

## LCU ACCOUNT AND ACCESS FACILITY, CONDITIONS OF USE SUPPLEMENT

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### MORTGAGE OFFSET FACILITY:

1. The Credit Union's Account and Access Facility Conditions of Use applies to this Facility.
2. LCU's Offset Account is only available to be linked to an eligible mortgage loan account ("Mortgage Offset" facility), and can only be offset against an eligible loan if all parties to the account to which the facility is linked are parties to the loan.
3. An eligible mortgage loan is one of the following in your name:
  - Variable and fixed rate principle and interest home or investment loans where interest is calculated daily
  - Variable and fixed rate Interest only loans where interest is calculated daily
4. To calculate the eligible home loan account interest charges, each day we divide the balance owing on your loan account into two (2) parts:
  - a. a part equal to the credit balance in the savings account linked to your home loan. We do not charge interest on this part; and
  - b. the remaining part of the balance owing on your loan account. We charge interest on this part at the annual percentage rate applicable to your loan.
5. If the total of the credit balance in the linked savings account is greater than the balance owing on your loan account, then we will not charge any interest to the linked eligible home loan.
6. You must keep a credit balance of at least the minimum we set in a savings account in order to get the interest off-set benefit with that account.
7. No interest will accrue to your "Offset savings account"
8. The Interest Off-set facility will not affect your obligation to repay in full the balance owing on your loan account. You understand that it will not give you a lower repayment amount. Instead, your loan term may decrease.
9. We may at any time by notice to you remove the link between your Offset Account and your eligible home loan. If we remove the link we will then not calculate interest on your eligible home loan by taking into account interest notionally calculated on your Mortgage Offset account.
10. We will determine which savings account may be used by you to off-set the interest payable on your home loan.
11. We may change the savings accounts that may be linked for this purpose from time to time.