

investment and  
home loans

*make a smart move*



responsible banking™

**bankmecu**

## our philosophy:

At the heart of bankmecu is a belief that a clear connection exists between strong communities, a healthy environment and a more responsible approach to banking.

## why bank with bankmecu?

bankmecu is a new kind of bank in Australia – a customer owned bank. This means we put our customers first because they also own the bank.

We pride ourselves on personal service. We also return benefits to our customers in the form of better interest rates and lower fees. In 2010 our customers were collectively \$31 million<sup>^</sup> better off than they would have been if they banked with Australia's big banks.

We also offer our customers a more responsible approach to banking.

People want to bank with someone they can trust with their money and trust to act ethically.

We design banking products and services that support our customers to achieve their financial goals while also helping them take steps to live more sustainably. We also invest our customers' money in responsible ways that generate benefits for them as well as create stronger communities and a healthier environment.

In 2010 *Ethical Investor* recognised us as Australia's most sustainable small company of the year.

# all kinds of home loans

bankmecu offers very competitive home loans with responsible social and environmental features.

Finding the home loan that's right for you is now a whole lot easier. Here are our main home loan products and their key features.

	Premium Home Loan <sup>1</sup>	Premium Home Loan \$250k+ <sup>*</sup>	Premium Home Loan \$500k+ <sup>*</sup>	Basic Home Loan <sup>2</sup>	goGreen <sup>®</sup> Home Loan	Fixed Home Loan (1,2, or 3 years) <sup>**</sup>	Bridging Loan	First Home Buyers Loan Package	Construction Loan Package	Renovators Loan Package
No monthly fee	✓	✓	✓		✓	✓	✓	✓ <sup>***</sup>	✓ <sup>***</sup>	✓ <sup>***</sup>
Free redraw	✓	✓	✓	✓	✓			✓	✓	✓
100% Mortgage Offset account <sup>2</sup>	✓	✓	✓		✓			✓	✓	✓
Unlimited customer reward transactions <sup>5</sup>								✓	✓	✓
10% general insurance discount <sup>6</sup>								✓	✓	✓
Family Repayment Pause	✓	✓	✓	✓	✓	✓		✓	✓	✓
Eco-pause	✓	✓	✓	✓	✓	✓		✓	✓	✓
Bio-diversity offset (see page 10)	✓	✓	✓	✓	✓	✓	✓	✓	✓	

<sup>\*</sup> Also applies to Premium Investment and Premium Investment \$250k+ and \$500k+ Loans

<sup>\*\*</sup> A penalty may apply for paying out a fixed rate mortgage loan during its fixed-rate period

<sup>\*\*\*</sup> Annual package fee applies<sup>3</sup>. However, there is no establishment fee.

# home loans

## Premium Investment and Home Loans

We are lowering the cost of finance for owner occupiers and investors alike. A lower interest rate applies for loans over \$250k and it's even lower again when the loan is for \$500k or more.

## Basic Home Loan

Let's cut to the chase. If you're just after a low interest rate and don't care too much about saving money with an offset account then you probably want a Basic Home Loan<sup>2</sup>.

## Fixed Home Loan

Our Fixed Home Loan provides the certainty of fixed interest and repayments for the term of your choice and additional repayments<sup>#</sup> can be made. You can choose to split a fixed loan with a variable rate home loan for even greater flexibility.

## Bridging Loan

Our Bridging Loan is perfect if you need to finance the purchase or construction of a new property while you're waiting to sell an existing one. This loan is available with a 12 month term and it's a smart solution offering flexibility when juggling properties.

## goGreen<sup>®</sup> Home Loan

goGreen<sup>®</sup> Home Loans help you save money and the environment. Environmentally conscious home owners and investors enjoy a discounted interest rate for choosing energy efficient homes. The loan is available to finance homes rated 7 stars or more according to the Nationwide House Energy Rating Scheme (NatHERS) managed by the Australian Greenhouse Office.

By building an energy efficient home, or retrofitting your current one, you'll help protect the environment and reduce the running costs of your home.

## Home Equity Loan

If you want an 'all-in-one' home loan including an everyday access account then choose our Home Equity Loan. By depositing your income into this account and combining this with careful budgeting, every dollar you earn will help you pay off your loan sooner. Your money is available at call to use as you wish.

# home loan packages

As a customer owned bank, we can offer you more benefits like better rates and lower fees. That's why we've put together three great loan packages for different kinds of borrowers who are looking for the ultimate all-in-one package.

For a low annual fee of \$350<sup>3</sup>, we offer a low ongoing loan interest rate, 10% off your general insurance premiums<sup>6</sup>, unlimited customer rewards (transactions) and a waiver of the annual fees on our VISA credit cards.

Plus, all existing home loan features apply – like a repayment pause for 3 or 6 months, and no monthly or additional repayment fees.

## First Home Buyers Loan Package

If you're buying your first home, check out our fully featured home loan package that's just for first home buyers who qualify for the First Home Owners Grant.

## Construction Loan Package

Our construction loan package has a host of benefits, and is for home buyers who are looking to build a new home or buy one off the plan.

## Renovators Loan Package

For home owners who are about to embark on a big renovation (\$100,000+), our fully featured renovators home loan package is for those looking to substantially renovate their existing home.

## Home Loan Package Features

- ✓ No monthly fee
- ✓ No additional repayment fees
- ✓ Unlimited free redraw
- ✓ Pause repayments<sup>4</sup>
- ✓ Choice of weekly, fortnightly or monthly repayments
- ✓ Monthly statements
- ✓ More free transactions<sup>5</sup>
- ✓ 10% general insurance discount<sup>6</sup>

# responsible home loan features

bankmecu has just one approach to home loans and that's a responsible one. That's why bankmecu loans include socially and environmentally friendly features to ensure you receive a lot more than just low interest rates.

## Bio-diversity offset

In a world first, bankmecu offsets an equivalent area of land to the size of the block you build on into the bankmecu Conservation Landbank, which is run in accordance with the land management plan developed and implemented by Landcare Australia and overseen by Trust for Nature. Carbon sequestered from these trees is monitored and reported by Landcare CarbonSMART.

Homes constructed on large lots of land such as hobby farms will be offset according to the amount of land occupied by the dwelling.

## Eco-pause

Borrowers can take a break from their repayments with our eco-pause<sup>4</sup> to assist with the purchase of energy and/or water saving solutions, including rainwater tanks and solar or grey water systems. You can take a 3 month pause from full repayments or a 6 month pause at half repayments. Two eco-pause breaks are available for the life of the loan and your repayments will be adjusted to ensure you do not exceed the maximum term of the loan.

## Family repayment pause

When one income earner is away from the workforce on family leave it can be tough on the household budget. Our family repayment pause<sup>4</sup> enables people to take a breather from repaying their loan while starting a family. Take a 3 month pause from full repayments or a 6 month pause at half repayments.

# property buying tips

Before buying your property, you need to determine exactly how much you can afford. This calculation should include your deposit, the amount and frequency of loan repayments and any additional costs that may arise from buying your home.

## Extra costs

Remember that there are a host of other costs involved in purchasing a property, such as legal fees, council rates, insurance, Stamp Duty and moving costs. By including these costs in your initial calculations, you'll avoid any nasty shocks further down the track!

## Pre-approval

At bankmecu, we recommend you obtain approval of your home loan even before starting to look for your new home. With this knowledge you can search the market with confidence looking at the kinds of property you can afford.

## Loan calculators

Our online loan calculators can help work out your repayments, estimate the amount you can borrow, show the benefit of making extra repayments off your loan, and calculate the Stamp Duty payable on your property. There's also a handy online budgeting tool. Just visit the bankmecu website for more info.

## Offset your savings

Our 100% Mortgage Offset account<sup>2</sup> allows you to offset 100% of your savings against the balance of your loan prior to loan interest being calculated. Reduce the amount of interest you pay, and pay off your loan sooner!

## Redraw your extra repayments

Our redraw facility allows you to access the money you're in advance on your loan repayment. There is no minimum redraw amount and required funds can be redrawn easily via our Internet or Telephone Banking services, or by visiting your local service centre.

# applying for your loan

## Unlocking the equity in your property

The 'equity' in your property is its current value, less any amount that you owe on it. You can use this equity to assist you to purchase other investments, or items of need.

## Automatic loan payments

Organise for your loan repayments to be automatically deducted from your salary. No longer is there any need to arrange to make a repayment every time it falls due.

Also check out our Property Buying Guide at [bankmecu.com.au/guides](http://bankmecu.com.au/guides)

## Online and phone applications

bankmecu has made the process of applying for an investment or home loan easy. Simply apply over the telephone or complete your application online at [bankmecu.com.au](http://bankmecu.com.au). Either way, one of our consultants will respond to your request quickly.

## Service centres

If you'd prefer to discuss your investment or home loan needs in person then drop by your local service centre. It's best to call **132 888** to arrange an appointment.



# home buying steps

**1. Discuss your finance options, and apply for your loan.** Work out your price range (i.e. maximum loan, plus your savings contribution, less costs. bankmecu can provide you with a list and estimate of costs including stamp duty). Discuss the best loan to suit your needs with bankmecu. If your loan is approved, it will generally be subject to conditions such as a formal valuation of the house you purchase. Consider protection against events that might impact on your capacity to repay your loan, for example, income protection insurance.

**2. Choose a solicitor or conveyancer.** Your solicitor or conveyancer works for you to make sure the contract of sale is appropriate and to handle the settlement on your behalf. Prices may vary drastically, so it's worth comparing a few.

**3. Choose the home you want.** Nothing beats doing the legwork yourself. Read the real estate ads in the local papers and online. Go to auctions/open for inspections. Talk to agents and to the locals. If you choose to buy at an auction, please note that there is no cooling-off period and a 10% deposit is usually required on the day.

**4. Ask for a copy of the contract from the seller's agent.** Also known as a Section 32. This should disclose all rates, taxes, and government or planning restrictions. It should clearly describe the property.

**5. Start price negotiations.** You may make an offer at this stage. You should make any offer subject to the property being in satisfactory condition (determined by a property inspection) and finance (determined by your loan approval and a valuation of the property that bankmecu will arrange on your behalf).

**6. Check contract.** This involves checking that the conditions are acceptable and fair, making pre-contract inquiries, and ensuring that you fully understand the contract. Your conveyancer or solicitor can assist with this process.

**7. Check property.** We recommend that you hire a qualified building consultant to conduct a property inspection. This generally involves a structural and pest inspection.

**8. Advise property details to bankmecu.** We will organise a valuation and then determine the maximum amount you can borrow.

**9. bankmecu arranges property valuation and gives final approval to loan.** Once we have a valuation report, we can finalise your loan approval if you still wish to proceed with the purchase.

**10. First Home Owners Grant application completed (if applicable).** Once completed, bankmecu will lodge this on your behalf.

# our locations

If you would like to contact bankmecu to take advantage of our investment and home loan products here's how:

phone  
132 888

website  
bankmecu.com.au

service centres  
bankmecu.com.au/contact

## Terms and Conditions

1. Terms, conditions, fees and charges apply and are available on application. Loans subject to normal lending criteria and approval. Consider terms and conditions from bankmecu before deciding whether to apply.
2. \$8 monthly fee applies.
3. **Package Fee.** Annual package fee of \$350 is payable in advance and is non-refundable. The fee is debited to the loan balance on funding, and then annually on the anniversary date of funding. Package benefits cease to apply once the loan is repaid in full.
4. **Repayment Pause.** Loans must be established for a full 12 months, and a maximum loan to value ratio of 90% (Family-Pause) or 80% (Eco-Pause) applies. Full conditions available from bankmecu.
5. **Unlimited customer rewards (transactions)** only applies to transaction fees for which rewards apply. Some transaction fees do not qualify for customer rewards. Full details are available on our website or by contacting bankmecu on **132 888**.
6. **Insurance.** This insurance is issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFSL 234708. mecu Limited ABN 21 087 651 607 AFSL/Australian Credit Licence Number 238431 trading as bankmecu acts as an agent of Allianz and not as your agent. Before making a decision about this insurance please refer to the relevant Product Disclosure Statement available on **132 888** or visit **bankmecu.com.au**  
10% discount applies to building, contents and motor combined and/or stand-alone building insurance, when you sign up for this home loan package. Minimum premiums apply. Any discounts/entitlements only apply to the extent that any minimum premium is not reached. If you are eligible for more than one, we also apply each of them in a predetermined order to the premium (excluding applicable taxes and government charges) as reduced by any prior applied discounts/entitlements.

For more information  
about bankmecu  
call 132 888, visit  
[bankmecu.com.au](http://bankmecu.com.au)  
or drop into your local  
service centre.



**UNEP Finance Initiative**  
Innovative financing for sustainability



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Carbon Reduction Institute

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