bank does not charge Access Fees on withdrawals or account balance enquiries on transaction and savings accounts (including MISA), home loans, investment home loans and lines of credit through non-Commonwealth Bank ATMs in Australia. However, ATM owners may charge a fee, which will be disclosed at the time of the transaction. If you proceed with the transaction, the ATM owner's fee will be debited to your account (in addition to the withdrawal amount, if applicable). You should check the ATM owner's fees that apply carefully before completing transactions at non-Commonwealth Bank ATMs in Australia.	
Annual Service Fee	Payable if your home loan is with the former State Bank of Victoria and the terms and conditions state the fee is required.	\$33

Name of fee	When the fee is payable	\$
Drawing Fee	Payable on each redraw of additional repayments you have made on your home loan account from the following account:	
	<ul style="list-style-type: none"> <li>• Base variable rate home loan</li> </ul>	\$50
	<ul style="list-style-type: none"> <li>• Other eligible home loans, if the redraw is made electronically, or</li> <li>• via any Commonwealth Bank branch</li> </ul>	\$0  \$5
Late Payment Fee	<p>Payable on the fifth business day after the repayment due date if at the end of the previous business day your Loan is in arrears by an amount equal to or greater than your monthly loan repayment or monthly payment.</p> <p>We will continue to charge this fee monthly until you repay all the arrears or you enter into and keep an arrangement with us for full repayment of those arrears.</p>	\$25

Name of fee	When the fee is payable	\$
Loan Service Fee	<ul style="list-style-type: none"> <li>• For home loans – charged monthly to each Loan Account on the repayment due date.</li> </ul> <p>For Interest in Advance Investment Home Loans, the fee is charged to the Related Account monthly on the first business day of each month</p>	\$8 per month
	<ul style="list-style-type: none"> <li>• For Viridian Lines of Credit/ Lines of Credit – charged to your nominated account on the first business day of each month for each loan.</li> </ul>	\$12 per month
Other Electronic Banking Fees	<p>Payable if you use any of our electronic banking services to access your account.</p> <p>For details of fees please refer to our <i>Electronic Banking Terms and Conditions</i> brochure which can be obtained by contacting us.</p>	

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Outward Dishonour Fee	Payable if you have: <ul style="list-style-type: none"> <li>• insufficient funds in your nominated account to make your home loan repayment; or</li> <li>• insufficient funds in your Viridian Line of Credit/ Line of Credit account and a cheque is drawn.</li> </ul>	\$5
Overdrawing Approval Fee	Payable if you overdraw or exceed your credit limit on the Related Account or Loan Account.	\$10
Periodical Payments or Transfers	Payable if you arrange a periodical payment or ask us to transfer funds.	\$1.80 plus transfer fee, bank cheque fee and postage as applicable
Recent Transaction List Fee	Payable if you use a Commonwealth Bank Automatic Teller Machine to obtain a recent transaction list.	\$0.50 each
Security Substitution Fee	Payable if you ask us to substitute one of your securities with another.	\$300

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Special Clearance Fees	Payable if you ask us for special clearance on a cheque deposited in the Loan Account.	\$15 per cheque plus any out of pocket cost
Statement Fee	<p>Payable if you ask us to provide a copy of the loan statement which is outside the normal statement period under the Contract</p> <p>Note:</p> <ul style="list-style-type: none"> <li>• Home loan statements are issued 30 June and 31 December.</li> <li>• Viridian Lines of Credit/ Lines of Credit statements are issued quarterly.</li> </ul>	\$7
Stop Payment Notice Fee	Payable if you ask us to stop payment on a cheque you have written.	\$15 per request
Switching Fee	<p>Payable if you:</p> <ul style="list-style-type: none"> <li>• switch between Loan Types; or</li> <li>• switch between Repayment Types; or</li> <li>• change your Loan Term.</li> </ul>	\$300

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Trust Investigation Fee and UTC Clause 2.1	Payable if we incur investigation cost for loans involving a Trust. This fee applies even if we don't give you a loan. (Refer to UTC Clause 2.1)	To be advised when we calculate the fee
Voucher Fee	Payable if you ask us to retrieve a voucher (i.e. deposit, credit or debit slips) that records a transaction on the Loan Account	\$4 per voucher (minimum charge \$12) or \$60 per hour spent to retrieve voucher(s)

### **Fees if you prepay or switch a fixed rate loan or prepay a guaranteed rate loan**

Some borrowers prefer to arrange either a fixed or guaranteed rate loan. Fixed repayment amounts offer certainty for those who want to protect themselves should interest rates rise. Please note that fees apply if you break these types of loan.

When the Bank processes your request we debit the Administrative Fee and Early Repayment Adjustment to your Loan Account.

<b>Name of fee</b>	<b>When the fee is payable</b>	<b>\$</b>
Administrative Fee	<b>Fixed Rate Home Loan</b> Payable if you: <ul style="list-style-type: none"> <li>• repay your home loan in full before the selected interest rate period expires; or</li> <li>• make partial prepayments which exceed \$10,000 in any year.</li> </ul>	\$50

Name of fee	When the fee is payable	\$
Administrative Fee (cont.)	<p><b>Guaranteed Rate Home Loan</b></p> <p>Payable if your home loan starts off at a guaranteed rate and you repay the full amount of the loan during the guaranteed rate period.</p>	
Early Repayment Adjustment	<p>Payable if you:</p> <ul style="list-style-type: none"> <li>• repay more than \$10,000 in any year (including paying the loan off in full) in repayments, or switch your Fixed Rate home loan, before the selected fixed interest rate period expires; or</li> <li>• Make full prepayment during a capped or one-year guaranteed rate period of a home loan.</li> <li>• Top up the amount of credit of a home loan during a fixed or guaranteed rate period.</li> </ul>	To be advised when we calculate the fee

## Fees if you pay off your loan early

A fee will apply if you pay off the full amount of the loan before the term of the loan.

Name of fee	When the fee is payable	\$
Deferred Establishment Fee	<p>Payable if you repay the home loan early, i.e. within 4 years from the Funding Date.</p> <p><b>Note:</b> This fee does not apply to Viridian Lines of Credit/Lines of Credit or One Year Guaranteed Rate loan (during the guaranteed period only).</p>	\$700
<p>Early Repayment Fee payable on Standard Variable Rate and Base Variable Rate <b>approved before 1 November 1996</b></p>	<p>Payable if you:</p> <ul style="list-style-type: none"> <li>• repay the loan early, in full or by lump sum payment; or</li> <li>• refinance your loan internally or externally.</li> </ul> <p>* Fee calculation: This fee is calculated by multiplying the loan balance at the time of repayment by one month's interest. The interest rate charged will be at the rate applicable at that date.</p>	To be advised when we calculate the fee
Settlement Fee (Discharge)	Payable if you discharge the loan, i.e. either sell part or all of the Security Property or refinance your Loan with another credit provider.	\$350

# Section 3: Home Loan glossary

<b>Home loan term</b>	<b>Description</b>
Fixed rate	An interest rate that is set for an agreed term.
Guarantor	A party who has legally agreed to be responsible for the payment of another party's debts.
Government charges	These vary for each state and territory and include stamp duty, transfer of land and mortgage registration fees.
Lenders' Mortgage Insurance (LMI)	Insurance taken out by a lender to protect itself from default by a borrower. Generally required for home loans with a Loan to Value Ratio (LVR) above 80%.
Line of credit	A flexible ongoing loan arrangement with a specified limit.
Low Documentation	A loan generally for self-employed people who may not have the financial documents normally required to obtain a loan.
Off the plan	Buying a property - usually an apartment - from seeing the plans, before it is completed or even built.
Rate lock	Allows you to lock in the fixed interest rate that is quoted at the time of loan approval.
Redraw facility	Allows access to additional repayments made on a loan.

<b>Home loan term</b>	<b>Description</b>
Security	An asset - usually the property purchased with the loan funds - that can be sold by a lender if the debt is not repaid in full.
Settlement	When the sale or purchase of a property is completed and the owner takes possession of the property.
Settlement date	The date when the new owner makes a final payment and takes possession of a property.
Standard variable rate	A home loan, usually with more comprehensive features than a basic variable loan. Fixed rate loans often revert to the standard variable rate at the end of their fixed term.
Total home lending balance	Is the sum of the account balance of home lending accounts and the credit limit of Viridian Line of Credit/ Line of Credit accounts that you have with us. Any extra repayment that you make on your home loan will reduce your total home lending balance.
Variable rate	An interest rate that generally goes up and down.





Our business line

**13 2224** (non broker customers)

8 am–10 pm (Sydney time)

Monday to Sunday

**13 2407** (broker customers)

8 am–8 pm (Sydney time)

Monday to Friday

8 am–5 pm (Sydney time)

Saturday

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

Commonwealth Bank of Australia

ABN 48 123 123 124

