

Challenger Prime and Non-Conforming – Direct Salary and Other Income Credits User Guide

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What are Direct Salary and Other Income Credits (DSC)?

Direct Salary and Other Income Credits is a feature where a borrower can have their salary (or other payments) credited directly to their loan facility. At Challenger borrowers can use DSC to make repayments to their loan facility.

How does Challenger treat Direct Salary and Other Income Credit payments?

DSC payments are offset against the standard repayment/s due within the next calendar month. They must be received at least two business days prior to repayment/s due date otherwise a payment will be deducted from the nominated bank account. Where a DSC payment is not received, or the value received is insufficient to cover the amount due, Challenger will automatically debit the borrower's nominated bank account for the amount due.

What happens if my loan is in arrears and I make a Direct Salary and Other Income Credit payment?

If a loan is in arrears any DSC payment made will be applied to the arrears outstanding first.

How do I set up Direct Salary and Other Income Credits?

You will need to provide your employer (or the institution/party making the payment) with the BSB and account number for your loan to enable them to credit the funds direct to your loan facility.

The BSB number for Prime is 083-126; and Non-Conforming is 062-775. Following settlement you will be advised of your account number(s) – these will differ from your Loan ID(s). Note, if you hold split facilities you will be provided with an account number for each split.

Care should be taken when quoting the account number to other parties. Challenger will take no responsibility for any loss as a result of monies being credited to an incorrect loan account.

Can I make Direct Salary and Other Income Credit payments to my fixed interest rate loan*?

DSC payments can be made to fixed rate loan facilities, and will offset standard repayment/s due within the next calendar month. However if the amount received exceeds the standard repayment amount due, the following three options are available:

- 1) Excess funds will be transferred to a variable rate facility in your name (where applicable);
- 2) Excess funds will be refunded to your nominated bank account; or
- 3) Proceed with partial or full break of your fixed rate facility with applicable costs charged to your loan facility.

Challenger will advise your Mortgage Manager in the event of an over-payment to your fixed rate loan.

*Fixed rates are not available for Non-Conforming loans.

When will funds paid by DSC be available for redraw?

All DSC payments are clear funds and are available for redraw once received and processed.