



## Frequently Asked Questions

### COVID-19 Support measures for our customers (updated 6 July 2020)

Westpac has announced extensive support measures to help customers and businesses impacted by the outbreak of COVID-19 in Australia. These measures include financial support for home lending, deposit and small business customers.

These FAQs help explain what's available as part of our COVID-19 Customer Help Package and have been developed to assist you and are for your information. They should not be shared with customers.

#### COVID-19 Home Loan Repayment Deferral

##### Q. What is the mortgage repayment deferral?

Westpac customers who have lost their job or suffered loss of income as a result of the COVID-19 situation can apply for three months deferral on their home loan repayments - with extension for a further 3 months available after review.

Customers approved for the home loan repayment deferral will not be required to make any repayments during the deferral period, interest will continue to accrue, and will be capitalised to their loan.

During the deferral period a customer's monthly repayments will be \$0.00. After the deferral period the customer's repayments will increase to take into account the deferred interest and any deferred principal repayments which will need to be paid off during the remainder of the loan term.

##### Q. Who is eligible for the mortgage repayment deferral?

Customers who are eligible for the repayment deferral:

- have been impacted by COVID-19 and
- up-to-date (not delinquent) at some point within 90 days prior to or at date of application and
- not currently in hardship (no hardship flag)

Customers who are impacted by COVID-19 and fit the below criteria should seek assistance via the standard hardship processes:

- delinquent throughout 90 days prior to and at date of application OR
- are currently in hardship (hardship flag) or have applied for hardship for their home loan or another Westpac Group credit product

If the customer has already applied for the COVID-19 Customer Support Package, please be assured that we will be in contact with them once we review their application.

##### Q. Which home loan types are eligible for the home loan deferral?

Owner Occupier and Investment Property Loans on Principal and Interest or Interest Only repayments are eligible including:

- Variable Rate Loans
- Fixed Rate Loans
- Equity Access Loans (EALs)
- Construction Loans
- SMSF Investment Property Loan (SMSF with individual or corporate trustee)

Loans with Lenders Mortgage Insurance (LMI) are also eligible.



We are **moving soon** to process Equity Access Loans (EALS), Construction Loans and Trading Bank (TBK) Loans. Additional details coming soon.

**Q. What happens if the customer has paid Interest Only in Advance in their home loan account?**

Interest Only in Advance (IOA) Loans are eligible where repayments are due within the upcoming 3 months.

**Q. How does a customer apply for the Home Loan repayment deferral?**

Customers can apply for the Home Loan repayment deferral by completing the [Repayment Deferral online application form](#).

Due to the unprecedented volume of requests and the complexity of the solution, applications have taken time to process. We've made significant progress working through the home loan repayment deferrals and from Friday 24 April 2020, we expect that the majority of eligible accounts will have had the support applied.

We will continue to work through the new applications received and contacting customers where we need further information to progress their application. Please let customers know that if they have applied, we will review their request as soon as possible.

**Q. How will we communicate to customers who have applied?**

Customers who have applied for the COVID-19 Customer Support package will receive an SMS acknowledging that their application has been received. This will be followed by an email acknowledgment advising their unique reference number usually within 4 business days.

From 20 April, customers applying will also be given their unique reference number online at the point of submission.

Customers should not submit more than one application form (unless we request otherwise, by direct communication with the customer), as it will delay processing the request. The customer can refer to [our website](#) for updates and information. This is being regularly updated with new information.

As we work through the applications received, we understand customers may be anxious to hear from us. We'll keep in touch by SMS to let them know next steps and that we're working through applications as quickly as possible.

If we're unable to progress the application based on the information provided, we will contact the customer through a specialist team coordinated through head office.

**Q. What if the customer has not received their application acknowledgement reference number?**

Customers who have applied for the COVID-19 Customer Support package will receive an SMS confirming that the application has been received (no reference number), followed by an email acknowledgment advising their unique reference number typically within 4 business days.

Receipt of the SMS acknowledgement means that their phone number has been input correctly and email confirmation with their unique reference number means that their email has been input correctly. Should we need any further information from the customer in order to progress their application, we'll be in touch with them.

From 20 April, customers applying through the online form will also be given their unique reference number at the point of submission. Please ask them to note this down.

Customers should only submit 1 form, (unless we request otherwise, by direct communication with them), as it will delay processing the request. If they have their acknowledgement reference from the screen, customers can be assured that their application has been received.



**Q. How will the customer be notified that the repayment deferral has been applied?**

Customers will receive an email confirming the application for the COVID-19 Home Loan repayment deferral has been approved and the date it commenced. This will reference the partial account number (last 4 digits) to the account the relief was applied to and confirm the \$0.00 repayments for the next three months. These emails will be sent typically within 4 business days after the support is applied.

Additionally, if the customer has missed a payment or requested a payment reversal whilst waiting for support to be applied, they will receive a letter deferring the payment/s with any capitalised interest to the remainder of the loan term.

Toward the end of the initial three-month repayment deferral period, we will be in touch with the customer regarding next steps. This is where we'll confirm the new repayment amount. At this time, we will also communicate the process for the customer to discuss an option for a further three-month extension, after review.

**Q. Why is the customer's original repayment amount required still showing in online banking after the support has been applied?**

Customer's contracted repayment amount in online banking will still show once the assistance has been applied. This means that the amount reflected here is not indicative of whether the repayment relief has been applied.

**Q. What happens to the customer's repayments during and after the deferral period?**

The customer will not need to make any repayments during the deferral period, interest will continue to accrue, and will be capitalised to their loan.

During the deferral period the repayments will be \$0.00.

After the deferral period the repayments will increase to take into account the deferred interest and any deferred principal repayments which will need to be paid off during the remainder of the loan term.

**Q. Can a customer access redraw during the referral period?**

Yes - if the customer has redraw, they can access available funds during the home loan repayment deferral period.

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**Q. Can a customer make additional repayments during the deferral period?**

Yes - on Variable Rate home loans customers can still make additional repayments to your home loan.

For Fixed Rate home loans, a customer can make total prepayments of up to \$30,000 (cumulative), without costs or fees applying. Prepayments exceeding this threshold may incur a break cost and administration fee.

**Q. What if the customer's payment was due between the date they applied and the date the repayment deferral was processed?**

If payment was missed because:

- The direct debit had been cancelled or;
- Customer did not have the funds in account

Due to the unprecedented volume of requests and the complexity of the solution, applications have taken time to process. We understand that customers may have had a repayment due in the meantime.



If the customer was unable to make a payment while waiting for the COVID-19 Customer Support to be applied to their home loan, we will contact the customer to advise that we are also deferring the missed repayment.

Both arrangements are processed separately so the customer will receive two communications:

1. **Email notification** – approval of the Home Loan deferral application for the next 3 monthly payments
2. **Letter notification** – deferral of any previous missed payment to the end of the Home Loan deferral period

**Q. If a customer applies for repayment deferral through the online form, what will happen to their direct debit?**

Direct Debits won't be cancelled during the repayment deferral period, they will simply be paused and started again at the end of the repayment deferral period. We will communicate to customers prior to the expiry of the repayment deferral, reminding them to set up their direct debit if they cancelled.

**Q. Whilst support is applied to Equity Access Loans (EALs), can a customer continue to draw during the repayments deferred period?**

Yes, customers can continue to draw on their credit up to their approved limit.

**Q. Will a customer's loan term be extended as a result of taking the home loan repayment deferral?**

No. As part of the COVID-19 package, the deferred interest will be capitalised and any deferred principal repayments will need to be paid off during the remainder of the customers loan term. This means that loan repayments will be higher after the repayment deferral period.

**Q. Will taking up this home loan repayment deferral impact the customer's credit bureau report?**

We're committed to ensuring that there will be no adverse impact on a customer's credit file.

**Q. What other options are available if a customer does not want to apply for the home loan repayment deferral?**

1. **Customers ahead on repayments will have available funds in redraw**  
Many of our home loan customers have been making repayments above the minimum amount required on their loan. Customers who are ahead on repayments, can access available funds in their home loan. Customers in this scenario have the option to use these available funds to make their repayments.
2. **Customers can amend their direct debit in Online Banking**  
Customers paying their loan by direct debit, have the option to:
  - Reduce their repayments to the minimum amount required, if they are paying more than they need to pay.
  - Amend the frequency, for example, from weekly or fortnightly to monthly
3. **Customers can reduce their home loan repayment**  
Customers who have had their home loan for more than 12 months, may consider reducing repayments by as much as 50% for up to 6 months.

**Q. If my customer has an offset account, will this be active if they take the home loan repayment deferral option?**

There will be no changes to the customer's offset account if they take up the repayment deferral option.



## Q. How can I help customers?

If your customer needs to defer their Home Loan repayments they can fill out this [form](#).

Consumer customers can also request assistance by completing the [Financial Hardship form](#). After filling in the form, customers will then receive a phone call from us.

The form takes 10-30 minutes to complete and customers will need to have the following information available:

- Income and expense (bills, statements, etc)
- What they own (property, vehicles, shares, etc)
- What they owe (balances outstanding including repayments on loans and credit cards with our bank and other lenders)
- Changes they expect in their circumstances and when.

To find out more detail on what is available to support your customers, you can also visit our website [here](#).

## Questions about the fixed home loan rates effective 27 March 2020

### Q. What are the changes to Fixed Rates we have announced?

#### Fixed Option Home Loan with Principal & Interest repayments

Available to both new home lending customers and existing customers looking to switch to a fixed rate loan

	Current Rate % p.a.	Current Rate (on PAP) % p.a.	Interest Rate Change % p.a.	New Rate % p.a.	New Rate (on PAP) % p.a.
1 year	3.49	3.29	1.00	2.49	2.29
2 year	3.18	2.98	0.69	2.49	2.29
3 year	3.18	2.98	0.69	2.49	2.29

### Q. What interest rate will be applied to Fixed Rate loan applications submitted prior to Friday 27 March 2020 that are currently in the pipeline?

If customers have already locked-in their fixed rate, the locked-in rate will apply on the date the loan settles. If they have not rate locked their fixed rate or the rate lock has expired, then the rate applicable to their loan will be the carded rate (less any applicable discounts) on the date the loan settles.

### Q. If my customer is not experiencing financial hardship as a result of COVID-19, can they still take advantage of the new fixed rates?

Yes. Any customer not directly affected is welcome to fix their loan at the new rates. The COVID-19 Customer Support Package is extended to everyone, during this time of uncertainty is when we need to support our customers the most.

### Q. Who is eligible for the new Fixed Rates?

The new fixed rates are available for all customers new and existing customers looking to switch to a fixed rate from Friday 27 March 2020. Customers with an existing fixed rate who wish to take up this new fixed rate will need to cancel their current fixed rate arrangements and they will be subject to break costs. Customers will need to consider if this is within their best interests.



### **Q. Will LVR pricing discounts be applied on top of the new fixed rates?**

For eligible loans, an LVR discount which is applicable for new loans with an LVR of up to 70% will be applied at time of settlement.

### **Q. Will a customer taking out this product receive this rate upon settlement? Is Rate Lock available?**

Fixed Rate Lock-In will provide interest rate certainty for 90 days from the offer date (product selection date) for a fee of 0.10% of the loan amount. The Bank will apply the fixed rate that is available at the loan settlement date or the date the fixed rate period commences, unless the customer locks a fixed rate in on the loan using our Rate Lock feature. The Rate Lock fee is 0.10% of the loan amount.

### **Q. What is the process to change my customer's home loan to the new fixed rates?**

Call the Broker Hotline on 1300 130 928.

### **Q. Is it a good time for customers to fix their home loan?**

This is a personal decision, which depends on each individual's circumstances, including their:

- Level of comfort in the event that their current variable interest rate increases or decreases by several percentage points;
- Preference to make large additional repayments to their loan – most fixed rate loans only allow a set amount of repayments per fixed rate period;
- Home ownership horizon (i.e. how long they plan to keep their home loan) – if they choose to repay their loan or sell their home during the fixed rate period, they may incur break fees for terminating the contract early; and
- The rate and speed of potential increases in variable rates. This is difficult to predict.

## **COVID-19 Customer Support Package**

### **Q. What's in the COVID-19 Customer Support Package?**

To provide financial support for home lending, deposit and small business customers, we've introduced:

- A 1% p.a. interest rate reduction on small business cash-based loans (not including overdrafts and credit cards) for new and existing customers, effective Monday 6 April 2020.
- A 2.29% p.a. fixed rate home loan for one, two and three years for owner occupied customers on principal and interest repayments with a Premier Advantage Package for new or fixed rate loans or existing variable rate customers looking to fix all or part of their loan. Effective Friday 27 March for new and existing customers.

In addition, Westpac Group has announced a \$10 billion home lending fund, meaning we can continue to help more Australians into home ownership.

### **Q. How does this impact our customers?**

All of these initiatives are available in addition to all our existing products and service for our customers who may need extra help as a result of COVID-19.

### **Q. What does this mean for home loan customers?**

We have introduced a new 2.29% p.a. fixed rate home loan for one, two and three years for owner occupied customers on principal and interest repayments with a Premier Advantage Package for new or fixed rate loans or existing variable rate customers looking to fix all or part of their loan. The effective date is Friday 27 March 2020.

### **Q. What else is available for mortgage customers?**



In addition to the fixed rate changes, customers impacted by COVID-19 (illness, loss of employment or reduction in income, including rental income) can apply for a three month deferral on their home loan repayments (with an option for an extension for a further three months available after review).

We encourage any customer with concerns about their loans and repayments to talk to us so we can provide support.

**Q. Why are we offering consumer home loan repayment relief of 3 months with an extension of further 3 months after review, rather than 6 months outright?**

Westpac's COVID-19 package offers our home loan customers a 3-month repayment deferral with an extension of a further 3 months after review. We are also offering a range of other relief options for other consumer products. More information is available on our [website](#).

For Westpac home loans, any interest that is accrued while the repayments are paused will be capitalised, meaning it will be added to the loan balance. Deferred principal repayments will also need to be paid off during the remainder of the loan term. This means loan repayments will be higher after the deferral period ends. Our approach provides the opportunity for Westpac and our customers to review their situation and options after 3 months.

**Other support available for customers impacted by the recent bushfires**

**Q. What other support is available for home loan and deposit customers who have been impacted by the recent bushfires?**

For home loan customers who have lost their principal place of residence due to the bushfires, we'll will pay their mortgage repayments for one year (up to \$1,200 per month).

Westpac Group's Bushfire Recovery Support Package also includes interest free home loans for customers to cover the gap between insurance payouts and rebuilding costs, low-interest loans for businesses, and bushfire emergency cash grants.

**COVID-19 – support for business customers**

**Q. What support is available for business customers who have been impacted by COVID-19?**

We have introduced tailored help for small businesses including:

- 2% p.a. interest rate reduction on overdrafts for new and existing customers, effective Monday 6 April 2020.
- 1% p.a. interest rate reduction for small business cash-based loans (not including overdrafts and credit cards) for new and existing customers, effective Monday 6 April 2020.
- Eligible customers who need help managing their cash flow can defer principal and interest payments<sup>#</sup> of business term loans, business auto loans, equipment finance facilities and equipment loans<sup>##</sup> for six months. Terms and Conditions and Eligibility criteria apply. Click [here](#) for full details.
- Merchant terminal rental fee waivers for three months for eligible customers with a total card spend of less than \$5 million per annum.
- To support our business customers through this challenging environment, Westpac is offering an unsecured 3-year term loan up to \$250,000 to eligible business customers with a turnover of less than \$50 million. This offer is available with a 6 months repayment deferral, with interest to be capitalised. Terms and Conditions and Eligibility Criteria apply.

**Q. How can I help business customers?**

Information on assistance or support for business customers can be found on our [website here](#).

<sup>#</sup> Interest deferred will be capitalised. For Equipment Finance facilities and loans only, instalments will be deferred and finance charges will still apply over the deferred period. Instalments will be recalculated at the end of the deferral payment period and will include finance charges.

<sup>##</sup> Please note that customers with an overdraft facility should utilise their available balance in the first instance and speak to their Relationship Manager if further assistance is required. Customers with



cashflow/invoice/trade finance and commercial bill facilities requiring assistance should also refer to their Relationship Manager.