

Offset Portion Factsheet

ORANGE Prime & Specialist



The Offset feature is a separate portion / split within a Loan Account which can be used to reduce the amount of interest payable in the linked variable rate portion of that account.

Example: If a customer has an outstanding loan balance of \$350,000 on variable Portion A of their loan, and \$10,000 in their Offset portion, then the customer will effectively be paying interest calculated on \$340,000.

The Offset portion does not have an interest rate, with funds credit to this portion being 100% offset against the balance of the linked loan portion.

Important facts about the offset portion

- Available now on most new home loan applications. This will be introduced for existing accounts in the new future.
- An Offset portion on a loan will be labeled Portion "O". An example of a loan with multiple portions including offset is shown below:

PORTION A	PORTION B	PORTION C	PORTION O
♦ Variable P&I	♦ Variable IO for 5 years reverting to P&I	♦ Fixed P&I	♦ Offset Portion (linked to Portion A)

- The balance of the Offset portion is offset against the balance on a selected variable rate option, and not the entire loan.
- The Offset portion can never be greater than the balance of the linked loan Portion.
- Interest will only be offset by the lesser of the Offset portion balance or the selected variable rate portion balance (e.g. if variable portion A had a balance of \$30,000 and Offset portion "O" has a balance of \$35,000, only the interest chargeable on \$30,000 can be offset).
- Borrowers are advised of the interest saved in their loan statements.

FAQs

Will a new account be created for the Offset feature?

The offset will form part of the borrowers existing loan account, set up as an additional portion/split.

Can the Offset portion be linked to more than one loan portion?

The Offset portion can only be linked to any one single variable rate portion.

How is Offset selected?

Offset is selected at the time of application, and where applicable, will appear in any approval letter issued by RESIMAC.

What products can be linked to an Offset feature?

Most new variable interest rate Prime and Specialist Lending products, with principal and interest or interest only repayments, can be linked to an Offset portion.

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How does a Borrower transact using an Offset portion?

Borrowers may use BPAY® to move funds in and out, plus use our range of existing functions including salary crediting, portion-to-portion transfers via Loan Enquiry, redraw and debit card access. All the required details needed to transact are provided to the Borrowers in their original welcome letter.

How are Borrowers kept informed of the balance of the Offset portion?

The Offset portion is visible via our online Loan Enquiry tool (www.loanenquiry.com.au), where borrowers can view the portion balance as they would any other loan portion. Furthermore, monthly loan statements will also note the balance of all loan portions including the Offset portion.

How can we nominate electronic statements?

To receive your statements electronically, log in to Loan Enquiry (www.loanenquiry.com.au) and under the 'View Statements' tab set your delivery method as 'Online Only'.

Are there any minimum/maximum balance restraints for an Offset portion?

No, provided the Offset balance does not exceed the outstanding loan balance.

Are there any fees to establish an Offset portion?

No, an Offset portion can be requested at loan origination as with any other loan split with no additional charge.

Can an Offset portion be closed?

Yes, an Offset feature can be closed at any time.

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