

Tips that could save time and money on your home loan

A RAMS Action with Offset account can be a great tool to both make your loan repayments easy and automated as well as make the most of your available funds to help reduce the interest charged during the month.

Below are some tips for how to use a RAMS Action with Offset with a new RAMS Home Loan.



Offset scenario

Chloe and James have a \$400,000 variable rate home loan and \$40,000 in a RAMS Action with Offset account. The interest rate payable on their home loan is 4.50% p.a. As the offset account is linked to their home loan, the amount on which they pay interest is \$360,000 (\$400,000 – \$40,000), which results in an interest charge of \$1,376 for the month. This is \$152 less than they would have paid without the offset facility.⁵ The good thing is, the money sitting in their offset is easily accessible when required, as it is a transaction account.

Assumes a 31 day month and no other transactions on the account during the month.

No interest is paid on the funds in the RAMS Action with Offset while it is linked to the home loan.