

# Understanding credit card *interest*

Credit cards may be a flexible and convenient way for you to manage expenses by offering the ability to buy now and pay later.

Managing your credit card well and understanding exactly how the interest works helps you to avoid unnecessary fees and interest charges.

This information should be read in conjunction with our credit card terms and conditions. These can be found on our website at [www.communityfirst.com.au/card-terms-and-conditions](http://www.communityfirst.com.au/card-terms-and-conditions).



# Benefits of a credit card



- You can take advantage of interest free days to help with purchases
- It can be used everywhere Visa is accepted, including online
- Helps you to manage expenses by offering the ability to buy now and pay later
- Helps to minimise paying transaction fees that may be incurred on a Debit card
- Convenient when travelling overseas by providing a way to pay in various currencies

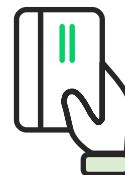


## Please note:

- Balance transfers must be completed by Community First – transferring funds yourself from another financial institution credit card does not count as a balance transfer.
- Additional fees may be charged by the ATM owner when you withdraw cash. International conversion fees and overseas ATM withdrawal fees may also apply.
- Refunds, returns and reversals are not treated as repayments.

**The interest you are charged can differ depending on the type of transaction made:**

### Purchases



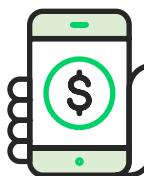
You may be able to benefit from up to 55 days interest free on purchases however there are conditions. Read on to understand how interest free days work.

### Cash



Interest is charged on the amount of cash withdrawn from the day you withdrew it and until it is paid off.

### Balance transfers



Community First currently offer 0% p.a.\* on balances transferred for 12 months. When you bring a balance over from an eligible credit card to your Community First card from another financial institution, you will not incur interest on this amount for 12 months. The 12 months begins from the day the balance transfer is processed. Please note, you will be charged interest on retail purchases while you have a balance transfer.

## Credit eligibility criteria, terms and conditions, fees and charges apply.

\*Offer terms and conditions: Rate is current as at 05/03/24 and subject to change without notice. This is an introductory rate for 12 months only on balance transfers from the balance transfer date. After the initial 12 month introductory period, the interest rate for any of the balance transferred that remains outstanding after the 12 months will revert back to the standard credit card rate at the time - currently this is 8.99% p.a. Offer available for new and existing card holders where new balance transfers are processed to the card by Community First. Offer can be withdrawn at any time. Excludes balance transfers from Community First or Easy Street cards. Please note, you will be charged interest on retail purchases while you have a balance transfer.

# Where can I find information on my purchases?

You can:

- 1** Login to internet banking or mobile banking to view transactions
- 2** View your credit card statement
- 3** If you're still unsure, contact us



# Understanding an **interest free** period

On September 30, John's statement period ends and he receives his statement.



His closing balance is \$400 which is the total he spent in September on a jacket and concert tickets. He now has 25 days to pay off the \$400 in full.

If he doesn't pay back the \$400 by 25th October, he'll lose his interest free period on purchases and he will be charged interest on his unpaid balance (including any purchases made since his last statement period ended) from after the payment due date (25th October).

John will also incur a late payment fee if he doesn't pay at least the minimum payment shown on his statement by the due date each month.

## John can earn up to 55 days interest free



# Regaining your interest free period

You regain your interest free days on the day you pay your last closing statement balance in full.

0%



## What happens if I do a cash advance?

A cash advance is any way in which you access cash on the credit card. This includes things like taking cash out at an ATM, taking cash out in a Community First store, taking cash out at an EFTPOS terminal and transferring money from the account to another account. These transactions don't have any interest free periods and interest is charged on these balances from the day the transaction is effective. Any repayments made to your credit card will first go towards repaying cash advance balances. Once all cash advances are repaid, only then will repayments then go towards retail purchases thereafter.

## What happens if I do a balance transfer?

A balance transfer is when you transfer a balance from another financial institution's credit card, or store card, to your Community First credit card (note: these must be processed by us). It is important to note that repayments are applied first to Cash Advances, then Retail Purchases. Only after these outstanding balances have been repaid, then does your repayment go towards any outstanding Balance Transfers. If you have taken out a balance transfer offer, the below applies.

## What happens if you have a balance transfer offer?

If you have been approved for a balance transfer offer (for example, 0% p.a. on balance transfers for 12 months), you won't pay any interest on the balance that was transferred to Community First for the first 12 months from the day the transfer is processed. After the 12 months, if the balance is not repaid in full it will then convert to a cash advance and interest will then be charged. Please note, you will be charged interest on retail purchases while you have a balance transfer.

# Calculating interest

We calculate interest daily based on the closing balance of the different transaction types:

- Retail purchases (subject to interest free days)
- Cash advances (interest charged daily), and
- Balance transfers and/or balance transfer offers (interest depends on whether an offer applies or not)



## Tips to help you manage fees and interest charges on your credit card

Make bigger purchases at the start of the statement period to give yourself more time to take advantage of more interest free days and more time to repay.

Always make at least the Minimum Repayment due or full payment due each month.

Make your payments on time to avoid a late payment.

Avoid withdrawing cash from your credit card as interest is charged from the day you make the withdrawal.

You can request to reduce your credit limit online via our website provided you are in credit for that amount. We can also transfer your credit card debt to a personal loan if you need help to pay it off.

Get in touch with us if you need help getting on top of credit card debt.





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[communityfirst.com.au](http://communityfirst.com.au)

Credit eligibility criteria, terms and conditions, fees and charges apply. Community First Credit Union Limited ABN 80 087 649 938 Operating as Community First Bank AFSL and Australian credit licence 231204.

