

# **Broker Commissions for Subsequent Utilisation of Funds.**

## **FAQ's**

July 2019



# Broker Commissions for Subsequent Utilisation of Funds.

## Frequently Asked Questions

### **What's changing?**

Additional upfront commission will be paid on the twelve month anniversary of the loan for subsequent utilisation of funds from a linked offset facility (Everyday Offset (EDO), MISA or Redraw).

### **When does the loan need to be funded by to be eligible?**

Additional upfront commission for subsequent utilisation of funds is applicable to all eligible loans funded under the net of offset model from 24 November 2018.

### **When will the additional upfront commission be paid?**

The additional upfront commission will be paid on the commission cycle following the twelve month settlement anniversary of the loan. In real terms, the first eligible additional upfront payment would be in January 2020 as loans funded between 24 November 2018 and 31 December 2018 were fully adjusted via an exception process and already paid in full for up to the maximum approved amount.

### **How will the additional upfront commission amount be calculated?**

Additional upfront commission on subsequent utilisation of funds is calculated as the difference between linked offset facility balances on day 14 (closing balance) and the average linked offset balances (daily) from day 15 to the twelve month settlement anniversary of the loan.

### **Is clawback applicable to additional upfront commission?**

Clawback will not be applicable for any funds deposited back into linked offset accounts.

### **Are there any loan types that are ineligible for additional upfront commissions?**

Yes – Construction and Viridian Line of Credit (VLOC) loans are not eligible as they are not included in the net of offset model and are paid the full approved amount upfront at day 14.