

Refinancing made easy.

Your step by step guide to refinancing
your home loan.



What does it mean
to refinance?

Why Choose
CommBank?

Deciding if refinancing
may be right for you

Proceeding with
your refinances

How does refinancing work?

Refinancing made easy.

Whether you already have a home loan with us or want to switch from another financial institution, we can help you refinance. This guide will outline the process for you.

What does it mean to refinance?

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What does it mean to refinance?

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Deciding if refinancing may be right for you

Proceeding with your refinances

How does refinancing work?

What does it mean to refinance?

When you refinance, you replace your existing home loan with a new one. This can be a home loan you have with another lender or with CommBank.

Common reasons why people consider refinancing:

Refinance to get better value



Get a better rate

If you refinance for a better interest rate, you could save money and pay off your home loan sooner. With the money you save, you could choose to make additional repayments to save you interest over the life of the loan.



Get better access to your equity

If you've had your home loan for a number of years, you may have equity available to use to renovate your existing property, or even invest in new property.



TIP: If you have an existing CommBank home loan, you may be able to apply to top up your home loan to access your equity.

Refinance to get flexible banking features



Get better features

If it's been some time since you've reviewed your home loan, there may be new features available to you. We offer a number of flexible home loan features, such as Everyday Offset, redraw facilities as well as splitting your loan between variable and fixed rates. We'll help you choose one that has the right flexible features for your needs.



Get better services

You can enjoy the ease of having all your banking in one place. We offer a range of services including NetBank, the CommBank app, Telephone Banking and our Branch Network – which means you can have the flexibility manage your home loan and other CommBank services from anywhere, at any time.

Refinance to consolidate debts



If you're paying off a number of debts such as a car loan, personal loans or credit cards, you may be looking to simplify your finances and repayments. It may be possible to refinance these debts into your existing home loan.

Everyone's personal circumstances are different and you need to consider all options carefully. Your Home Lending Specialist or Broker will provide you with personalised support and guidance through your refinance journey.

Why choose CommBank?

Value



Tailored rates and special discounts

Tailored interest rates, as well as special discounts on your home loan and Credit Card with a Wealth Package.¹



Flexible loan features²

Tailor your loan to suit your needs and be ready for whatever life brings, with product features like multiple free offsets, redraw and flexible repayments.



Complimentary protection

Home Loan Compassionate Care is complimentary protection for your eligible Owner Occupied home loan that helps support you by paying your home loan repayments for around 12 months, if you, your spouse or dependant passes away or is medically certified with a terminal illness.³

Guidance



Dedicated Home Lending Specialists

Make confident decisions with specialists who partner with you at every step of your home buying journey and for the life of your loan.



Smart tools

Explore the market with the CommBank Property app, educate yourself with useful guidance articles, or use our range of handy calculators online at **commbank.com.au/home-loan-calculators-and-tools**



Property news and insights

Free and individually customised reports for your target property or suburb.

Convenience



Anywhere, anytime convenience

Manage your home loan and banking 24/7 with the CommBank app, NetBank or over the phone.



Meet with us when it suits you

Book a time online instantly with our Home Lending Specialists whenever and wherever you like, either in our branches, on the phone or any place that suits you.



All your banking in one place

Simplify your finances by bringing your loan, insurances and other banking together in our award winning CommBank app and NetBank.

1. For wealth packages applied for on or after 3 April 2017, you must have (or being applying for) an eligible home loan or Viridian line of Credit with a package lending balance of at least \$150,000 when you apply. Annual package fee (currently \$395) applies. Contact us for information about packages that were applied for or requested before Monday 3 April 2017.

2. Features available on eligible loan and borrower types.

3. Please refer to the full disclaimer at the end of this brochure



Our Home Lending Specialists – with you every step of the way

Our Home Lending Specialists will provide you with personalised support and guidance by:

- Discussing your individual financial goals.
- Helping you with budgeting and planning so you have a clear idea about your current living expenses and potential upfront costs.
- Estimating how much you'll be able to borrow, using information unique to your situation.
- Helping make sure you're clear on the application process and your loan options, and answering any questions you have.
- Connecting you with a financial planner to provide support to set goals and develop a practical financial plan to help you achieve them. As your circumstances and needs change, a financial planner can review and tailor your plan, to ensure it's still right for you.
- Making the process as simple and fast as possible – including an option to use *FASTRefi*® if your loan is eligible. See the 'Settlement' section on page 14 for more information on *FASTRefi*®.
- Being there for you beyond settlement, helping you manage your loan and ensuring your loan is working for you.



Instantly make an appointment to meet with a Home Lending Specialist, at **commbank.com.au/appointment**



Visit any of our branches or locate a mobile lender who can visit you or set up a virtual meeting via video conferencing. Visit **commbank.com.au/mobile-lender**



Call us on **13 2224**, 8am to 8pm, 7 days.



For more information visit **commbank.com.au/home-buying**

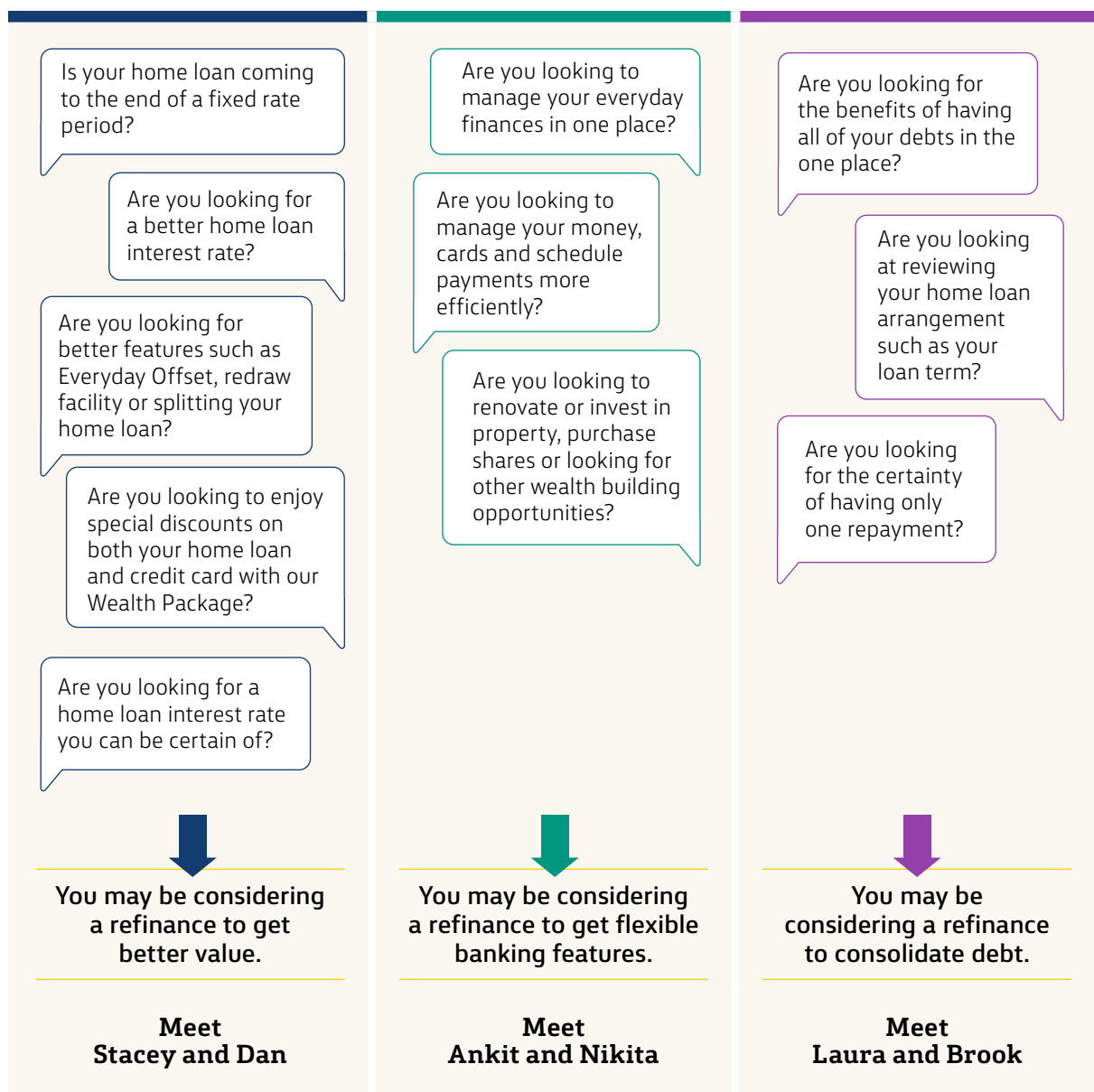
Deciding if refinancing is right for you

Step 1: Assess your current situation

Be clear on why you're refinancing – what is it about your current home loan that isn't working for you? Perhaps you're after a lower interest rate or more flexibility.

There may be costs associated with leaving your current home loan, so being clear on the benefits your new home loan will bring makes it easier to decide whether the refinance is worth it.

If you've had your current home loan for a number of years, it's possible your financial needs and goals have changed. Ask yourself the following:



Step 2: Choose your new home loan

Once you're clear on why you're refinancing, it's time to choose a home loan that suits your needs.

We offer a number of home loan types and your CommBank Home Lending Specialist or Broker will help you choose one that has the right flexible features for your needs.



Standard Variable Rate

Get the flexibility you want with a wide range of features and benefits.



Fixed Rate

Always know what your repayments will be, with a rate you can be certain of for 1-5 years.



Extra Home Loan

Life of loan: A basic home loan with a low variable rate for the life of your loan.







Viridian Line of Credit

A flexible line of credit to access the equity in your home.



Compare our home loan features

We've included a summary of each loan type and the features they have. To compare our loans online visit commbank.com.au/home-loans. Your Home Lending Specialist will be able to advise you of the fees and charges applicable to the loan you choose but you can also visit commbank.com.au/homeloanfees

Loan type	 Standard Variable Rate	 Fixed Rate	 Extra Home Loan	 Viridian Line of Credit
	Life of loan			
Savings				
No establishment fee	✓ ⁴	✓ ⁴	✓	✓ ⁴
No loan service fee	✓ ⁴	✓ ⁴	✓	✓ ⁴
Discounted interest rate	✓ ⁴	✓ ⁴	✓ ⁵	✓ ⁴
Save interest with Everyday Offset	✓ ⁶			
Credit card annual fee waiver	✓ ⁴	✓ ⁴		✓ ⁴
Eligible for Wealth Package	✓	✓		✓
To pay my loan faster				
Make additional repayments	Unlimited	Up to \$10,000 per fixed term year ⁷	Unlimited	Unlimited
Flexibility				
Redraw additional payments or take a repayment holiday	✓		✓	✓
Split your loan (part fixed, part variable)	✓	✓ ⁸	✓	

4. With a Wealth Package you'll get access to fee waivers and interest rate discounts on top of standard package benefits.

5. Extra Home Loan provides a discounted interest rate for the life of the loan.

6. Only available for Personal borrowers, not Companies or Trusts.

7. An Early Repayment Adjustment and an Administrative fee may apply if you pay more than the maximum.

8. An Early Repayment Adjustment and an Administrative fee may apply if you split your loan during a fixed term period.

Step 3:

Work out the costs of a new home loan and if it will benefit you

When working out if refinancing may be right for you, consider the costs of a refinance with the benefits you could receive from your new home loan.

We've put together a checklist that guides you through the possible fees and charges that may be involved. They are split into three main categories:

1. Exit fees

associated with leaving your current lender

2. Upfront fees

when you establish your new home loan

3. Ongoing fees

during the life of your new home loan



TIP: Use the tables on the following pages to write down what you will be charged by your current and new lender. This will help you work out the possible fees and charges to exit your current home loan and the benefits of your new home loan.

1. Exit fees

Speak to your current home loan provider to determine what these costs will be. Generally, these may include:



Discharge fees

These are fees charged to release a security you've provided for a home loan.

For example, the mortgage over the title will be in your current home loan provider's name, and the fee is charged to remove this from your property title.



Administrative fees

These fees are usually associated with paying out your old loan.

For example, a Settlement fee for attending settlement and closing of your old loan.



Break costs

If you're currently on a fixed rate home loan, you may incur a charge to break that term early. The cost usually depends on the length of time remaining on your fixed term and what your fixed interest rate is. This may be known as an Early Repayment Adjustment.



TIP: This information might be on their website or in home loan documents they've given to you, for example, your credit contract.

To find out more details of a fee or charge, ask your current home loan provider.

My current home loan provider will charge me:

\$ _____

\$ _____

\$ _____




Total exit fees:

\$ _____



2. Upfront fees

These are costs associated with setting up your new home loan:

 <p>Establishment fees</p> <p>Payable to cover the costs we incur in establishing your loan and is payable at the date of settlement or funding.</p> <p>Current establishment fee – \$600.</p> <p>This fee is not charged if you choose an Extra Home Loan or if you take up a Wealth Package with your eligible home loan.</p>	 <p>Government charges</p> <p>These are determined by the relevant State and Territory, for example State Governments charge a mortgage registration fee when you refinance, charged by the Land Titles Office (or equivalent) for registering your mortgage onto the title record for your property.</p>	 <p>If you do not have a full deposit, these fees may apply:</p> <p>Lenders Mortgage Insurance (LMI) or Low Deposit Premium (LDP)</p> <p>LMI and LDP are products which protect us (not you) in the event that you are unable to repay your home loan. LMI and LDP are one off, non-refundable, non-transferable costs that are capitalised (added) to the total home loan amount. This means you'll pay more interest over the life of the loan.</p>
<p>Additional information: Visit our website for more information on our Standard Fees and Charges.</p>	<p>Additional information: To understand how much this charge may be, use our Upfront Calculator commbank.com.au/upfrontcosts</p>	<p>Additional information: Your Home Lending Specialist will be able to give you more information about whether this applies to you. Visit our website for more information on LMI and LDP.</p>

My new home loan provider will charge me:

\$ _____	\$ _____	\$ _____
----------	----------	----------

Total upfront costs:

\$ _____

3. Ongoing fees

There may also be ongoing fees such as loan service fees and annual package fees, over the life of your new loan. Your Home Lending Specialist will discuss these with you, depending on the loan type that you choose. You also may be eligible for fee exemptions.



Loan Service Fee (per month)

Charged to each loan account.

Waived for eligible customers – ask your Home Lending Specialist how this fee can be waived.

For Home Loans

\$8 monthly on the repayment due date.

For Viridian Line of Credit

\$12 monthly charged to your nominated account on the first calendar day of each month for each loan.



Wealth Package (Optional) Annual Fee – \$395

With a Wealth Package you'll get access to interest rate discounts and fee waivers on your eligible home loan(s) and fee waivers on selected credit cards.

For more information speak to your Home Lending Specialist or go to commbank.com.au/wealthpackage

My new home loan provider will charge me:

\$ _____

\$ _____

Total ongoing fees:

\$ _____

TOTAL: (Exit, upfront and ongoing fees)

\$ _____

Once you've worked out what your fees and charges are, compare these against the savings and benefits your new home loan could bring you.



TIP: Don't forget to calculate the fee as an annual amount.



How does it work?

An example of how refinancing could benefit you.



Meet Jess New Rate, New Loan




Jess has a standard variable home loan with another lender, with an outstanding balance of \$350,000. Her interest rate is 5.10% p.a. and realises that she hasn't reviewed her interest rate since she took out her home loan 5 years ago. Jess already has her everyday banking with CommBank, and has seen a CommBank Extra Home Loan (Life of Loan) featured rate of 2.79% p.a. (Comparison Rate⁹ 2.80% p.a.). She met with a Home Lending Specialist to see if a refinance would benefit her, and decided that the CommBank Extra Home Loan was the right loan for her⁹, with a 25 year home loan term.

Note: The above rate is an example only and is subject to change at any time. Your Home Lending Specialist will work out the applicable interest rate for your individual circumstances.

First, let's look at what fees Jess was charged to refinance:

Exit Fees		Upfront costs		Ongoing fees	
Discharge fee	\$350.00	Establishment fee	No establishment fee (\$0 for Extra Home Loan type)	Monthly loan service fee	\$0 monthly loan service fee (Extra Home Loan type)
Government charges	\$300.00				
Total	\$650.00		\$0	Total	\$0

Now, let's look at what the benefits of Jess' new home loan are:

 Original loan details: \$350,000 5.10% p.a. Original monthly repayment amount: \$2,067	 Refinanced Loan balance \$350,000 Extra Home Loan (Life of Loan): 2.79% p.a. (Comparison Rate⁹ 2.80% p.a.) New monthly repayment amount: \$1,622	 Monthly savings: \$445
		Annual savings: Up to \$5,350

While it cost Jess \$650 (once off) to leave her previous lender, she is saving \$445 per month compared to her previous home loan. The benefits of Jess' refinance outweigh the costs.

9. Calculations are estimates provided as a guide only. They assume interest rates don't change over the life of the loan and are calculated on the rate that applies for the initial period of the loan. Interest rates referenced are current rates and may change at any time. Fees and charges are payable and these are not taken into account in the calculations.

⁹Please refer to the full disclaimer at the end of this brochure.

Proceeding with your refinance

Step 4: Apply for a home loan

Once you've found a home loan that best suits you, it's time to apply. With CommBank you can do this online, with a mobile lender, over the phone or in a branch – see page 4 for how to contact us.

When you book an appointment online to meet in person, one of our Home Lending Specialists will call you prior to the appointment. The purpose of the call is to introduce ourselves to you. Generally, your Home Lending Specialist will confirm appointment details with you, including appointment time and location as well as answering any questions you may have prior to the appointment. You should receive an email summarising what you'll need to bring to your appointment to ensure you are prepared, and answer any questions you may have prior to the appointment.

We'll assess your income and home loan repayment history, as well as other loans and financial commitments. We may also complete a property valuation to work out how much your home is worth.

If your application is approved you'll receive a letter of offer and contract for your new home loan.



You can help speed up your application by getting the documents below ready (for each person applying). Generally, you will need:



Loans and savings not with CommBank

If you're refinancing your loan with CommBank

- ☐ Savings/Investment account statements and/or your passbook,
- ☐ Bank account statements for your home/investment loan or line of credit,
- ☐ Bank account statements for your personal loan, credit cards or other fixed repayment loans.



Your Income

If your salary or wages are not paid into your CommBank account

- ☐ Bank account statements showing salary credits,
- ☐ Payslips,
- ☐ Employment contract or letter from your employer showing current base wage and PAYG payment summary (or tax return).

If you're self-employed

- ☐ Most recent year's personal and business tax returns, and corresponding ATO Notice of Assessment,
- ☐ Most recent business financial statements, showing the last two consecutive years' profit and loss information.

If you earn rental income

- ☐ Rental Statement or letter from the managing real estate agent,
- ☐ Current lease agreement,
- ☐ Most recent tax returns showing properties you own,
- ☐ Bank account statements showing rental credits.

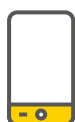
If you receive Government income

- ☐ A letter from Centrelink confirming your benefits amount.



Other important information

- ☐ Privacy consent form – your lender will send you the form to be completed by all applicants prior to your appointment.
- ☐ An estimate of your monthly living expenses – covering for example, food, transport, clothing, utilities, education and health care.
- ☐ If you've found a property, a Contract of Sale (Offer of Acceptance in WA) and your solicitor or conveyancer's name, address and contact details.
- ☐ If you have an existing property for security, we'll need one of the following: Rates notice that shows the street address and title reference or Valuer General – Notice of Valuation.
- ☐ If you have existing insurance, we'll need a copy of insurance documents (e.g. policy schedules) that are not held with CommInsure.
- ☐ If you have other income (e.g. investment income from shares) or loans and debts that aren't listed above, we will also require documents for these.



For more information about documents needed for a loan application go to **commbank.com.au/homeloanchecklist**

Step 5: Settlement

When you've signed the loan contract, settlement occurs and your new CommBank home loan is used to pay off your current home loan. Generally, you'll need to sign a discharge of mortgage document with your previous lender, to let them know you've decided to refinance your home loan to CommBank, and they will arrange to close your home loan, following their procedures.

When settlement is complete, we'll confirm when you need to start making repayments on your new home loan.

There are two ways to complete the settlement process: *FASTRefi*® or standard refinance. *FASTRefi*® involves you borrowing an additional buffer amount to allow us to repay your loan. Once your loan is funded, you will receive any surplus funds back to you.

Alternatively you can choose not to use *FASTRefi*® and use our standard refinance option, which may take between two and four weeks to settle and fund your new home loan.

Refinance with *FASTRefi*®

FASTRefi® is a process that allows for the refinancing of eligible home loans from eligible lenders to occur within days of CommBank receiving your signed loan contract plus other required documents.

Benefits of *FASTRefi*®

- **Faster funding** – Reduced time to fund your new home loan, means you can start enjoying the benefits and lower rates of your new home loan sooner.
- **Saves time** – We use the *FASTRefi*® settlement process to manage the refinance steps on your behalf with your lender.
- **No additional settlement process fees** – There are no additional *FASTRefi*® settlement process fees.¹⁰

Eligibility Criteria

FASTRefi® is only available for eligible loans from selected lenders. Your Home Lending Specialist will help you understand if your home loan and current lender meets the eligibility criteria for the *FASTRefi*® process.

What's the *FASTRefi*® Process?

Generally, these are the steps we'll help you with along the *FASTRefi*® process.¹¹

We approve your loan application



We prepare the *FASTRefi*® and loan documents



You sign all documents and you give us your loan balance and payout figure obtained from your previous lender



We'll pay out your home loan with your previous lender. Any surplus funds from settlement will be returned to you

10. For Bank fees, ask for the Standard Fees and Charges brochure. Your current lender may also charge fees such as exit, refinance or additional settlement fees not included in the Buffer amounts. Refer to end of brochure for full disclaimer.

11. Steps are for illustrative purposes only.

FASTRefi® Checklist

Your Home Lending Specialist or Broker will assess your eligibility to refinance via FASTRefi® and guide you through the steps. Additional documentation may be required, and we've highlighted some of these for you:



1. Home Loan Statements

You'll need to provide three months of consecutive statements for each home loan that is going to be refinanced.

This is because there are date requirements that we'll need to provide for FASTRefi® to meet their criteria.



2. Additional Documentation

You'll need to sign some additional documentation for FASTRefi®, including:

- Borrower's Acknowledgement Undertaking and Payout Advice form (BAUPA)
- Borrower's Irrevocable Authority



3. Discharge Authority

You'll need to sign your current lender's Discharge Authority.

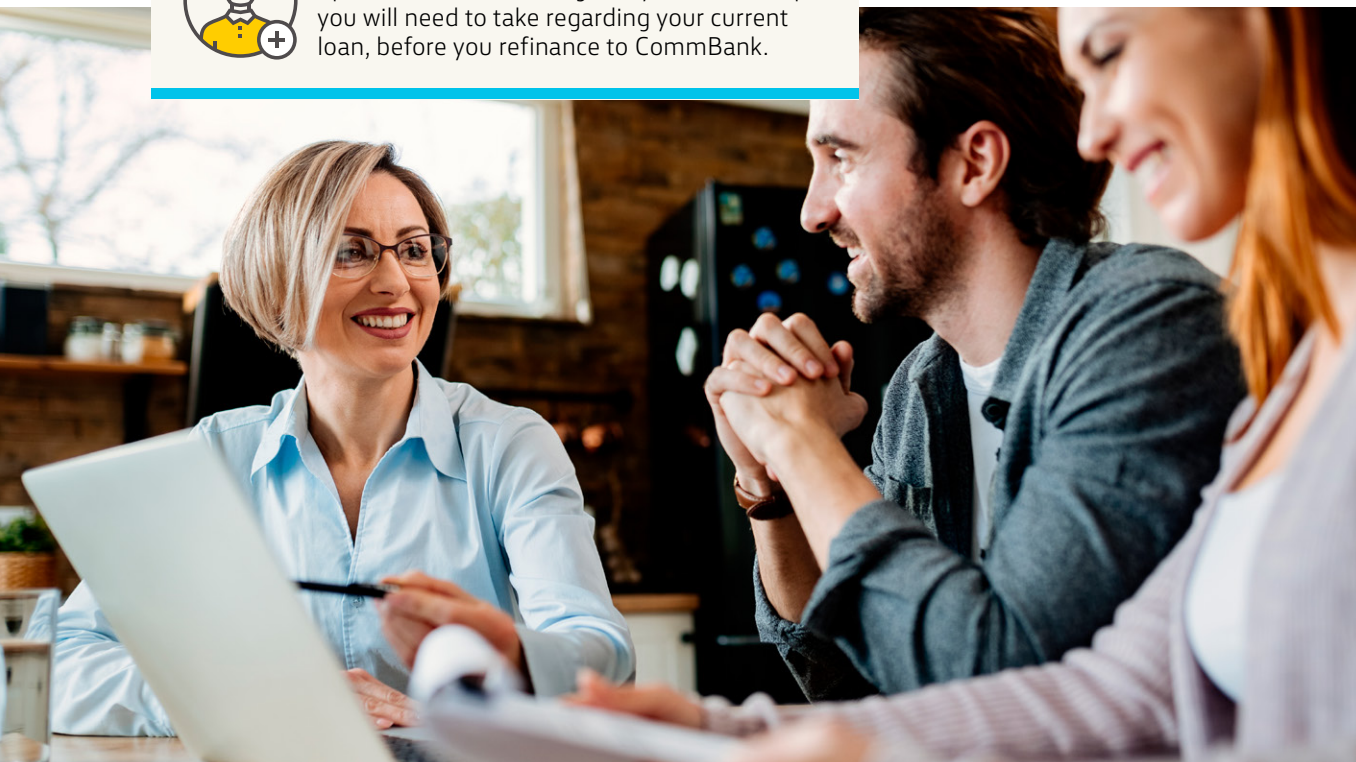


4. Sufficient Funds

We'll let you know the amount we'll need to pay your previous lender for your home loan. Your Home Loan Specialist will calculate what your 'buffer amount' is and talk you through the amount you will need.



It's important to note that your Home Lending Specialist or Broker will guide you on the steps you will need to take regarding your current loan, before you refinance to CommBank.



How does it work?

Below are examples to help you understand how refinancing could work for your needs.



Meet Stacey and Dan

Refinance to get better value¹²

Five years ago, Stacey and Dan took out an owner occupied home loan with a 30-year term from a different lender for \$850,000. They fixed it for five years at 5.60% p.a. As their fixed rate home loan was coming to an end, their lender advised that their new variable interest rate was going to be similar at 5.59% p.a, so they thought it was a good time to review their home loan and see if they could get better value.

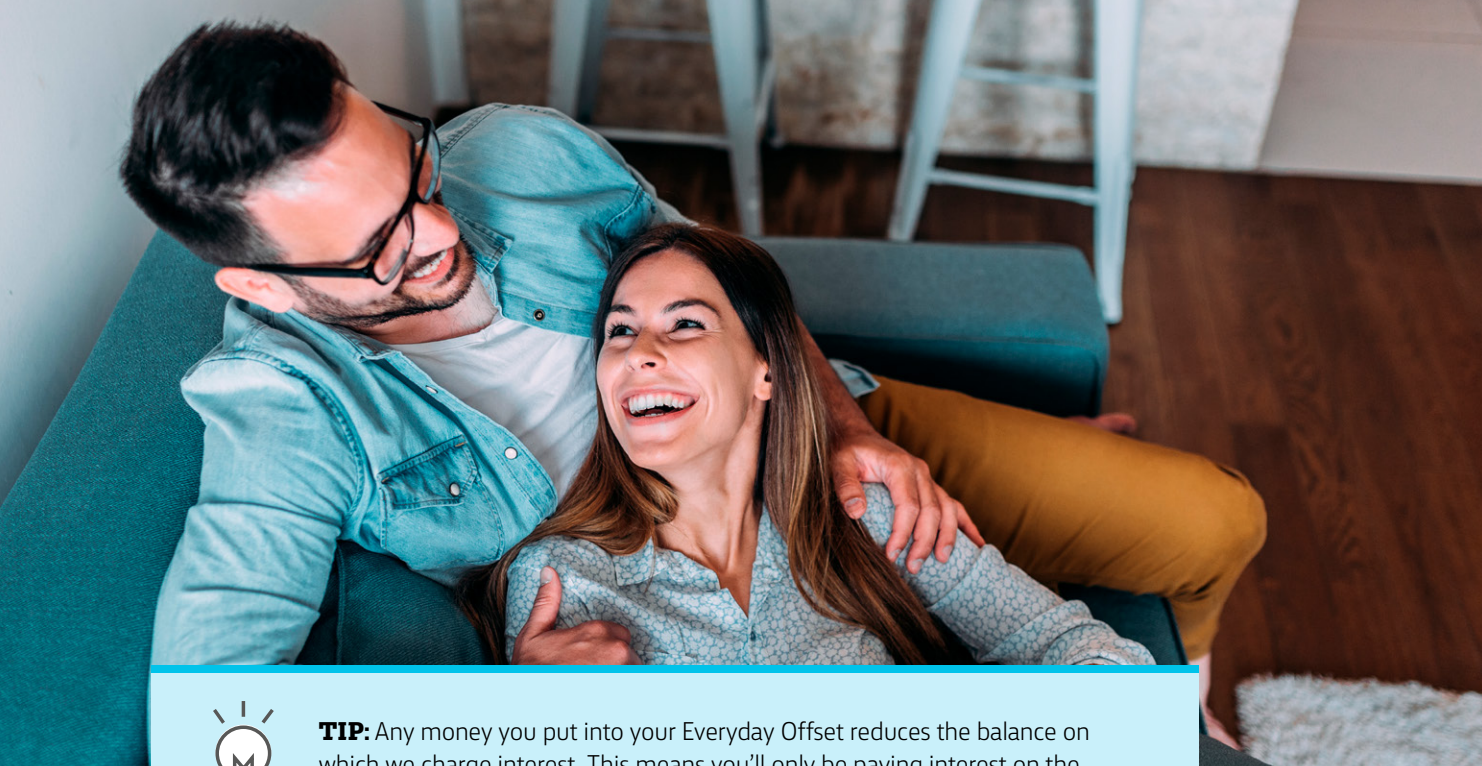
During the 5 years, they paid down the loan to \$785,000. Their financial circumstances have changed as Stacey is earning a higher income and they've accumulated \$8,000 in savings. They're looking to start a family and want more flexible features on their home loan. Stacey and Dan met with a CommBank Home Lending Specialist and discussed their new financial goals.

They chose a new Standard Variable Rate Home Loan with a 25 year term and monthly Principal and Interest repayments. This type of loan offers them maximum flexibility and additional features such as Redraw and Everyday Offset.

They also decided to take out a Wealth Package¹³ (\$395 annual fee) to discount their interest rate to 3.85% p.a.

12. The 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 initial period of the loan. Interest rates may change at any time. The calculations do not take into account fees, charges or other amounts that may be charged to your loan (such as establishment, monthly services fees or stamp duty). No additional repayments and redraws are made. Standard fees and charges are payable.

13. To be eligible for a package you must have an initial total home lending balance of \$150,000 (the sum of the account balance of eligible home lending and line of credit accounts) and pay an annual package fee of \$395. Package rates shown are based on a discount of 0.70% p.a. on the Standard Variable Rate and Viridian Line of Credit, and a discount of 0.15% p.a. on Fixed Rates in a package. Low Doc loans not eligible. Please refer to the **Wealth Package Fact Sheet** for full details.



TIP: Any money you put into your Everyday Offset reduces the balance on which we charge interest. This means you'll only be paying interest on the difference. For more information go to commbank.com.au/everydayoffset.

Stacey and Dan deposited their \$8,000 in savings, into their Everyday Offset. By using their Everyday Offset it means that they will only be charged interest on a home loan balance of \$777,000 and still have the flexibility to use the money at any time.



Original home
loan details:

**\$785,000
at 5.59% p.a.**

Original monthly
repayment amount:
\$4,863



New CommBank Standard
Variable Home Loan Amount
(with Wealth Package) of:

**\$785,000 at
3.85% p.a.**

**(Comparison rate^
4.27% p.a.)**

New monthly
repayment amount:
\$4,079



Monthly
savings:
\$784



Should they choose to do so, Stacey and Dan could continue to pay more than their monthly minimum repayment and accumulate additional repayments as redraw, or save interest by putting it into their Everyday Offset and potentially pay off their home loan faster.



Meet Ankit and Nikita

Refinance to get flexible banking features

Ankit and Nikita purchased their family home six years ago with another lender. During this time, their family has expanded and their three children are starting to outgrow their home. They considered moving house, but really love the area where they live. They decided a renovation was their best option and would suit their growing family. They obtained a renovation quote for \$90,000.

Nikita has always banked with CommBank, so with their new financial goals in mind, she used the CommBank Property app to make an appointment. A Home Lending Specialist called them back to commence their refinance journey.

A formal valuation was completed as a part of the refinance process, and was returned for \$500,000. Their Home Lending Specialist explained that they had around \$200,000 in equity, because their loan balance was now \$300,000. Ankit and Nikita decided to borrow an additional \$100,000, which would increase their loan to value ratio to 80%.

They chose a Standard Variable Rate Home Loan with an Everyday Offset to place the renovation money into, so they would pay less interest on the loan while the renovation was underway. Having all of their banking with CommBank also suited their needs and objectives, as they could manage their everyday finances with the CommBank app.



Original home loan amount:

\$300,000

Loan to value ratio (LVR):¹⁴

60.00%



Property value:

\$500,000

New CommBank
home loan amount:

\$400,000

Loan to
value ratio:

80.00%

Renovation
Budget:

\$100,000

¹⁴. Loan to value ratio (LVR): The total you've borrowed for your loan as a percentage of your property value.



Meet Laura and Brook

Refinance to consolidate debt

Laura and Brook had an existing Standard Variable Home Loan with CommBank for \$435,000. After buying their house, Laura and Brook took out a personal loan with another lender for their wedding, for \$16,500. They then went on a honeymoon and used their credit card, provided by a different lender again (\$3,500 limit). Upon their return their finances became more complex to manage, with multiple loans and repayments and they wanted to simplify their finances.

They met with a CommBank Home Lending Specialist to discuss their financial goals. Their Home Lending Specialist discussed some of the important things to be aware of when consolidating debt into a home loan. For example, whilst a personal loan has a higher interest rate, it has a shorter loan term and highlighted they may end up paying more interest over a longer amount of time, as a home loan has a longer loan term. They completed a fee analysis (shown below) to weigh up the break fees to pay out their personal loan, and establishment and ongoing fees with setting up a new home loan.

Armed with all the information, Laura and Brook decided that consolidating their debts into a new home loan met their needs and objectives, as their immediate goal was managing their finances easier. They chose a 30 year loan term with an initial two year fixed period, at a rate of 2.29% p.a.¹⁵ (Comparison Rate¹⁵ 3.99% p.a.) with a Wealth Package, which gave them the confidence to budget accurately, plan ahead and have the certainty of knowing exactly what their repayments will be.¹⁶

15. At the end of a fixed rate period your home loan will switch to a Standard Variable Rate Home Loan; the interest rate will revert to the Standard Variable Rate applicable to your loan and repayment type at the time, less any wealth package discount. This may be a higher interest rate and may result in an increase in your minimum required payments and; you have the option to re-fix your home loan by switching to another Fixed Rate Home Loan. For more information go to commbank.com.au/fixedrate.

16. Calculations are estimates provided as a guide only. They assume interest rates don't change over the life of the loan and are calculated on the rate that applies for the initial period of the loan. Interest rates referenced are current and may change at any time. Fees and charges are payable and these are not taken into account in the calculations.



Original home
loan details:

**\$435,000
at 4.5% p.a.**

**Original monthly
repayment amounts**

- Home loan
repayment: \$2,205
- Personal loan
repayment: \$363
- Credit Card
repayment: \$105

Original monthly
repayment amount:

\$2,673



Refinanced
home loan:

**\$455,000
at 2.29% p.a.**

**(Comparison
Rate^ 3.99% p.a.)**

New monthly
repayment amount:

\$1,749

Fee Analysis:

Total Exit Fees:

Personal loan
Break fee: \$350

Upfront Fees:

- Establishment fee:
\$600 (waived under
Wealth Package)
- Loan Service Fee:
\$8 per month (waived
under Wealth Package)
- Settlement attendance
fee: \$200
- Government Fees: \$400

Ongoing loan Fees:

\$395 per annum Wealth
Package Fee



Monthly
savings:

\$924



Whilst it cost \$1,345 to exit their
previous loans and establish their new
home loan, Laura and Brook recouped
this amount within the first two
months of making repayments to
their new home loan.

Tools and Support

Standard Fees and Charges: It's important that your decision to refinance is balanced between the benefits and other considerations which may apply. Have you taken into account any upfront or ongoing costs associated with exiting your current loan and switching to a new home loan? These may include settlement fees, loan establishment fees, loan service and exit fees and charges.



For more information go to commbank.com.au/your-home-buying-resources



To find out more go to commbank.com.au/wealthpackage and talk to your Home Lending Specialist



To discuss your specific needs and requirements, you can make an appointment with a Home Lending Specialist at commbank.com.au/appointment



To download the CommBank app today visit commbank.com.au/commbankapp



Register for NetBank, a secure online place to manage your finances go to commbank.com.au/netbank



For more information and to download the CommBank Property app go to commbank.com.au/propertyapp



For more information about refinancing, go to commbank.com.au/refinancing



Calculators

For a range of home loan calculators go to
commbank.com.au/home-loan-calculators-and-tools



How much could my repayments be?

Find out more at commbank.com.au/repayments



How much can I borrow?

Find out at commbank.com.au/borrowing



Upfront Costs Calculator

Find out what upfront costs you may need to factor in at commbank.com.au/upfrontcosts

What does it mean
to refinance?

Why Choose
CommBank?

Deciding if refinancing
may be right for you

Proceeding with
your refinances

How does refinancing work?

Refinance Language – simplified

Buffer amounts:

Buffer amounts are required in the FASTRefi® process. They are included for each estimated payout figure to reduce the chance of a shortfall. The buffer amounts used are:

- Accrued interest calculated on the day of funding. At the time of application the highest interest is used in lieu of this calculation.
- The average monthly repayment calculated over the last three months.
- Estimated OFI Discharge Fee
- \$500 buffer

Comparison Rate:

This is the rate that helps you see the true cost of taking the home loan, making it easier to compare rates across different lenders. It's calculated using a standard formula to include the interest rate, as well as certain fees and charges related to the home loan.

Equity:

Equity in your property is the difference between the market value of your property and the amount you owe on your home loan.

Everyday Offset:

A transaction account with an offset feature that you can link to an eligible home loan. The money in the offset doesn't earn interest but instead offsets your loan balance and reduces the interest you pay on your loan.

For more information, go to commbank.com.au/everydayoffset

Fixed interest rate:

An interest rate that stays the same for a set period of time e.g. 2 years. If you have a home loan with a fixed interest rate, you'll know exactly how much your repayments will be for this period.

Home loan top up:

Through a top up you can borrow amounts over \$10,000 that are in addition to the original loan amount – subject to equity held in your property and our approval.

Interest only payments:

The minimum payments only cover interest charges on the loan. Interest only payments are for an agreed period of time.

For more information, go to commbank.com.au/interestonly

Loan to value ratio (LVR):

The total you've borrowed for your loan as a percentage of your property value.

For example: if your property is valued at \$400,000 and you've borrowed \$320,000, your LVR is 80% (\$320,000 divided by \$400,000).

$$\$320,000 \div \$400,000$$

$$\text{LVR} = 80\%$$

Lenders' Mortgage Insurance (LMI) and Low Deposit Premium (LDP):

LMI is an insurance premium which we collect (from you) and pass on to our Insurance provider Genworth Australia. LDP is a bank fee which you pay directly to us.

The circumstances of your loan will determine whether a loan incurs LMI or LDP. You will only be required to pay one, not both.

All premiums are capitalised (added) to the total home loan amount when your home loan is settled. This means you'll pay more interest over the life of the loan.

Mortgage:

A mortgage gives the bank certain rights over any property you use as security for the home loan. A mortgage is commonly used to secure a loan from a lender.

OFI:

Other Financial Institution

Payout Shortfalls:

When using the *FASTRefi*® process every effort is made to ensure the Estimated Payout Figure covers the required OFI payout figures, however there may be amounts still outstanding which are referred to as a payout shortfall.

- Shortfalls usually occur because:
 - Balances advised are not current loan balances.
 - Funds have been withdrawn after you have executed the BAUPA.
 - Direct Debits have not been cancelled on your loan account.
 - Not all debts (including guarantees) linked to the security property have been disclosed.
- If a shortfall occurs, the Bank will ask for your co-operation to have this cleared.

Principal and Interest repayments (P&I):

The loan principal is the amount of money you borrow and the interest is the cost charged to borrow this money. The interest rate on your loan, the amount you borrow, the length of the loan term and the required repayment amount on your loan will determine how much interest you pay over the life of the loan.

Settlement or settlement date:

When the sale or purchase of a property is completed and ownership of the property is transferred.

Split loan:

When you divide one loan into two or more loan accounts, generally with different loan types, repayment types or interest rates.

What are surplus funds?

Surplus funds may occur during the *FASTRefi*® process. They are any leftover funds in your account when we repay your current home loan using our estimated payout figure. Any surplus funds will be credited into your new loan account by your current lender.

Valuation:

A valuation is an opinion about the market value of a property asset at a specific date, by a person authorised to undertake valuations for security purposes.

Variable interest rate:

An interest rate that can go up and down over time. If you have a home loan with a variable interest rate, your repayments can change when the interest rate changes.



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.



Call us on **13 2224**, (8am - 8pm any day)



Visit commbank.com.au/homeloans



Things you should know: Applications for finance are subject to approval. Full terms and conditions will be included in the Bank's loan offer. Bank fees and charges apply. The advice in this brochure has been prepared without taking your individual objectives, financial situation or needs into account. Before acting on this advice, you should consider whether it is appropriate to your circumstances. Information in this brochure including rates, and fees are subject to change.

[^] Comparison rate is calculated on a \$150,000 secured loan, over a 25 year term. **WARNING:** Comparison rate is true only for examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate. Comparison rates for variable Interest Only loans are based on an initial 5 year Interest Only period. Comparison rates for fixed Interest Only loans are based on an initial Interest Only period equal in length to the fixed period. During an Interest Only period, your Interest Only payments will not reduce your loan balance. This may mean you pay more interest over the life of the loan.

Package requires at least \$150,000 in package lending balance, and an annual fee of \$395 applies. Package lending balance is the sum of the account balance of eligible home lending accounts and the credit limit of Viridian Line of Credit accounts that you have with us at the time you apply for Wealth Package. Eligible home loans are limited to those accounts that can be included in the Wealth Package.

Estimated market price is an estimate of a property's potential market price based on external property data and CommBank's own data. It is a guide only and does not take into account all factors that may affect a property's value. It is not a Bank valuation for credit assessment purposes.

Lenders Mortgage Insurance (LMI) and Low Deposit Premium (LDP) are dependent on various factors such as deposit amounts, value of your property and our risk assessment of you as a borrower.

Everyday Offset is a feature of our Transaction Accounts which is linked to an eligible home loan, and accountholder/s must also be accountholders of the linked home loan. It is only available for Personal borrowers, not Companies or Trusts. Interest is not charged on that part of the home loan balance equal to the balance of the Transaction Account. No credit interest is paid on the account, even when the balance is greater than your home loan balance.

Terms and conditions of Everyday Offset (feature of an eligible transaction account) and NetBank are available by visiting our website commbank.com.au, calling 13 2221 or at any branch and should be considered in making any decision about these products.

FASTRefi® is a registered trademark of First American Title Insurance Company of Australia Pty Limited ABN 64 075 279 908 trading as First Title. First American Title Insurance Company of Australia Pty Limited is not part of the Commonwealth Bank of Australia.

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If you have a complaint, you can access our dispute resolution process by calling 13 2221 (call charges may apply). Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit licence 234945. Registered office: Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW 2000.