

# Interest Offset – Establishment/Cancellation/ Change of Transaction Accounts

## Important

- St. George offers two types of Interest Offset facilities – Mortgage Equaliser Offset and Repayment Offset. Details of these Interest Offset facilities and when they are available for new Interest Offset facilities are set out later in this form. **Drop into a St. George branch or telephone us on 13 33 30 if you want to confirm which type of Interest Offset facility is available to you or you already have in place.**
- An Interest Offset facility for an eligible loan account allows you to have more than one linked transaction account, but each linked transaction account must be in the name(s) of one or more of the borrowers on the loan account. If any named holder of a transaction account is not a borrower on the loan account, the loan account cannot be linked to that transaction account through an Interest Offset facility.
- Each linked transaction account must be a St. George Complete Freedom account. Business Freedom accounts cannot be linked to an Interest Offset facility.

Loan Account Number

Name(s) of Borrower(s)

## Establishment/addition of accounts

- I request that the following transaction accounts be linked to a new Interest Offset facility or added to the existing Interest Offset facility for the above loan account.

1. Transaction Account Number

Name(s) of Account Holder(s)

2. Transaction Account Number

Name(s) of Account Holder(s)

3. Transaction Account Number

Name(s) of Account Holder(s)

4. Transaction Account Number

Name(s) of Account Holder(s)

## Cancellation

- I request that the Interest Offset facility for the above loan account is cancelled completely.

## Removal of accounts

- I request that the following transaction accounts be removed as accounts linked to the Interest Offset facility for the above loan account.

1. Transaction Account Number

Name(s) of Account Holder(s)

2. Transaction Account Number

Name(s) of Account Holder(s)

3. Transaction Account Number

Name(s) of Account Holder(s)

4. Transaction Account Number

Name(s) of Account Holder(s)

## Change of interest offset facility type

- I request the Interest Offset facility applying to the above loan account is changed to a Mortgage Equaliser Offset facility or a Repayment Offset facility, as appropriate. (Details of when these Interest Offset facilities are available are set out later in this form.)

## Acknowledgement

- I acknowledge I have read and understood the Interest Offset Facility Terms and Conditions set out later in this form and I agree to be bound by them.

All account holders of the relevant transaction accounts need to sign

1. Name of Account Holder

Signature of Account Holder

Date

2. Name of Account Holder

Signature of Account Holder

Date

3. Name of Account Holder

Signature of Account Holder

Date

4. Name of Account Holder

Signature of Account Holder

Date

## Customer instructions

To expedite processing please:

- Complete / sign and hand form to nearest branch who will process your request immediately

or

- If unable to deliver to branch - fax form to (02) 9055 1963 (keep original)

or

- If unable to fax, please keep a copy and post original to:

Loans Administration  
Locked Bag 1  
Kogarah NSW 1485

## Branch use only

- Complete the form and have customers sign. Branch MUST Process Request
- DO NOT** SEND ORIGINAL or COPY TO LOANS ADMINISTRATION - Keep at Branch for Imaging

## Interest offset facility terms and conditions

### Eligibility and general provisions

1. Unless a different definition is given in these terms and conditions, terms defined in your loan agreement have the same meaning when used in these terms and conditions.
2. An Interest Offset facility allows eligible transaction accounts nominated by you ("**linked accounts**") to be linked to your loan account, but Interest Offset facilities are not available for all loan types. On your request, we will tell you whether an Interest Offset facility is available with your loan and the type of Interest Offset facility which would be applicable.
3. The two types of Interest Offset facilities we offer and (assuming Interest Offset facilities are available for your loan type) the particular Interest Offset facility you can establish is as follows:
  - a Mortgage Equaliser Offset facility is available if you have a variable rate loan with principal and interest repayments or a Seniors Access home loan; and
  - a Repayment Offset facility is available if you have a variable rate loan with interest only repayments.

(These are the rules for the establishment of new Interest Offset facilities. Different rules previously applied and so some existing Interest Offset facilities do not follow the above rules.)

4. Each Interest Offset facility allows you to have more than one linked account for each loan account.  
  
However, each eligible account may only be linked under an Interest Offset facility to one loan account.
5. If you have an Interest Offset facility, you do not earn interest on any credit balance in the linked account (even if the credit balance is more than the *balance owing on your loan account*).
6. You may cancel an Interest Offset facility you have at any time by contacting us. If, at any time, you cease to be eligible for an Interest Offset facility you have, we will switch you to another Interest Offset facility for which you are eligible or cancel your Interest Offset facility if you are no longer eligible. We will advise you of this accordingly.

### Mortgage Equaliser Offset

7. If a Mortgage Equaliser Offset facility applies to your loan, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* into the following 2 parts:
  - (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
  - (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate. (The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.)

### Repayment Offset

8. If a Repayment Offset facility applies to your loan, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* at the end of each day into the following 2 parts:
  - (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
  - (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate. (The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.)
9. For the period where Repayment Offset facility applies to your loan, your monthly repayments will be the *interest only repayment* for that month less the *interest offset benefit* for that month (see clause 12 below).
10. A Repayment Offset facility will only be available if the repayments are made by an automatic transfer from your nominated St. George transaction account or by a direct debit from a nominated account. We may cancel the Repayment Offset facility if this requirement is not met.

### Interest offset benefit

11. The *interest offset benefit* accumulates daily and is available for each day on which you have a credit balance in any linked account.
12. We calculate the amount of *interest offset benefit* for a Mortgage Equaliser Offset or a Repayment Offset facility - by applying the daily percentage rate to the sum of the credit balances in each linked account at the end of each day.
13. The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.
14. If the sum of the credit balances in each linked account is greater than the *balance owing on the loan account* on any day, no *interest offset benefit* will be obtained for that day for the excess. Further, for any period that the balance of the loan account is reduced to nil, there is no *interest offset benefit*.