

8 October 2008

Members Equity Bank launches First Home Saver Account Online

Members Equity Bank is very excited and pleased to announce that it has launched its First Home Saver Account to young Australians looking for a premier savings vehicle to help them buy their own home.

To enable young Australians to save more, Members Equity Bank will be offering an interest rate of 8.00% pa fixed until 28 February 2009 on this account. After 28 February 2009, it reverts to a variable interest rate. No bank fees will be charged on this account. Every dollar saved with Members Equity Bank First Home Saver Account earns interest every day and is credited monthly.

The Members Equity Bank First Home Saver Accounts will receive favourable tax treatment as well as a Government Co-contribution as outlined in Government legislation introduced last July.

If you are between the ages of 18 years and 65 years and you have never owned or built your own home before, you are eligible to open a First Home Saver Account. The total amount of savings on which the account holder is eligible for the tax exemption is capped at \$75,000.

If you save \$100 per week for 4 years, your savings can grow to **\$28,371** after Government contribution of 17% up to \$5000 p.a and Members Equity Bank First Home Saver Account interest rate of 8.00%.

Government conditions demand that the account be held, by the account holder, for a minimum of 4 years, with a minimum personal contribution of \$1000 per financial year, before funds can be accessed to buy a house.

The First Home Saver Accounts were introduced by the Federal Labor Government in response to growing public concern over the declining level of housing affordability for young, low to middle income Australians.

The property boom of the 1990s led to a marked deterioration in housing affordability for first home buyers that is yet to be reversed. In 2007 the average monthly repayment on a typical first-home mortgage rose above \$2,000 for the first time. *

The current turbulence in the financial markets and the flow-on effects from the US sub prime crisis have further added to the cost of purchasing a home.

We believe our new First Home Saver Account will create a savings culture among our young people and we look forward to offering this to young Australians.

For more information visit www.membersequitybank.com.au.

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**Housing Institute of Australia 2007.*