



# Home Loan Packages guide

## Everyday Offset account guide

This guide will help you understand more about Everyday Offset account and how it works.

# Key considerations for an Everyday Offset account

An Everyday Offset account is a transaction account that's linked to your eligible Standard Variable Rate home loan or Investment home loan. Any money you put into your Everyday Offset account (e.g. your salary and savings) – whether its \$2 or \$20,000 – reduces the balance on which we charge interest. This means you'll only be paying interest on the difference.



## Eligibility

- Available to personal customers with a Standard Variable Rate home loan or Investment home loan.
- Everyday Offset account must be in the same name(s) as the borrowers on the linked eligible home loan. You can open or switch an existing eligible transaction CommBank account in your name or jointly with your co-borrower(s).



## Benefits

- An Everyday Offset account can help you pay less interest and reduce the time it takes to pay off your home loan.
- You can link multiple Everyday Offset accounts (these can be individual and/or joint accounts) to your eligible home loan. This gives you the flexibility to manage your money your way. For example, you and your partner can both have separate Everyday Offset account and the balances in each will still contribute to offsetting the balance of your joint home loan.
- You can access your money using your CommBank keycard or Debit Mastercard, in branch or online in NetBank or the CommBank app.



## Timeframes

- You can have more than one Everyday Offset account, however it can only be linked to one home loan at a time. Your Everyday Offset account can take up to 5 business days to be linked.
- You do not earn interest on the balance in your Everyday Offset account, even if it exceeds the balance of the home loan.
- Existing eligible CommBank accounts can be switched to an Everyday Offset account. This means you keep the same account number so there is no need to change any of your existing arrangements. The following accounts can be switched to an Everyday Offset account:

| Complete Access         |                              | Smart Access |  | Streamline Basic     |  |
|-------------------------|------------------------------|--------------|--|----------------------|--|
| Viridian Line of Credit | NetBank Saver                | GoalSaver    |  | AwardSaver           |  |
| Cash Investment Account | Cash Management Call Account |              |  | Private Bank Account |  |



## Financial

- Every cent in an Everyday Offset account will offset the balance of the home loan, saving you interest.
- No set up or monthly account keeping fees. Other considerations.



## How does it work?

Here's an example to help explain the Everyday Offset account.

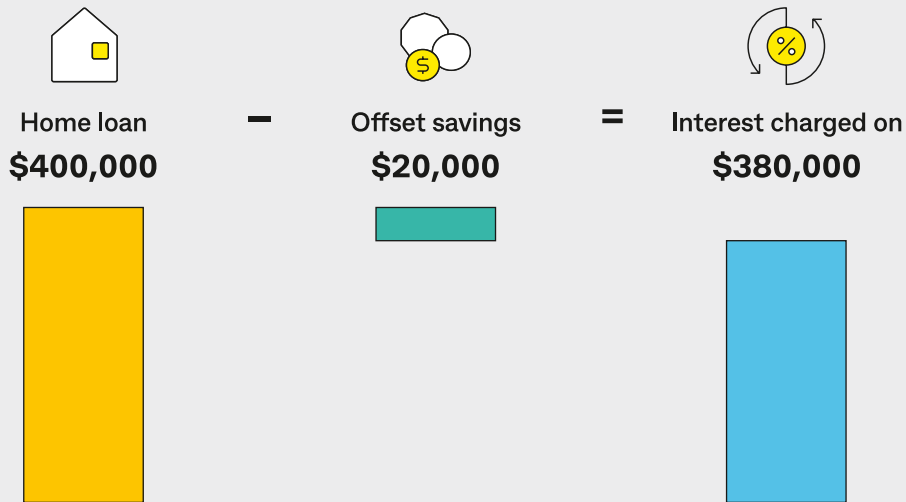
### Meet Adam and Aria

Adam and Aria have a **\$400,000** Standard Variable Rate Home Loan and currently have **\$20,000** in their linked Everyday Offset account. This means that they only pay interest on the difference; **\$380,000** instead of **\$400,000**.



Interest on a home loan is calculated based on its closing balance each day. Every cent of the closing balance in your Everyday Offset account is used to reduce or 'offset' the balance owing on your linked home loan when calculating interest. The more money you have in your offset the less interest you'll pay on your home loan.

Adam and Aria's home loan interest rate is 6.50% p.a. and they maintain a \$20,000 balance in their Everyday Offset account over 30 years. This means they saved \$102,235<sup>1</sup> in interest over the life of their home loan. This also resulted in allowing them to pay off their home loan 4 years early.



**TIP:** Not everyone has large sums of money sitting in their account. By simply depositing your salary into your Everyday Offset account, you could pay less interest and potentially pay off your home loan sooner.

<sup>1</sup> This example is for illustrative purposes only. It assumes Adam and Aria don't have a Wealth Package and make monthly Principal and Interest repayments. It also assumes their interest rate remains unchanged over the life of the loan, and only an initial \$600 loan establishment fee and monthly \$8 fees are charged. No additional repayments or redraws are made.

# Common questions

|   |  |
|---|--|
| <b>How do I set up an Everyday Offset Account?</b>  | <p>If you don't already have an existing eligible transaction account, you'll need to open an Everyday Account Smart Access first:</p> <ol style="list-style-type: none"><li>1. Log on to NetBank</li><li>2. Click on 'Accounts' tab and follow instructions to open an 'Everyday Account Smart Access'</li><li>3. Switch your transaction account to an Everyday Offset using the instructions below</li></ol> <p>How to switch an eligible transaction account to an Everyday Offset account online:</p> <ol style="list-style-type: none"><li>1. Log on to NetBank</li><li>2. Select your eligible Standard Variable Rate home loan account for an Everyday Offset account to be linked to</li><li>3. Under the Manage my Loan section, select the 'Redraw and Offset' tab</li><li>4. Click on 'Switch account to offset'</li></ol>   |
| <b>What's the difference between an Everyday Offset account and a savings account?</b>                                  | <p>While a savings account will earn you interest on the money you have in the account, an Everyday Offset account saves you money on your linked home loan by offsetting its owing balance.</p> <p>You do not earn interest on the balance in your Everyday Offset account even if the balance exceeds the balance of the home loan.</p>  |
| <b>What's the difference between an Everyday Offset account and a redraw facility?</b>                                  | <p>An Everyday Offset account can be linked to your home loan, whereas redraw is a feature of your eligible variable rate home loan. Both can help:</p> <ul style="list-style-type: none"><li>• Reduce the amount of interest you pay on your home loan</li><li>• Pay off your home loan sooner</li></ul> <p>Redraw allows you to withdraw the amount that you're ahead on your loan. For weekly and fortnightly direct debit payers, the available redraw balance will not include repayments made towards your next monthly minimum repayment.</p> <p>You can't set up direct debits or pay bills directly from your redraw. The money must be transferred to an everyday transaction account before you can use it.</p> <p>The money in your redraw account may reduce over the life of your loan so that by the end of your agreed loan term, both your loan balance and the available redraw will be zero. If you're using a redraw facility to deposit money that you plan on using later, an Everyday Offset account may better suit your needs.</p> <p>For more information on Redraw go to <a href="http://commbank.com.au/home-loan-redraw">commbank.com.au/home-loan-redraw</a></p> |
| <b>Will a linked Everyday Offset account affect the minimum required amount I need to repay on my home loan?</b>        | <p>No, the minimum required amount is not affected by a linked Everyday Offset account. However, by calculating interest on a reduced loan balance, a larger portion of your repayments will go towards paying off the principal. This means you save money on interest and repay your home loan faster.</p>   |
| <b>What happens to my Everyday Offset account if I switch my eligible linked home loan to a non-eligible home loan?</b> | <p>Your Everyday Offset account will be unlinked and no longer offset your home loan. The Everyday Offset account will automatically revert to a Smart Access account. Call us on <b>13 2224</b> if you wish to link the Everyday Offset account to another eligible home loan or discuss other account options.</p>   |
| <b>What happens if I have a larger balance in my Everyday Offset account than my current home loan owing balance?</b>   | <p>If the balance of your Everyday Offset account is larger than what you owe on your home loan then we only offset the interest on the amount up to the loan balance. You do not earn any interest on any money held in the Everyday Offset account even if the balance exceeds the outstanding home loan balance.</p>  |

# We're here to help.

If you have any questions or want more information:



Book an appointment with a Home Lending Specialist at [commbank.com.au/appointment](https://commbank.com.au/appointment) or contact your Broker.



Message us in the **CommBank app**



Call us on **13 2224**



Visit [commbank.com.au/homeloans](https://commbank.com.au/homeloans)



**Things you should know:** An Everyday Offset account is linked to an eligible home loan, and accountholder(s) must also be accountholders of the linked home loan. Interest is not charged on the part of the Home Loan balance equal to the Transaction account. Full terms and conditions for transaction and savings accounts mentioned and our Financial Services Guide are available online or from any branch of the Commonwealth Bank. If you have a complaint in respect of this product, the Commonwealth Bank's dispute resolution service can be accessed on 13 2221. This guide doesn't consider your individual objectives, financial situation or needs. Before basing any decisions on this information please:

- Consider its appropriateness to your circumstances.
- Consider obtaining professional advice specific to your needs, including financial, taxation and legal advice.

Loan applications are subject to credit approval and any loan offer includes full terms and conditions. Fees and charges apply – see our fees and charges brochure. All examples and scenarios are illustrative only. This guide is subject to change without notice.

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