

Home Loan Offset Fact Sheet

BDCU Alliance Bank's home loan offset account is a multi-purpose transaction account that is linked to an eligible home loan to gain a 100% interest offset benefit. Using your savings to offset your home loan means you'll save on interest charged to your loan account. With less interest to pay you'll be able to pay your home loan off sooner, freeing you from your home loan earlier.

Benefits and Interest Rates

ACCOUNT	AMOUNT	INTEREST RATE
Home Loan Offset (S68)	All balances	0.00% p.a.

- No minimum balance
- Funds available at call
- No monthly transaction fee
- Interest is offset at the rate applicable to your linked BDCU Alliance Bank Home or Investment loan
- Interest on the linked home loan is calculated daily and the offset benefit is accrued daily. At the end of each month when interest is charged to the loan account, the offset benefit is deducted.

Fee Table

Monthly Transaction Fee: \$0			
INCLUDED TRANSACTIONS			
Internet banking transactions	✓	Direct credits	✓
Phone banking transactions	✓	Direct debits	✓
Branch cash or cheque deposits	✓	Branch cash withdrawals	✓
Visa Debit	✓	EFTPOS	✓
Member cheque withdrawals	✓	ATM/RediATM ¹	✓
ELIGIBLE HOME LOANS ²			
<ul style="list-style-type: none"> • Standard Variable Rate Home Loans • HomeSMART Package Variable Rate Home Loans 			

¹You may be charged by the ATM owner if you use a non-rediATM.

²Offset is not available on our Quick Start, Easy Access, or Fixed Rate loans.

Fees and Charges

For details on other fees and charges which may apply, refer to the Personal Fees and Charges brochure.

IMPORTANT INFORMATION: Interest rates are effective 01/11/19 and are subject to change. This fact sheet does not take into account your objectives, financial situation or needs. Any advice is general advice only. Before acting on information, you should consider whether it is appropriate in your particular circumstances. Terms and conditions, general fees and charges apply, and are available on request.

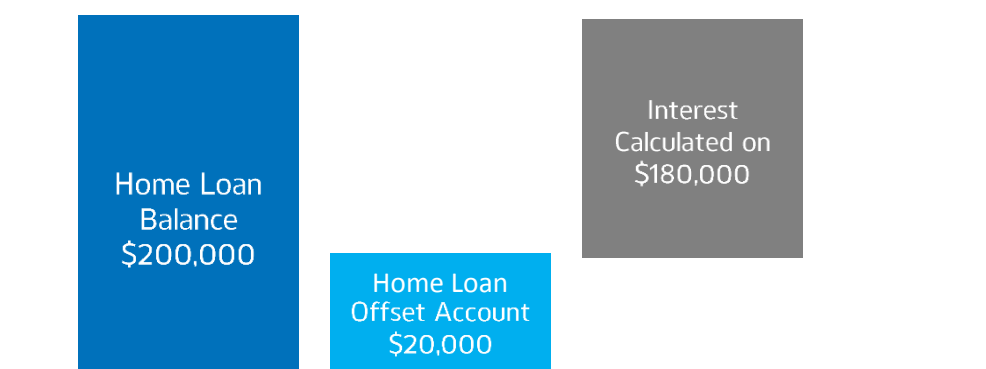
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How does a Home Loan Offset Account work?

A Home Loan offset Account operates very much the same as a normal transactional bank account with one difference, the balance of the account reduces the amount of interest you pay on your linked eligible Home Loan.

Basically, when interest is calculated daily on the home loan, the balance of the offset account is deducted from the balance of the home loan to determine the amount of interest payable.

As an example, a member with a \$200,000 home loan who has \$20,000 in an offset account will have the interest calculated as if they owed \$180,000. The effect is the same as if they had deposited the \$20,000 directly into the loan itself.



Interest on the loan is calculated daily and an offset benefit is accrued daily. At the end of the month, when interest is charged to the loan account, the offset benefit is deducted as shown below.

SUMMARY	\$1010.68	Loan interest calculated without offset
Less	\$101.07	Benefit calculated on Home Loan Offset account S68
	\$909.61	Interest to be charged to the loan account

NOTE: No interest is paid on the S68

This example is based on a 31 day month with a loan interest rate of 5.95% p.a. assuming no change to balances in either the loan or S68 account.

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