

Want to access the equity in your property at any time?

Viridian Line of Credit guide

Our Viridian Line of Credit offers you the flexibility to use the equity in your home for personal or investment purposes, such as investing in shares or going on holiday.

It does this through an approved limit against which you can draw down on to make payments, any time. It's a revolving line of credit which can be a suitable option for people who are comfortable managing their own debt and consolidating their financial affairs.

This guide will help you understand the Viridian Line of Credit and outlines important information to consider before applying.

Key considerations for Viridian Line of Credit

Minimum Loan Amount	Maximum Loan Amount	Loan Term	Accessing your Viridian Line of Credit	Everyday Offset
\$20,000	Based on the value of the security property and your borrowing capacity	No set loan term	Available credit in your Viridian Line of Credit can be accessed whenever you need it	No



Eligibility

- Available to Individuals or Family Trust borrowers only (Company and/or other Trust types are excluded).

What you can use the loan for

- Owner Occupied or Investment property purchase
- Refinancing
- Consolidation of personal debt
- Purchase of land
- Personal needs
- Personal investments

What you can't use the loan for

- Business purposes
- Building and/or construction loans
- Off-the-plan purchases
- Bridging loans



What you'll get

- A revolving line of credit (secured against your property) with an approved limit, giving you the flexibility to use the money when you need it most, without the need to reapply.
- Access to your money using your CommBank keycard or Debit Mastercard, in branch or online in NetBank or the CommBank app.
- You're only charged interest on the outstanding loan balance you've used – not the whole credit limit. You can use the full amount up to your approved limit, pay it back, and use it again.
- You can choose when to make your payments and how much you want to pay, as long as you make the minimum monthly payments to cover any interest, fees and charges and you remain under your approved limit. Keep in mind, if you go over your limit, you'll need to make a payment to bring it back under.
- You have the ability to switch your Viridian Line of Credit to another home loan product type (for example a Standard Variable Rate home loan) at any time during the life of the line of credit.



What you'll get

This loan might not be right for you if:

- You want the certainty of knowing exactly what you'll be paying each month. Our Viridian Line of Credit has a variable interest rate. This means the interest rate can move up or down and your Interest Only payments will vary based on changes to the variable interest rate.
- You want to benefit from interest offset such as the Everyday Offset. An interest offset isn't available on this loan type.
- You want to split your loan balance into multiple loans to take advantage of both fixed and variable rate home loans. Splitting your loan isn't available on this loan type.
- You want to pay off your loan within a set period (e.g. 30 years). As there is no set loan term or minimum required payment, your loan balance will not reduce over time, unless you make additional payments over and above interest, fees and charges each month.

Financial

- Our variable interest rates vary depending on whether:
 - Your loan is an owner occupied (Residential Equity Rate applies) or investment home loan (Investment Residential Equity Rate applies); and if
 - You choose to apply for a Wealth Package (eligibility conditions apply).
 - For current interest rates go to commbank.com.au/compare-home-loans
- You'll incur ongoing interest on any loan balance that has not been repaid. This means that you could end up paying more interest than you otherwise would have on a Principal and Interest loan type. In order to reduce your loan balance you must deposit more than what you use, plus interest, fees and charges each month.
- You can apply to increase your limit by an additional \$10,000 or more on your Viridian Line of Credit – subject to equity in your property and our approval.



TIP: With a Wealth Package you'll get access to interest rate discounts on your eligible home loan(s) and fee waivers on selected credit cards. For more information on Wealth Package go to commbank.com.au/wealthpackage

Other considerations

- You need to manage your own monthly payments as there is no set or scheduled payment dates.
- If interest rates go up, you'll be charged interest on your outstanding loan balance, and will need to make sufficient payments to your Viridian Line of Credit to cover any differences.
- This loan type does not have a minimum or maximum loan term, however the loan is repayable on demand when CommBank gives notice.
- You should ensure you have a clear debt reduction or exit strategy prepared so that your Viridian Line of Credit is paid off in full prior to your retirement or plan how you'll manage its ongoing servicing after retirement.
- When buying a property, you generally require a deposit of at least 20% of the purchase price, plus enough to cover the additional upfront costs such as stamp duty and legal fees. If you don't have the full deposit amount required, you may need to pay Lenders Mortgage Insurance (LMI) or Low Deposit Premium (LDP). These are one off non-refundable, non-transferable costs and added to your home loan. The circumstances of your home loan will determine whether a loan will incur LMI or LDP. For more information go to commbank.com.au/mortgage-insurance





Understanding interest charges and minimum payments on your loan

Interest on your Viridian Line of Credit is calculated daily on your outstanding loan balance and charged monthly. This amount will be debited from your Viridian Line of Credit on the first calendar day of the following month and is capitalised and compounded (added to your loan and becomes part of your outstanding loan balance). It's important to note that unless you make regular payments, you will reach your approved limit sooner and have less money to access.



How to stay on top of your payments

There are no contracted minimum required payments, giving you the flexibility to choose when you want to make your payments and how much you want to pay. However, at a minimum you'll need to ensure you make payments to cover any interest, fees and charges each month. With each of the options below, you can make additional payments - over and above interest, fees and charges each month - to help pay off your outstanding balance (the amount you've used).



Redirect your debit interest

- You can redirect debit interest charges to your eligible CommBank transaction account. This means the monthly interest will not accumulate on top of your debit balance.
- In NetBank go to 'Settings' > Under the heading 'Payment settings' select 'Account to take interest from' > select your Viridian Line of Credit as the 'Account accruing debit interest' and select your nominated CommBank transaction account to 'Deduct debit interest from'.
- Keep in mind that if you wish to remove this arrangement you'll need to contact us.



Get paid directly into your Viridian Line of Credit

- You can set up your salary or other income (such as rental income) to be paid directly into your Viridian Line of Credit. Simply provide your BSB and Account number to the other person.



Set up automatic payments

- In NetBank go to 'Transfers & BPAY' > create a transfer to your Viridian Line of Credit and select 'Set up regular payments'.
- In the CommBank app, tap 'Transfer' > create a transfer to your Viridian Line of Credit and select 'Create a recurring transfer'.



Make additional payments

- You can make additional payments at any time. These payments will reduce your outstanding loan balance and any interest charged. You can do this by transferring money into your loan using NetBank or the CommBank app.



Debt reduction and exit options

It's important to have a clear debt reduction plan or exit strategy prepared so that your Viridian Line of Credit is paid off in full prior to your retirement, or plan how you'll manage its ongoing servicing after retirement. We recommend you seek independent legal and/or financial advice to understand your obligations, risks and impact on your financial situation.

Alternatively, you can also switch your Viridian Line of Credit to a standard home loan product with regular Principal and Interest repayments. For more information go to commbank.com.au/changing-your-home-loan or speak to your Home Lending Specialist or Broker.



Meet Levi

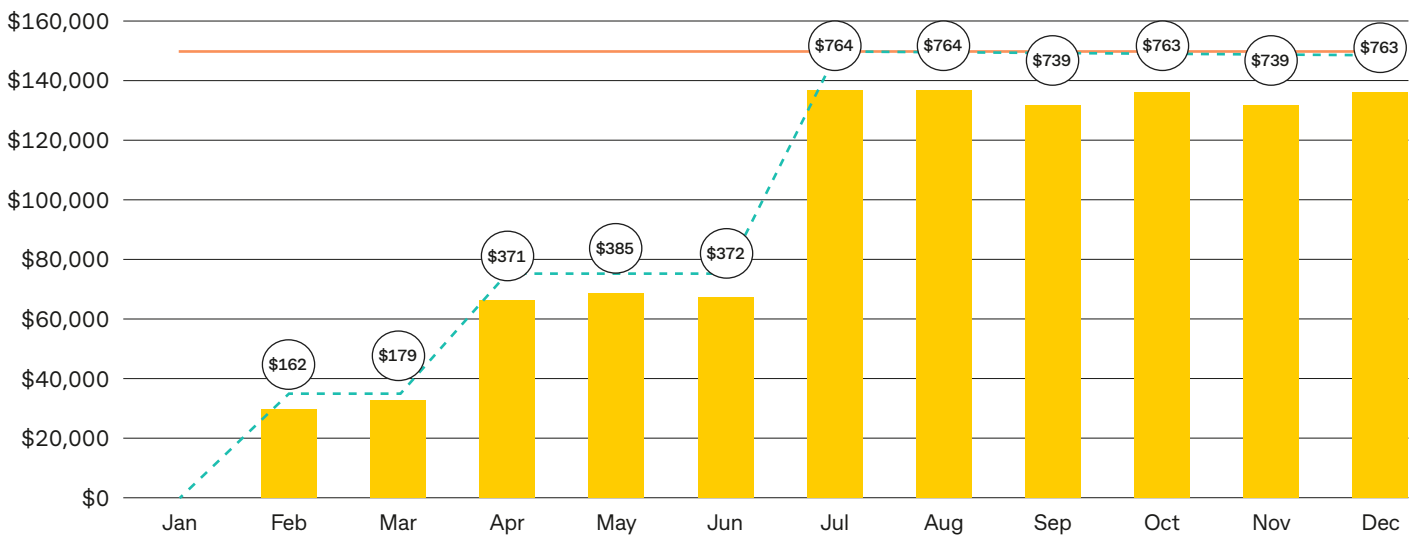
Levi has a Viridian Line of Credit with an approved limit of \$150,000 and is thinking of doing some home improvements such as renovating his kitchen, bathrooms and landscaping in his back yard.

Let's have a look to see how he uses his Viridian Line of Credit to achieve this and how he manages his payments.



How does it work?

- Average loan balance after payment
- Limit
- \$ Monthly payments made
- - - Average owing balance before payment



After some planning, Levi decides to hire a reputable builder and completes his kitchen renovation for \$35,000 in February.

He kicks off his bathroom renovations in April and makes a payment of \$40,000 to his builder.

Now that his kitchen and bathroom renovations are completed, Levi makes a final payment of \$74,000 to his builder for the landscaping of his home. Levi has now used his total approved limit (outstanding balance including interest charged from his previous month).



Levi chooses to have his interest redirected from his existing CommBank transaction account to ensure his minimum required payments are made and he remains under his approved limit. Keep in mind, unless Levi makes additional payments over and above his interest, fees and charges each month – to pay off his principal component, interest charged will continue to be capitalised and compounded (added to his loan and become part of his outstanding loan balance).

Common questions

How do I change the loan purpose for my Viridian Line of Credit?	A Viridian Line of Credit can be used for two purposes: Personal or Investment. If your circumstances have changed and you need to transfer (change) your loan purpose, speak to your Home Lending Specialist or Broker who can discuss your options with you.
Can I switch from a Viridian Line of Credit to a different loan type?	Yes, for more information go to commbank.com.au/home-loans/manage-your-home-loan/changing-your-loan or speak to your Home Lending Specialist or Broker.
Can I switch from a different loan type to a Viridian Line of Credit?	No, switching into a Viridian Line of Credit is not available. A new home loan application is required. Speak to your Home Lending Specialist or Broker to discuss your options.
Can I split my Viridian Line of Credit into multiple Viridian Line(s) of Credit and/or different loan types?	No, splitting a Viridian Line of Credit is not available. A new home loan application is required. Speak to your Home Lending Specialist or Broker to discuss your options.

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 or contact your Broker.



Call us on 13 2224



Visit commbank.com.au/homeloans



Things you should know

Everyday Offset is a feature of our Complete Access Transaction account which 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 transactions 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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