
ICBC NZ “Offset Home Loan” Product Description

Offset Home Loan (OHL) is a floating rate home loan product that uses the balances of a customer’s specified accounts to reduce the interest payable on the principal amount of the OHL.

- **Reduce the interest you pay**

By using OHL, you only pay interest on the difference between the offset portion of your home loan balance and the credit balance of your specified (repayment) account, calculated daily. Any deposit held as home loan security is excluded from the calculation.

- **Flexibility to manage cash flow**

OHL allows you to retain money in your specified repayment account on hand for any purchases you have planned without having to apply those amounts in repayment of your OHL.

- **Pay off your loan faster**

If you have a fixed repayment of your home loan each month, by using OHL, you have the ability to pay off your loan faster because the interest saved as a result of the operation of the OHL will be applied in repayment of the principal of your loan.

- **Term and Loan amount**

OHL has a minimum lending amount of \$100,000 and a maximum amount capped at 30% of your total borrowing or \$500,000 whichever is lower.

- **Definition of Offset Loan**

There is no actual set-off, netting, or transfer of funds, or transfer of any interest in or entitlement to funds. ‘Offsetting’ occurs before debit or credit interest is calculated and is calculated daily based on net difference between the OHL loan balance and credit balance of the specified (repayment) account.

Product Features

- Can be offered on both table loans or interest only loan
- Offset Home Loan repayment frequency will be monthly
- Only one specified (repayment) account can be linked to each Offset Home Loan
- Offset Home loan can be set up and cancelled without penalty
- Standard ICBC NZ Home Loan Fees applied

Product Benefits

- Gives greater flexibility in home loan structure
- Provides the opportunity for faster repayment of your home loan
- Flexibility to manage cashflows

Target Customers

- For the customer who wants to reduce the length of the loan.
- For the customer who wants to retain cash for specific projects or big purchase while still getting the benefit of a reduced interest cost on the Offset Home Loan outstanding.

'Offset Home Loan' with ICBC NZ

'Offset Home Loan' offers our customers the flexibility to make the most of the everyday balance in a specified account to offset against the principal amount of their loan when calculating the interest payable.

Benefits of Offset Home Loan

1. Savings on overall interest
2. Flexibility to retain credit balances in specified accounts and to use these amounts as you choose.

Is it for you?

1. ICBC NZ Home loan customer (Existing / New)
2. There isn't any amount frozen in your ICBC NZ specified account

How it works?

Apply for 'Offset Home Loan--Subtract the balance of your specified account from your total lending for the purposes of calculating the interest payable each months and only pay interest on the difference.

Marketing and Promotion:

Become mortgage free faster with Offset Home Loan