

Mortgage Saver Offset Facility

Customer Information Sheet



Bankwest, a division of Commonwealth Bank of Australia
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i Important Information

This Customer Information Sheet is intended to help you understand the Bankwest Mortgage Saver Offset facility. For product specific information relating to Bankwest home loans and transaction accounts visit the Bankwest website at www.bankwest.com.au, any Bankwest store or call **13 17 19**.

What is the Mortgage Saver Offset Facility?

A Mortgage Saver Offset Facility is a feature of an offset transaction account, which allows you to reduce your interest payments on your Bankwest home loan when you have a positive balance in your linked offset transaction account. We use the balance in the offset transaction account to reduce the amount of interest payable on your home loan. The percentage of the balance of the offset transaction account that can be utilised will depend on the type of your home loan. For example, if offsetting against the Complete Variable or Premium Select Home Loan, 100% of the amount in your offset account will reduce the balance that interest is calculated on. If offsetting against the Complete Fixed or Fixed Rate Home Loan, 40% of the amount in your offset account will reduce the balance that interest is calculated on.

How does the Mortgage Saver Offset Facility benefit me?

Your ability to access and make transactions on your offset transaction account does not change. The offset transaction account can simply be 'linked' to your home loan account, with the balance in your offset transaction account 'offset' against the balance in your home loan account. The interest you pay on your home loan is calculated on this reduced amount, reducing the interest you pay on your loan.

How does the Mortgage Saver Offset Facility work?

We offer the Mortgage Saver Offset Facility with two different offset percentages:

- **100% offset:** The balance of your home loan on which we calculate your interest is reduced by the full amount (100%) of the money that you have in your offset transaction account. You can offset up to the full amount of your loan with this facility.
- **40% offset:** The balance of your home loan on which we calculate your interest is reduced by 40% of the money that you have in your offset transaction account. You can offset up to 40% of your home loan amount with this facility.

Example 1*: 100% Mortgage Saver Offset Facility

Home Loan Balance:	\$150,000
Home Loan Interest Rate:	6.00%
Offset Transaction Account Balance:	\$5,000

Calculation of monthly interest payable without Mortgage Saver Offset Facility:

$$\$150,000 \times 6.00\% \times \frac{31 \text{ (days per month)}}{365 \text{ (days of the year)}} = \$764.38$$

Calculation of monthly interest payable with Mortgage Saver Offset Facility:

$$[\$150,000 - (100\% \times \$5,000)] \times 6.00\% \times \frac{31 \text{ (days per month)}}{365 \text{ (days of the year)}} = \$738.90$$

In this example the interest payable is reduced by \$25.48 per month.

Example 2*: 40% Mortgage Saver Offset Facility

Home Loan Balance:	\$150,000
Home Loan Interest Rate:	6.00%
Offset Transaction Account Balance:	\$5,000

Calculation of monthly interest payable without Mortgage Saver Offset Facility:

$$\$150,000 \times 6.00\% \times \frac{31 \text{ (days per month)}}{365 \text{ (days of the year)}} = \$764.38$$

Calculation of monthly interest payable with Mortgage Saver Offset Facility:

$$[\$150,000 - (40\% \times \$5,000)] \times 6.00\% \times \frac{31 \text{ (days per month)}}{365 \text{ (days of the year)}} = \$754.19$$

In this example the interest payable is reduced by \$10.19 per month.

How do I know if my home loan account offers a Mortgage Saver Offset Facility?

For existing Bankwest home loan customers your Bankwest home loan contract will indicate whether your home loan product allows for a Mortgage Saver Offset Facility and its offset percentage.

Is my existing transaction account eligible to be linked to my home loan as a Mortgage Saver Offset Facility?

The only transaction account that is eligible to be linked is the Bankwest Offset Transaction Account.

If you have an existing Bankwest transaction account that you'd like to use for the offset, you must convert this account first to the Bankwest Offset Transaction Account (in most cases we can do this without having to change your account number).

Please note: A monthly offset fee is payable on the Bankwest Offset Transaction Account.

*The calculations assume that the offset transaction account balance, home loan account balance and home loan interest rate do not change during the month and the month comprises of 31 days in a 365 day year.

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