

Want to pay less interest on your home loan?

Everyday Offset Account guide

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

005-309 011026

Key considerations for an Everyday Offset Account

An Everyday Offset Account is a transaction account that's linked to your eligible variable rate Home Loan or Investment Home Loan. Money you put into your Everyday Offset Account (e.g. your salary and savings) reduces the balance on which we charge interest. This means you'll only be paying interest on the difference.



Eligibility

- Available to personal borrowers with an eligible variable rate Home Loan or Investment Home Loan.
- An 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 account in your name or jointly with your co-borrower(s).
- For Standard Variable Rate home loans, multiple Everyday Offset Accounts can be linked to an eligible loan.
- For Simple Home Loans, up to two Everyday Offset Accounts can be linked to an eligible loan.
- For Digi Home Loans, one Everyday Offset Account can be linked to an eligible loan.



Benefits

- An Everyday Offset Account can help you pay less interest and reduce the time it takes to pay off your home loan.
- For Standard Variable Rate home loans, you can link multiple Everyday Offset Accounts (these can be individual and/or joint names) to your eligible home loan. For example, you and your partner can each have your own account, and the balances in both will work together to help reduce the interest on your joint home loan. It's a flexible way to manage your money while helping you save on interest.
- For Digi Home Loans, you can link one (but no more than one) Everyday Offset Account to an eligible loan.
- For Simple Home Loans, you can link up to two Everyday Offset Accounts to an eligible loan.
- You can access your money using your Debit Mastercard – in branch, online with NetBank, or on the go with the CommBank app.
- No minimum balance is needed in your Everyday Offset Account for it to help reduce the interest charged on your eligible home loan.



Product Features

- Your Everyday Offset Account may take up to 5 business days to be linked to your eligible home loan.
- An Everyday Offset Account can only be linked to one eligible home loan at a time.
- No interest is earned on the balance of your Everyday Offset Account, even if it exceeds the balance of the home loan.
- Interest isn't charged on the part of the home loan balance equal to the balance of the linked Everyday Offset Accounts.
- The below transaction accounts can be switched to an Everyday Offset Account. By doing so, means you are able keep your existing account number without changing anything.

Complete Access	Cash Investment Account	Smart Access	Cash Management Call Account	Streamline Basic	Private Bank Account	Viridian Line of Credit



Financial

- Funds in an Everyday Offset Account (up to the balance of the eligible home loan) will offset the balance of the home loan, helping you save on interest.

How does it work?

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

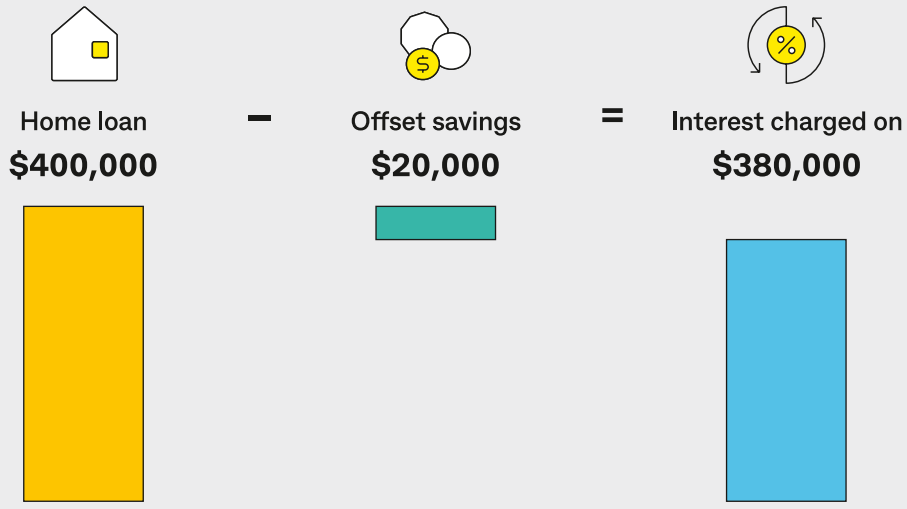
Meet Adam and Aria

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 they only pay interest on **$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 (up to the balance of the linked home loan) 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 Everyday Offset Account, 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[1] 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.

[1] This example is for illustrative purposes only. It assumes interest rates don't change over the life of the loan and are calculated on the rate that applies for the life of the loan. The calculations do not take into account fees, charges or other amounts that may be charged to your loan (such as annual Package fee or stamp duty). No additional repayments and redraws are made. Standard fees and charges are payable.

Common questions

How do I set up an Everyday Offset Account?	If you don't already have an existing eligible transaction account, you'll need to open an Everyday Account Smart Access first: 1. Log on to NetBank 2. Search 'Offset' in the search bar and select 'Manage my offset' from the dropdown menu 3. Click on the 'Open Smart Access account' button and follow the instructions to open a Smart Access transaction account 4. Switch your transaction account to an Everyday Offset Account using the instructions below Switch your Smart Access account to an Everyday Offset Account: 5. Search 'Offset' in the search bar and select 'Manage my offset' from the dropdown menu 6. Click on the 'Link an offset' button 7. Confirm your home loan and select the eligible transaction account to switch 8. Click 'Link' to complete the process
What's the difference between an Everyday Offset Account and a savings account?	Whilst an eligible savings account will earn you interest on any money you have in your account, an Everyday Offset Account allows you to save interest on your linked home loan by offsetting the home loan balance. Interest is not earned on the balance of the Everyday Offset Account, even if the balance exceeds the balance of the home loan.
What's the difference between an Everyday Offset Account and a redraw facility?	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: • Reduce the amount of interest you pay on your home loan • Pay off your home loan sooner 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. 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. 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. For more information on Redraw go to **commbank.com.au/home-loan-redraw**
Will I be charged for linking an Everyday Offset Account to my Standard Variable Rate, Digi or Simple Home Loan?	There is no fee to link an Everyday Offset Account to a Standard Variable Rate, Digi Home Loan or a Simple Home Loan.
Will a linked Everyday Offset Account affect the minimum required amount I need to repay on my home loan?	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.
What happens to my Everyday Offset Account if I switch to a non-eligible home loan?	Your Everyday Offset Account will unlink and no longer offset your home loan. The Everyday Offset Account will revert to a Smart Access account within 45 calendar days. You can link the Everyday Offset Account to another eligible home loan via NetBank.

What happens to my Everyday Offset Account if I switch between eligible variable rate home loans?	If you switch between eligible variable rate home loans (with the exception of switching into a Simple Home Loan), your Everyday Offset Account(s) will remain linked. For Simple Home Loans, if there are more than two Everyday Offset Accounts linked to the loan after it is switched to a Simple Home Loan, we will delink the excess number. Please refer to the '**Switching Terms and Conditions**' for details on how we determine which Everyday Offset Accounts will be delinked. Log on to NetBank if you wish to link your Everyday Offset Account to another eligible home loan
What happens if my Everyday Offset Account balance is greater then my current linked home loan owing balance?	If the balance of your Everyday Offset Account is more than what you owe on your home loan, then only the interest on the amount up to the loan balance will be offset. No interest is earned on any money held in an Everyday Offset Account even if the balance exceeds the outstanding home loan balance.

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.



Message us in the **CommBank app**



Call us on **13 2224**



Visit commbank.com.au/homeloans



Things you should know: An Everyday Offset Account is linked to an eligible home loan, and account holder(s) must also be account holders 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.
The target market for this product will be found within the product's Target Market Determination, available at commbank.com.au/tmd
Commonwealth Bank of Australia ABN 48 123 123 124, AFSL and Australian credit licence 234945.