

Discovery Bank Home Loan interest rate discount benefit terms and conditions

The interest rate discount benefit

As an eligible client, you can pay up to 1% less interest on your Discovery Bank Home Loan when you manage your money well with Vitality Money and protect your investment with qualifying products from Discovery Insure and Discovery Life.

The interest rate discount is a benefit that allows you to reduce the effective interest rate that applies to your home loan each month. **It is recalculated monthly based on the main accountholder's Discovery product portfolio, Vitality Money engagement, and transaction behaviour with Discovery Bank from the previous calendar month.**

Who may use the benefit

Each Discovery Bank Home Loan has a main accountholder and may have up to three co-accountholders. **The interest rate discount is determined by the Discovery product portfolio and engagement of the main accountholder only.**

To qualify for the Discovery Bank Home Loan interest rate discount benefit, the main accountholder must be the primary accountholder of one of the below products:

- A Discovery Bank Suite
- A Discovery Bank Credit Card Account
- A Discovery Bank Transaction Account with bundled fees
- A Discovery Bank Transaction Account with pay-as-you-transact fees
- A Discovery Account.

Main accountholders who cease to be primary accountholders of a qualifying primary product will no longer qualify for the benefit. Co-accountholders of the Discovery Bank Home Loan will have no bearing on the interest rate discount benefit, regardless of their Discovery product portfolio and engagement.

How the benefit works

Every Discovery Bank Home Loan consists of a contracted interest rate, an interest rate discount, and an effective interest rate:

- **Your contracted interest rate** is linked to an industry base rate, which may change from time to time, plus a personalised rate which is based on the outcome of your risk and affordability assessment during application.
- **Your interest rate discount** is based on the main accountholder's Discovery product portfolio and engagement:
 - The main accountholder's Discovery Bank primary product at the last day of the previous month;
 - The main accountholder being the main policyholder of qualifying products from Discovery Life and Discovery Insure as at the last day of the previous month;
 - The main accountholder's Vitality Money status at the last day of the previous month.
- **Your effective interest rate** is calculated as your contracted interest rate less the interest rate discount.

The effective interest rate, which is dynamic and recalculated each month based on your interest rate discount, is the rate used to determine your home loan repayments for that month.

Eligibility for the benefit

To be eligible for the interest rate discount benefit each month, the main accountholder must meet each of the below criteria at the last day of the previous month:

1. Be the primary accountholder of a qualifying Discovery Bank product at the last day of the previous month.
2. Be in [good standing](#) at the last day of the previous month and at the time of calculation.
3. Have activated Vitality Money at the last day of the previous month.
4. Have their Discovery Bank Home Loan debit order mandate setup and linked to their own Discovery Bank transaction or credit card account at the last day of the previous month.
5. Meet minimum account usage criteria based on average monthly qualifying spend OR average monthly qualifying spend and minimum debit orders paid from their Discovery Bank account.

Please see the [Discovery Bank rewards terms and conditions](#) for full details on how qualifying spend is determined and the period used.

Card colour	Minimum average monthly qualifying spend	Minimum average monthly qualifying spend PLUS minimum debit orders paid
Gold card or the Discovery Account	R5,500 or more qualifying spend	R3,000 or more qualifying spend + two or more debit orders

Platinum card	R11,500 or more qualifying spend	R5,500 or more qualifying spend + two or more debit orders
Black card	R17,500 or more qualifying spend	R8,500 or more qualifying spend + two or more debit orders
Purple card	R22,500 or more qualifying spend	R3,000 or more qualifying spend + two or more debit orders

- Minimum average monthly qualifying spend values might change from time to time and will not necessarily apply as represented above for the full home loan period. Discovery Bank will give you notice before any changes are made.
- Debit orders need to have been successfully processed. Rejected debit orders will not count towards meeting the above requirements. Your Discovery Bank Home Loan debit order, as well as Discovery Life and Discovery Insure debit orders, if applicable, will count as qualifying debit order transactions.

If the main accountholder does not meet the above interest rate discount benefit eligibility criteria, they will not qualify for any interest rate discount in a particular month and will have their home loan repayment calculated in full using their full contracted interest rate only.

Determining the interest rate discount

For main accountholders who meet the benefit eligibility criteria, their interest rate discount is determined by four key components. **These values and how they're determined within each interest rate discount component might change from time to time. Discovery Bank will give you notice before any changes are made.**

- 1) Your **Discovery Bank primary product** at the last day of the previous month determines an interest rate discount component of up to 0.25%:

Discovery Bank product	Interest rate discount component
Suite OR Transaction Account with bundled fees	-0.25%
Credit Card Account	-0.10%
Transaction Account with pay-as-you-transact fees OR Discovery Account	0%

- 2) Your **Vitality Money status** at the last day of the previous month determines an interest rate discount component of up to 0.25%:

Vitality Money status	Interest rate discount component
Blue	-0%
Bronze	-0.05%
Silver	-0.10%
Gold	-0.15%

Diamond	-0.25%
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- 3) Having an active **Discovery Life Home Loan Protector policy** plus your **Vitality Money status** at the last day of the previous month determines an interest rate discount component of up to 0.25%:

Having an active Discovery Life Home Loan Protector policy, based on Vitality Money status	Home loan interest rate discount
Blue	0%
Bronze	-0.05%
Silver	-0.1%
Gold	-0.15%
Diamond	-0.25%

- To qualify for the Home Loan Protector interest rate discount component, the cover needs to be in place and effective at the last day of the previous calendar month.
 - Having an active Home Loan Protector unlocks the interest discount component, but the size of the interest rate discount component is determined by your Vitality Money status at the last day of the previous month.
 - Any other policies with Discovery Life or life cover with an external insurance provider do not qualify for the Home Loan Protector interest rate discount component.
 - Each individual Discovery Bank Home Loan needs to have its own Home Loan Protector policy in place for that home loan to qualify for the interest rate discount component.
- 4) Having an active **Discovery Insure policy with building or contents cover, or both**, at the same address as the Discovery Bank Home Loan, plus your Vitality Money status as at the last day of the previous month determines an interest rate discount component of up to 0.25%:

Freehold properties:

Having an active Discovery Insure policy with building cover AND contents cover, based on Vitality Money status	Home loan interest rate discount
Blue	0%
Bronze	-0.05%
Silver	-0.1%
Gold	-0.15%
Diamond	-0.25%

Having an active Discovery Insure policy with building cover only, based on Vitality Money status	Home loan interest rate discount
Blue	0%
Bronze	-0.025%
Silver	-0.05%
Gold	-0.075%
Diamond	-0.125%

Having an active Discovery Insure policy with contents cover only, based on Vitality Money status	Home loan interest rate discount
All statuses	0%

Sectional title properties:

Having an active Discovery Insure policy with contents cover only, based on Vitality Money status	Home loan interest rate discount
Blue	0%
Bronze	-0.025%
Silver	-0.05%
Gold	-0.075%
Diamond	-0.125%

- The cover must be in place on the last day of the previous calendar month to qualify for the building or contents, or both, cover interest rate discount component.
- Having an active Discovery Insure policy unlocks the interest rate discount component, but the size of the interest rate discount component is determined by your Vitality Money status at the last day of the calendar month.
- Any other policies with Discovery Insure or building or contents cover, or both, with external insurance providers do not qualify for the building or contents cover interest rate discount component.
- Each Discovery Bank Home Loan needs to have its own building or contents cover, or both, in place for that home loan to qualify for the interest rate discount component.
- It is mandatory for Discovery Bank Home Loan clients with properties classified as freehold to have building cover; however, it is not a requirement that this cover be taken up with Discovery Insure. Clients with a freehold property who take up building insurance with a third-party provider will not be eligible for this component of the interest rate discount, even if they take Discovery Insure contents cover.
- It is mandatory for Discovery Bank Home Loan clients with properties classified as sectional titles with HOC (homeowner's cover) to have independent building cover. In these exceptional cases, clients will only be eligible for an interest rate discount component of up to 0.125%.

Example 1:

John is the main account holder of a Discovery Bank Home Loan and is the primary account holder of a Discovery Bank Black Suite. The property is a sectional title property. His Discovery Bank Home Loan debit order and two other debit orders process from his Discovery Bank transaction account monthly. His average monthly qualifying spend at the end of September was R12,587.00, so he is therefore eligible for the interest rate discount benefit.

He is on Diamond Vitality Money status on 30 September. He has an active Discovery Life Home Loan Protector policy and Discovery Insure Contents cover in place and effective on 30 September.

He qualifies for a total interest rate discount of 0.875% for October based on:

Discovery Bank primary product	
Black Suite	-0.25%
Vitality Money status	-0.25%

Diamond	
Discovery Life Home Loan Protector Active policy, plus Diamond Vitality Money status	-0.25%
Discovery Insure Building and Contents cover Active policy with contents cover (sectional title property), plus Diamond Vitality Money status	-0.125%

The 0.875% interest rate discount is used in the October monthly interest calculation and will reduce the monthly interest debit processed on 1 November.

Example 2:

Joe is the main account holder of a Discovery Bank Home Loan and is the primary account holder of a Discovery Bank Platinum card. The property is a freehold property. His Discovery Bank Home Loan debit order and two other debit orders process from his Discovery Bank transaction account monthly. His average monthly qualifying spend at the end of September was R15,887.00, so he is therefore eligible for the interest rate discount benefit.

He is on Gold Vitality Money status on 30 September. He has an active Discovery Life Home Loan Protector policy and Discovery Insure Building and Contents cover in place and effective on 30 September.

He qualifies for a total interest rate discount of 0.55% for October based on:

Discovery Bank primary product Platinum Card	-0.1%
Vitality Money status Gold	-0.15%
Discovery Life Home Loan Protector Active policy, plus Gold Vitality Money status	-0.15%
Discovery Insure Building and Contents cover Active policy with contents cover (freehold title property), plus Diamond Vitality Money status	-0.15%

The 0.55% interest rate discount is used in the October monthly interest calculation and will reduce the monthly interest debit processed on the 1 November.

Example 3:

Tshepo is the main account holder of a Discovery Bank Home Loan that was registered in October. He also accepted the Discovery Life Home Loan Protector policy. In the policy documents, Discovery Life confirmed the date of commencement as 1 November. When the interest rate discount is calculated at the end of October, it will not include the Discovery Life discount due to the date of commencement. The end-of-November interest rate discount calculation will include the Discovery Life discount and be applied from 1 December going forward, subject to meeting the qualifying criteria and his Vitality Money status every month.

Example 4:

Tshepo is the main account holder of a Discovery Bank Home Loan that was registered on 20 October. He confirms acceptance of his policy after 1 November, with a policy commencement date of 20 October. The end-of-November interest rate discount calculation will include the Discovery Insure discount to be applied from 1 December going forward, subject to meeting the qualifying criteria and his Vitality Money status every month, and also retrospectively correct for the months of October and November.

Viewing your interest rate discount

Once your Discovery Bank Home Loan is open, as the main account holder, you'll be able to see your monthly interest rate discount information and how it's tracking for next month and the current month in the Discovery Bank app from your Discovery Bank Home Loan Account.

If there is a need to process an interest rate adjustment, it will be processed in the following calendar month.

Acceptance of **terms of use**

By accepting the Discovery Bank Home Loan offer, you agree to the limits, terms and conditions that apply.

Specific limits, terms and conditions apply to each benefit and may be subject to change.

Contact us if you need help

If you have any questions, call 0800 07 96 97 or visit www.discovery.co.za. When you use this benefit, you agree that Discovery Bank, SA Home Loans and authorised third parties may share your payment and personal information to administer the benefit effectively. [View our Privacy Statement](#). You also agree that Discovery Bank and SA Home Loans can use your email address which is on record for all legal and compliance communication. It is your responsibility to make sure your contact details are fully updated with Discovery. You can view and edit these details by logging onto your Discovery Bank app.