



Bank of  
Melbourne

# Home Loan Redraw

Extra money when you need it

## Bank of Melbourne can help you make the most of your Home Loan

One of the many features available to you with most Bank of Melbourne variable rate and fixed rate home loans is a redraw facility. This lets you access, or “redraw” additional payments that you have paid into your loan, subject to Bank of Melbourne’s approval.

You can use this money for any purpose you like\*. In the case of investment property loans, you should obtain your own tax advice on redraws. For example, to buy a new car, renovate your home or take a well deserved holiday - it’s entirely up to you. A redraw facility also gives you the security of knowing that you have the funds you need should anything unexpected happen.

\*In the case of investment property, you should obtain your own tax advice on redraws.

### How does the redraw facility work?

Redraw involves accessing payments that you have made in advance on your home loan. For example, if your scheduled monthly repayment is \$1,000 and you pay \$1,500 each month for six months, you would have \$3,000 available to redraw should the need arise. Following that example, if on the 2nd of the month you make an additional payment on your home loan and your scheduled monthly payment date is the 28th of each month, then the additional payment will not be available for redraw until after the 28th. Payments made in advance may be “redrawn” for use at a later date, subject to our approval and any minimum redraw amount we set, as long as your loan is still active.

Every time you pay more than the required repayment amount, you reduce your loan balance quicker than we calculated at the beginning of the loan. You should be able to redraw your additional repayments and still pay off your loan by the repayments we require you to make without extending the original term of your loan.

Making additional payments on your home loan also makes good economic sense. It not only reduces your loan balance, but also the amount of interest you pay and the term of your loan.

### What loan products have redraw available?

The redraw facility is available on most Bank of Melbourne home loans at a variable rate and fixed rate. Redraw is only available for fixed rate loans fixed on or after 30 November 2009. The redraw facility is not available whenever your loan agreement says the facility is not available.

You must, of course, have made additional payments on your home loan, over and above your required monthly repayments (as these make up the total amount we may let you redraw).

### How much money can you redraw?

For a variable rate home loan, you can withdraw up to the amount by which you are ahead of your scheduled repayments (less the redraw fee).

For a fixed rate home loan, you can only redraw up to the prepayment threshold.

Bank of Melbourne must approve all redraw requests. Bank of Melbourne reserves the right to withdraw the redraw facility.

You can find out how much you have available to redraw from your loan by registering for, and establishing, the redraw facility on Internet and Phone Banking. Alternatively, you can call us on 13 22 66 or ask at any Bank of Melbourne branch.

### How do you redraw funds?

There are two ways you can do this:

1. **By completing a “Redraw Request” form available at any Bank of Melbourne branch.** It is important to remember that this form must be signed by each borrower. Mail or fax the completed form direct to the Bank of Melbourne Loans Administration Department (see below), or drop it into any Bank of Melbourne branch.
2. **Over the Internet or phone.** To register your loan account for Internet and Phone Banking, call us on 13 22 66, visit any Bank of Melbourne branch, or visit [bankofmelbourne.com.au](http://bankofmelbourne.com.au) and log on to Internet Banking to download the form. Once you have established the Internet and Phone Banking redraw facility, simply call 13 33 22 or visit [bankofmelbourne.com.au](http://bankofmelbourne.com.au) and log on to Internet Banking to redraw.

Please note that there is a fee for each redraw request you make. Refer to the current “Loan accounts Charges for specific services and accounts” brochure or give us a call.

### How long does it take for a redraw request to be approved?

For redraw requests up to \$30,000:

- Immediately, if requested via a branch or Internet or Phone Banking.
- At least two working days of your request being received by our Loans Administration Department.

Requests over \$30,000 at one time must be made by the “Redraw Request” form and approval and processing will take approximately five working days.

### How do you access the funds once your redraw request is approved?

If requested via a “Redraw Request” form, your money will be deposited into the Bank of Melbourne account nominated by you. If requested via Internet or Phone Banking, you simply transfer the money to your Bank of Melbourne savings account or credit card.

### How does a redraw affect your loan balance?

Just as any payments made in advance reduce your home loan balance, redrawing these funds will increase your loan balance by the amount redrawn plus the redraw fee.

### What happens at the end of your loan?

If you choose to discharge your loan prior to the term originally approved, you will not be able to redraw funds paid in advance at a later date, as you will have discharged the loan completely.

If you have any questions regarding the redraw facility on your Bank of Melbourne home loan, please call us on 13 22 66 or ask at any Bank of Melbourne branch.

### Please send your requests to:

Bank of Melbourne Loans Administration, Locked Bag 20037, Melbourne VIC 3001  
Fax: (03) 9982 4188.

**To find out more, just talk to us.**

Ask at any branch. Call us on 13 22 66, 24 hours a day  
[bankofmelbourne.com.au](http://bankofmelbourne.com.au)

