

100% OFFSET ACCOUNT

BETTER CHOICE ASSIST PRODUCT RANGE

PRODUCT CODE: AVAILABLE ON ALL BETTER CHOICE ASSIST PRODUCTS

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Our Better Choice Assist 100% offset account is an easy way for borrowers to reduce the interest payable on their home loan. Offset is a feature that borrowers can add to their variable rate home loan. It enables borrowers to use the balance in their offset account to offset their home loan balance and therefore reduce the interest charged.

What Products offer the account feature?

Our full range of Assist variable rate home loan products for new applications on and from 22 September 2015.

Is there a fee charged for the offset account?

No fees or charges apply for access to the offset account feature.

When are statements issued?

Statements for the offset account split are sent monthly on the second business day of each month. Statements for all other splits including the account linked to the offset account will continue to be issued half yearly.

How many offset accounts can be set-up?

Limit of one offset account per loan facility. The offset account cannot operate independently so therefore must be linked to a loan account. Note - an offset account is considered one loan split and there is a maximum of four account splits per loan. There is no monthly fee applied to the offset account split.

Can a loan with multiple splits have a single direct debit linked to the offset account?

Yes, it is not compulsory for each split to have a separate direct debit or a direct debit linked to an external bank account. A single direct debit linked to the offset account can be used to channel loan repayments for each loan split.

Will the minimum monthly instalment (MMI) be adjusted as a result of the offset account balance?

The minimum monthly installment stays the same regardless of the offset account balance (including Interest Only loans). However, any funds kept in the offset account will reduce the overall interest charged on the loan. Any excess installment amount paid will be available for redraw on the linked account.

What happens if a loan account goes into arrears and there are available funds in the offset account?

If any loan account goes into arrears and the offset account has available funds there will be an automatic transfer of funds from the offset account to the appropriate loan account(s) to clear any arrears. This can happen any time after a payment becomes overdue but will generally be processed 14 days after a payment was due.

Can the offset account go into debit?

If the offset account has a debit balance the funds will be automatically cleared by a transfer from any existing loan account(s) with available funds, or otherwise the linked account, on the same day as the offset account incurs a debit balance. The linked account will go into arrears if the account goes into debit and there are insufficient funds in an existing loan account(s) to clear the debit balance.

What happens if there is a net credit balance at the loan facility level?

The offset account credit balance may not exceed the amount it offsets in the linked account. If the offset account exceeds this amount, a our customer service officer will contact the customer and inform them the additional funds will be returned to them. As we are not an ADI (Authorised Deposit taking Institution) loans cannot have a net positive balance. For the avoidance of doubt, interest will not accrue on the excess balance.

Will the offset account ever be suspended?

The offset account, along with other active loan accounts, will be suspended when a discharge request is raised, and may also be suspended in other circumstances. These circumstances are detailed in the terms and conditions of the customers' loan agreement. Customers are advised to read the terms of their loan agreement and ask if they have any questions.

When is the offset account setup?

The offset account is setup within 2 business days after settlement. Offset account details will be issued to the customer after the account has been created.