

## Welcome

This product disclosure statement (PDS) is an important document for you to read before opening your First Home Saver Account with ME Bank.

It will help you decide if the account will meet your needs.

### This PDS contains information about the following

1. Who can have a First Home Saver Account
2. How the First Home Saver Account works
3. How the Government helps you save
4. How ME Bank helps you save
5. What happens if your situation changes
6. Using your savings for your first home
7. The fees
8. How to open an account
9. Questions and further information

You should consider all of this information before making any decision about whether to open an account. The information in this PDS is of a general nature only and does not take into account your personal needs and objectives.

### If you have any questions or would like further information, you can

- Visit our website [mebank.com.au/fhsa](http://mebank.com.au/fhsa), or
- Call us on **13 15 63** from Monday to Friday 8am to 8pm or Saturday 9am to 5pm (Melbourne time).

This Product Disclosure Statement is issued by:

Members Equity Bank Pty Limited  
Level 28, 360 Elizabeth Street  
Melbourne VIC 3000

Australian Business Number 56 070 887 679

Australian Financial Services Licence Number 229500

## 1 Who can have a First Home Saver Account

### You should consider opening a First Home Saver Account if you

- only want to use your savings to buy or build your first home in Australia to live in ('buy your first home'), and
- are able to save at least \$1000 a year (\$20 per week) in 4 separate financial years - they do not need to be in a row.

*A financial year is from July 1 to June 30.*

### To open an account, you must

- be aged 18 or over and under 65
- have a tax file number
- have never owned a home in Australia that you have lived in, and
- have never opened a First Home Saver Account before.

*You can open another First Home Saver Account if you are transferring your savings from one First Home Saver Account to another - see section 8.*

### If you are saving with others

Each person must open their own individual First Home Saver Account. Each of you can then receive the benefits of having a First Home Saver Account.

*You cannot open a joint account with someone else.*

If you are unsure about your eligibility go to [www.ato.gov.au](http://www.ato.gov.au)

## 2 How the First Home Saver Account works

### How you can use the savings in a First Home Saver Account

You can *only* withdraw your savings for four purposes:

1. to buy your first home
2. as money you can add into your super
3. as money you can withdraw as a lump sum if you are aged 60 or over
4. as money you can pay into a genuine mortgage.

### How to save with a First Home Saver Account

- You put money into your account the same way as you would make deposits into a normal savings account. You can do this at any time, and for as long as you need to save.
- You cannot salary sacrifice into your account.
- You do not need to put money in every year - but your account will only get Government contributions when you do.
- Once the total amount in your account reaches \$85,000 - including Government contributions and income from interest earnings - you cannot put any more money into your account.
- You can keep your account open until:
  - (i) you buy or build your first home;
  - (ii) you are eligible to pay the money into a genuine mortgage; or
  - (iii) you turn 65.

*When you turn 65 you must close your account and withdraw all of your savings, or move it into super.*

## 3 How the Government helps you save

The Government boosts your savings with contributions and a low rate of tax on the income your investment earns.

### When you put money into your account, the Government puts money in too

- When you put a dollar into your account, the Government will contribute 17 cents.
- Any money you put in up to a total of \$5,500 in a financial year will get this Government contribution - anything over this amount will not.

*For example, if you put \$5,500 into your account in one financial year, the Government will contribute \$935 to your savings.*

If you are saving with other people that have their own First Home Saver Accounts, each person will receive Government contributions on the money they put into their account.

- Government contributions are paid directly into your First Home Saver Account after you have lodged your tax return and ME Bank has told the Tax Office how much you have put in.

### You are not taxed

- on the money you put into the account; or
- on the Government contributions; or
- when you withdraw your savings for your first home.

### There is a low rate of tax on the interest your savings earn

- Earnings on First Home Saver Accounts are taxed at 15% but this is paid to the Tax Office by the account provider.

## 4 How ME Bank helps you save

### Your savings will earn you a competitive rate of interest

- Every dollar that you have in your ME Bank First Home Saver Account will earn you a competitive rate of interest everyday.
- The interest rate is variable and may change from time to time.

For our current interest rates, please go to [mebank.com.au/rates\\_and\\_fees/](http://mebank.com.au/rates_and_fees/)

### Your account is bank fee free and your savings will not go down

- The ME Bank First Home Saver Account is a bank account. This means that what you put in, stays in.
- The ME Bank First Home Saver Account does not charge any day to day fees, monthly fees, or transaction fees.

### How quickly can your savings grow?

If you save \$100 per week for the 4 year minimum period, your savings could grow to around \$27,000 after we have added Government contributions and interest income.\*

\*This is a general example based on an interest rate of 5% (after tax and any fees). This rate may be different from the actual interest rate paid by ME Bank.

To find out how much you need to save use the calculator at <http://www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/first-home-saver-calculator>

## 5 What happens if your situation changes

It is very **important** to consider the following situations before opening a First Home Saver Account.

### You decide not to buy or build a first home

If this happens you can choose to:

- move your savings into super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

### You want to buy or build your first home before you have put \$1,000 into your account in 4 separate financial years (they do not need to be in a row)

- You *cannot* use the funds in your First Home Saver Account if you are buying or building your first home on your own.
- You *can* use the savings in your First Home Saver Account if you are buying or building your home with someone else who has qualified to withdraw their funds (*see section 6*).

- If you buy or build your first home on or after 26 May 2011 you can choose to keep your First Home Saver Account open until a payment into a genuine mortgage can be made. However you must tell us within 30 days of buying or starting to build your first home. After you have told us then you cannot put any more money into the account (*see section 6*). Alternatively you can choose to close your account and have your money paid into super or withdrawn as a lump sum if you are 60 or over.

### You don't have any money to put into the account

You do not need to put money into your account every year. You can choose to:

- start saving again when you can
- move your savings into super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

### You haven't put \$1,000 a year into your First Home Saver Account in 4 separate financial years (they do not need to be in a row) and you want to close your account

You can choose to:

- move your savings into super, or
- withdraw your savings if you are 60 or over.

### You move overseas

You can keep your account open, and continue to put money into your First Home Saver Account. However, you will not receive any Government contributions for a financial year if you are overseas for the entire financial year.

### You do not use funds you withdraw from your First Home Saver Account to buy or build your first home or to pay into a genuine mortgage

Penalties apply to individuals if they fail to use funds withdrawn from their First Home Saver Account to buy or build their first home or to pay into a genuine mortgage.

### You experience hardship

After moving your savings into super that money can only be paid to you if permitted by superannuation law. In certain circumstances you may apply to access funds under superannuation early release provisions. These include severe financial hardship, permanent disability, or on specified compassionate grounds.

### Transfers to super

ME Bank may be required to transfer your savings into super if you cease to be eligible to hold a First Home Saver Account. You can nominate a complying superannuation fund for this purpose when completing the application form. If you do not nominate a superannuation fund we will transfer your savings to our default fund, AUSfund. We will let you know in writing if the default superannuation fund changes.

You can contact AUSfund at:

PO Box 2468  
Kent Town SA 5071  
1300 361 798  
[admin@ausfund.net.au](mailto:admin@ausfund.net.au)  
[www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

## 6 Using your savings for your first home or to pay into a genuine mortgage

### Withdrawing your savings to buy or build your first home

- You can only withdraw your savings to buy or build your first home after you have put at least \$1,000 a year into your account in 4 separate financial years (they do not need to be in a row) or have exceeded the \$85,000 balance cap on the account and have held the account in at least 4 financial years.
- If you are buying or building your first home with other people that have First Home Saver Accounts, you can withdraw the savings from each account if just one of the account holders has put \$1,000 into their account in 4 separate financial years.

### Withdrawing your savings to pay into a genuine mortgage

If you buy or start to build your first home on or after 26 May 2011 but before you meet the eligibility requirements listed above under "withdrawing your savings to buy or build a first home" then you can withdraw your saving to pay into a genuine mortgage if you:

- Tell us within 30 days of buying or starting to build your first home;
- Choose to keep your First Home Saver Account open; and
- have a loan which is secured by a genuine mortgage (being a mortgage where the parties to the mortgage are not associated with each other and deal with each other at arm's length) over your first home;

and you satisfy one of the following release conditions:

- you put at least \$1000 a year into your account in 4 separate financial years (they do not need to be in a row) or are deemed to have met this requirement (see below for more information);
- you have exceeded the \$85,000 cap on the account and have held the account in at least 4 financial years; or
- you bought or built your first home with another person who holds a First Home Saver Account and who has met one of the release conditions for having money paid into a genuine mortgage.

Please note, as you cannot put any more money into your account once you buy or build your first home (see section 5) then for the purposes of determining whether your savings can be paid into a genuine mortgage, you will be deemed to have deposited \$1,000 into your account in the financial year you buy or build your first home and every following financial year.

If you sell your first home before you are eligible to have your savings paid into a genuine mortgage then you can choose to either move the savings into super or withdraw them if you are 60 or over.

### When you are ready to use your savings for your first home or to pay into a genuine mortgage

- Contact ME Bank to withdraw all of the money from your First Home Saver Account. To check that you meet the withdrawal rules go to [www.ato.gov.au](http://www.ato.gov.au)
- Your First Home Saver account needs to be closed and you should ensure that any regular payments into your account are stopped. Generally, you will not be able to open another First Home Saver Account.

- If you are using your savings to pay into a genuine mortgage then you must ensure you pay your savings into the loan that is secured by your mortgage within 28 days of receiving the money from your account.

### You must live in your first home for at least 6 months

- Within 12 months of settlement or within 12 months of the genuine mortgage payment being made, or
- Within 12 months of completion of building construction.

### Getting a Home Loan with ME Bank

ME Bank would be happy to sit down and work out the best home loan solution for you from our range of value for money home loans.

You can arrange a meeting with one of our home loan experts by calling us on **13 15 63**.

## 7 The fees

### At ME Bank we do not charge any bank fees on your First Home Saver Account

This means:

- no transaction fees for your regular or one off deposits
- no account keeping or monthly fees
- no Phone or Internet Banking fees
- no application or account closure fees

## 8 How to open an account

It is very simple.

### Fill out the application form

- The application form is enclosed with this PDS.
- You can also transfer your savings from another First Home Saver Account to ME Bank using the same application form.

*Remember that you cannot open a joint First Home Saver Account with someone else.*

You can transfer your savings to another First Home Saver Account provider.

- If you wish to do so, you will need to complete their application process and they will contact us to transfer your savings over.

### If you change your mind

We provide a cooling-off period that lets you close your First Home Saver Account within 14 days, with a refund of any deposits made.

- You will need to tell us in writing within 14 days of opening the account.
- We will refund your deposit less taxes to a nominated account.

## 9 Questions and further information

Members Equity Bank Pty Limited is the provider of the ME Bank First Home Saver Account. Our address is:

Level 28, 360 Elizabeth Street  
Melbourne VIC 3000

You can also:

- visit our website [mebank.com.au/fhsa](http://mebank.com.au/fhsa), or
- call us on **13 15 63** from Monday to Friday 8am to 8pm or Saturday 9am to 5pm (Melbourne time).

## First Home Saver Account enquiries

For information about how First Home Saver Accounts work, eligibility, fees and taxes, and links to savings calculators and other useful online tools visit [www.ato.gov.au](http://www.ato.gov.au)

## Customer Relations

At ME Bank, we are committed to building a reputation for excellence in customer service that includes delivering on our promises.

If for some reason our service does not meet your expectations, we would like to hear from you. Please call us on **13 15 63** or alternatively write to us at:

Customer Relations Manager  
ME Bank  
Reply Paid 1345  
Melbourne VIC 8060

ME Bank abides by the Financial Ombudsman Service (FOS) 'Dispute Resolution Scheme'. If our Customer Relations Department does not resolve your complaint to your satisfaction, you may ask the FOS to investigate your complaint. The FOS will not investigate an issue unless you have given us the opportunity to resolve your complaint.

To take your case to the FOS:

**Call:** 1300 780 808

**Visit:** [www.fos.org.au](http://www.fos.org.au)

## Financial Claims Scheme

The First Home Saver Account is covered by the Financial Claims Scheme (**Scheme**). You may be entitled to payment under the Scheme. Payments made under the Scheme are subject to a limit for each depositor. Information about the Scheme can be obtained from the APRA website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.