



Pepper Finance Corporation Limited (Pepper)

ACN 094 317 647

General Terms & Conditions

Version March 2023

IMPORTANT NOTE

This document does not contain all the information required to be given to you.

You must read this document together with the document that contains the Financial Table. This document and the document that contains the Financial Table together comprise your *loan agreement*. If there is any conflict between the document that contains the Financial Table and this document, the terms of the document that contains the Financial Table prevail. If there is any conflict between any provisions of any *security* or guarantee and your *loan agreement*, the terms of your *loan agreement* prevail.

Is there anything else you need to read and comply with?

You must read and comply with:

- (a) your *loan agreement* (which includes these General Terms & Conditions);
- (b) the Mortgage Common Provisions;
- (c) any terms and conditions regarding access to your *loan account*; and
- (d) any other conditions reasonably imposed by us.

Take particular notice of the things you must do and must not do with the *mortgaged property*), and when your payments are due. If you are unsure, please contact us.

If we have issued a card with respect to your *loan account*, use of the card will be governed by separate terms and conditions which will be issued to you with your card. Any transaction made using your card may be treated as a transaction from your *offset sub-account* or as redraw from your *loan account* – please see the redraw or *offset sub-account* provisions of this document for further information.

When is there a binding legal agreement between you and us?

Warning

Until the *settlement date*, we have the right to change the terms of your *loan agreement* or to withdraw our offer to lend altogether.

- 1.1 There is no binding legal agreement for us to lend until the *settlement date* or such earlier date as we decide.
- 1.2 Until the *settlement date*, we have the right to change the terms of this *loan agreement*.
- 1.3 If we determine that any of the following apply, and would have impacted our decision to approve your loan, we may withdraw this *loan agreement* and decline to make an advance of funds to you. Each provision below is a distinct and separate term.
 - (a) You do not satisfy any condition of your *loan agreement*.
 - (b) You do not provide us with any information that we reasonably request.
 - (c) You are in default under this *loan agreement*.
 - (d) You are in default under any other agreement with us.
 - (e) You are in default under any other loan contract you have with anyone else.
 - (f) Any information you provide to us is found to be false, misleading or fraudulent.
 - (g) There is a change to your financial circumstances.
 - (h) There is a change to the mortgaged property.
 - (i) There is any market disruption, liquidity crisis, or change to the regulatory or legislative environment affecting our ability to lend.
 - (j) There is any other type of disruption to our funding.
 - (k) Anything else happens which in our opinion makes funding your loan undesirable.

- 1.4 We will not make an advance of funds until we are satisfied that all relevant conditions are fulfilled. You may be liable for costs even if we decide not to proceed.
- 1.5 If you do not draw down the total loan amount on the *settlement date*, any borrowing of the balance is subject to our approval.

Joint borrowers

- 2.1 If there are two or more borrowers, each of you is individually liable, and all of you are jointly liable. This means we may take legal action against any one of you for all the outstanding amounts. You agree that each borrower can bind each other borrower. For example, any one of the borrowers can authorise a redraw or transaction on any *offset sub-account*, a split into one or more *loan accounts*, or any other activity in respect of your loan. Each other borrower and any *guarantor* will be liable even though they did not know about or did not agree to the transaction.

Warning

This means that each one of you can be required to pay the whole *amount owing* even if you may have some other arrangement among yourselves or not all of you benefit equally.

Despite this clause 2.1, we may require all borrowers and *guarantors* to authorise any activity with respect to your loan.

- 2.2 If a borrower or *guarantor* dies, we may require the loan to be repaid in full within six months of the death of the borrower or *guarantor* unless other arrangements are made for the continuation of the loan to our satisfaction.

Switching

- 3.1 You may with our approval from time to time split your *loan account* into two or more accounts or switch account types. You may request a switch prior to the initial drawdown, in which case the switch takes effect from the *settlement date*. We have full discretion whether or not to approve any split or switch requested by you.
- 3.2 If a new *loan account* is created, separate repayment dates and interest debit dates may apply to that new account.
- 3.3 If you switch from a fixed rate loan to a variable rate loan during the fixed rate period, a break cost and/or a switch/split administration fee may be payable if specified in the Financial Table (as varied from time to time).
- 3.4 If your *loan account* is split into two or more accounts, or if you switch between types of interest rate, you may have to pay interest on the amount switched or split to the date on which the switch or split occurs.

Effect of having more than one account

- 4.1 If you have more than one account with us:
 - (a) we can apply any payment or other credit to any part of the *amount owing* in any order we determine;
 - (b) if you make a payment without telling us in writing how the payment is to be applied, we can apply it to any one or more of the accounts in any way we think

- fit;
- (c) if you are in arrears under this *loan agreement* or any other agreement while one or more of your *loan accounts* or other agreements have funds available to be drawn, you authorise us to appropriate from any one or more of those accounts to pay some or all of your arrears; and
 - (d) each account will have its own balance and we will send you separate statements for each account.

Interest charges

- 5.1 You must pay us interest on all amounts debited to your *loan account* from the date the amount is debited. Interest debited to your *loan account* forms part of the *amount owing*.
- 5.2 Interest charges are debited to your *loan account* monthly in arrears on the same day each month as the *settlement date*. If the day for debiting interest does not exist in a month (for example, 31 April), interest will be debited on the last day of the month. If the day for debiting interest is not a business day, interest will be debited on the next business day. If an interest only period ends on a day which is not a business day, your interest only period may end on the next business day.
- 5.3 Interest charges are calculated by applying the interest rate to the unpaid balance owing to us at the end of each day. The interest rate applied each day is equal to the annual percentage rate applicable to the loan at the time divided by 365.
- 5.4 In addition to debiting interest to your *loan account* as specified above, we may debit interest:
 - (a) whenever the loan is in default;
 - (b) on any repayment of your loan;
 - (c) if we increase your loan amount or vary your *loan agreement*;
 - (d) immediately before we credit to your *loan account* a payment that equals or exceeds the balance at that time; and
 - (e) on the final repayment date.
- 5.5 Any interest charges debited to your *loan account* become part of the *amount owing* on which interest charges are calculated.
- 5.6 In the case of the first debit of interest charges, the amount debited will be the sum of the interest charges calculated for each day in the period starting on the *settlement date* and ending on the day before the interest charges are debited (including each of those days). For each later debit of interest charges, the amount debited will be the sum of the interest charges calculated for each day in the period starting on the day interest charges were last debited and ending on the day before interest charges are next debited (including each of those days).
- 5.7 If more than one interest rate applies to your loan, we will apply the applicable daily percentage rate to the relevant *loan account*.
- 5.8 You can find out your current interest rate(s) at any time by

contacting us. We can change your interest rate(s) at any time except during a fixed rate period.

What you must pay and when

What you must pay

- 6.1 You must make all the payments and pay all the credit fees and charges specified in your *loan agreement* (as varied from time to time). In addition, on the final repayment date, you must pay us the *amount owing*.
- 6.2 Payments will be credited to your *loan account* only when actually received by us. All payments must be made in full when they fall due, without setting off or deducting any amounts you believe we owe you, and without counterclaiming any amounts from us.

Repayments

The repayments set out in your *loan agreement* are examples which assume that payments will be made on time, and that the annual percentage rate(s) and fees and charges will not change after the disclosure date.

- 6.3 If the interest rate changes, the amounts of your repayments will change. You will be notified of any change to repayments in writing in accordance with applicable laws on or before the day the change takes effect.
- 6.4 If:
 - (a) the annual percentage rate changes (including because you change interest rate options);
 - (b) you convert from one repayment option to another;
 - (c) the *amount owing* changes because we lend you more money;
 - (d) you repay an amount early; or
 - (e) amounts are debited or credited to your *loan account* that have not been taken into account in our calculation of your repayment amount, we may reflect this by either changing your repayment amount or the *loan term*.
- 6.5 You can also ask us in writing to change your repayment amount. We will reasonably consider your request.

Repayments

- 6.6 If a payment is due on the 29th, 30th or 31st day of the month, but a month does not have that many days, you must pay the payment on the last day of the month.
- 6.7 If a payment would otherwise be due on a day which is not a business day, you must make the payment on the next business day.
- 6.8 If we ask for a direct debit authority as a condition of your loan, you must not cancel the direct debit authorisation or close the account referred to in the direct debit authority. You must also ensure there is enough money in the relevant account to meet the repayments under your *loan agreement*. You authorise us to obtain any money due under your *loan agreement* by using the direct debit authority. If an attempted

direct debit fails, we may make reasonable further attempts to direct debit your account until the direct debit is successful.

- 6.9 The amount of each payment may include any applicable direct debit fees, taxes or charges relating to the payment method in addition to your repayment amount.
- 6.10 If any payment is dishonoured, the repayment will be treated as not having been made, and interest will continue to accrue on the unpaid daily balance until actual payment is received by us.
- 6.11 If you are required by law to deduct any amount from a payment due to us, unless we can receive a credit or rebate for that deduction, you must increase the amount of the payment so that we receive the full payment amount as if the deduction had not been made.

Interest only periods (not applicable to construction loans during the construction period. For construction loans, please see your *loan agreement*)

- 6.12 During any interest only period, each of your monthly repayments is one twelfth of the interest charges that we estimate will be payable on your *loan account* during each year of the interest only period. We can also calculate your monthly repayment to include any credit fees and charges and any other government transaction charges that are payable on your *loan account* during the interest only period, but we need not do so.
- 6.13 Interest only payments are to be made:
- (a) by direct debit from an account at a bank or financial institution approved by us unless we agree to some other method of payment with you;
 - (b) in Australian dollars; and
 - (c) to us or as we may direct.
- 6.14 You must make each interest only payment without deduction or set-off for any reason and without counterclaiming any amounts from us.

Early repayment

Warning

You may have to pay fees if you repay your loan early. Significant fees (called 'break costs') may be payable if you repay all or part of a fixed rate loan early.

- 7.1 You may make additional payments or repay your loan in full or part at any time. If you do:
- (a) fees may be payable if specified in the Financial Table (as varied from time to time), including fixed rate break costs if you repay your loan during a fixed rate period;
 - (b) repayments greater than your scheduled repayment will not be credited to any *offset sub-account* unless you specifically request so before making the payment; and
 - (c) you may be able to redraw any excess repayments.

What are break costs?

- 7.2 When a lender agrees to lend money to a borrower for a fixed rate period, the lender may enter into financial arrangements to enable it to do so. If the loan is repaid or otherwise terminated before the end of the fixed rate period, the lender may still incur costs under those financial arrangements. Lenders normally pass on these costs (commonly known as 'break costs') to borrowers. Break costs are payable irrespective of whether the lender has entered into specific financial arrangements to fund the loan, and may be calculated by reference to retail interest rates (i.e. the rate at which lenders can lend money on similar terms) or wholesale interest rates (i.e. the rate at which lenders obtain funding).

Example:

The lender lends \$200,000 to you at 9% per annum for a fixed rate period of three years. The lender enters financial arrangements to fund this loan at 8% per annum (the market rate). You decide to repay the loan early at the end of one year. The market rate has reduced to 5% per annum. The break costs will be an assessment of the cost or loss to the lender as a result of the early repayment.

Using the above figures, the lender could calculate the loss by multiplying the amount repaid early (\$200,000) by the difference in interest rates (3%) for the period starting from the date of repayment to the end of the fixed rate term (2 years) = $\$200,000 \times 3/100 \times 2 = \$12,000$. The amount you would have to pay will be slightly less than \$12,000 because the lender is receiving the money at the time of the early repayment rather than over the remaining fixed rate period.

This is an example only to assist your understanding of break costs. The Lender may use various funding techniques, but the underlying principle holds true (even if the formula applied each time is different). Break costs may be payable even if there is no matching borrowing by the Lender.

Warning

If a fixed rate loan or any part of it is terminated early, break costs could be substantial, particularly if market interest rates have reduced during the fixed rate period. Ask for an estimate of break costs before you arrange to repay a fixed rate loan early.

- 7.3 There are a number of ways we may calculate break costs. We will act reasonably when calculating the break costs that are payable by you and will charge no more than a reasonable estimate of our loss arising from the early repayment plus our average reasonable administrative costs. Because of the changes that occur over time in financial markets, it is not possible to state the method of calculating break costs at the disclosure date.

Fees and charges and enforcement expenses

Warning

Enforcement expenses may become payable under your *loan agreement* or any mortgage or other *security* if you default under your loan. This means that you may have to pay any of our reasonable costs incurred in maintaining the mortgaged property, collection expenses, and any other internal or external costs we incur as a result of your default. Enforcement expenses may be debited to your *loan account* at any time after they are incurred.

Other amounts to be paid

8.1 When we incur expenses, we may debit your *loan account* with these costs, including the following:

- (a) all fees and charges in the circumstances indicated in your *loan agreement* and any changed or new fee or charge notified to you;
- (b) an amount equal to any government charges and duties on receipts or withdrawals under your *loan agreement*; and
- (c) reasonable enforcement expenses if an event of default occurs or you breach your *loan agreement*.

About enforcement expenses

8.2 We may debit your *loan account* with our enforcement expenses at any time after they are incurred, and may then require you to pay these costs immediately (including by using any direct debit or similar authority you have given us), collect them with your regular repayments, or require them to be repaid by one or more repayments.

8.3 If your loan is regulated by the National Credit Code or similar laws, enforcement expenses payable by you will not exceed our reasonable enforcement costs (including internal costs).

8.4 Enforcement expenses include our expenses incurred in preserving or maintaining the mortgaged property (including insurance, rates and taxes payable in respect of the mortgaged property), collection expenses, expenses resulting from dishonour of a payment, and any internal or external costs we incur as a result of you breaching any term of your *loan agreement* or any other agreement (including legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher).

8.5 You indemnify us from and against any expense, loss, loss of profit, damage, or liability which we incur as a consequence of a default occurring, except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint, or is otherwise recovered by us.

Representations and warranties

8.6 You represent and warrant that all information you have given us regarding your financial and personal affairs and any mortgaged property is, to the best of your knowledge and the knowledge of any representative acting for you (for example, your lawyers or conveyancer), true and correct. You also represent and warrant that other than as disclosed to us in writing prior to the *settlement date*:

- (a) there are no unpaid rates or taxes owing in respect of the mortgaged property;
- (b) there are no mortgages or other encumbrances affecting the mortgaged property other than those mortgages and encumbrances already lodged or recorded at the land registry;
- (c) apart from any interests or rights already lodged or recorded at the land registry, no one else has any interest in, or rights over the mortgaged property;
- (d) there is no breach of building or planning laws in respect of the mortgaged property;
- (e) no one has a right to remove any chattels, fixtures or fittings on the mortgaged property;
- (f) the mortgaged property is zoned for residential or rural residential purposes and is not used for any commercial purposes;
- (g) there are no restrictions on occupancy of the mortgaged property;
- (h) there are no current or proposed road works which will affect the mortgaged property;
- (i) the mortgaged property is not subject to flooding and its use has not been restricted because of potential liability to flooding;
- (j) there is no discrepancy between the measurements of the mortgaged property as fenced and those shown on the certificate of title;
- (k) no proceedings have been commenced, and no orders obtained, pursuant to the Family Law Act 1975 (Cth) that affect or may affect the mortgaged property;
- (l) there has not been any breach of any covenants, encumbrances or easements affecting the mortgaged property;
- (m) there will be no overdue rates, taxes and charges at settlement;
- (n) the mortgaged property is not affected by pollution or contamination;
- (o) the mortgaged property will be occupied by you unless we have agreed that the property is leased;
- (p) there are no notices or proposals from any government or other authority adversely affecting the mortgaged property;
- (q) there are no defects or disputes relating to the mortgaged property; and
- (r) there are no structural alterations or improvements on the mortgaged property which require approval by the council or any other authority which have not been approved.

Redraw

Warning

We can change, suspend or cancel your redraw facility at any time.

Redrawing amounts (if applicable)

9.1 We will tell you if redraw facilities are available. If available, a redraw of funds can be made by methods authorised by us from time to time. Redraws will be processed as we decide from time to time. If you request a redraw, we have full discretion whether to approve or refuse your request.

Redraw may not be available in respect of any fixed rate *loan account*.

- 9.2 We may change, suspend or cancel the redraw facility at any time. We will tell you if we do any of these things.
- 9.3 Any redraw will be made from the *loan account* specified by you, or if no *loan account* is specified, the *loan account* determined by us.
- 9.4 Subject to clause 9.2, if you have made extra payments above your regular repayment amount, you may, at our discretion, redraw (or re-borrow) up to the scheduled balance provided:
- (a) you have not defaulted under your *loan agreement*,
 - (b) the interest rate applying to the *loan account* to which the extra payments were made is a variable rate;
 - (c) no further charge or *security* interest has been granted over any of the *security*; and
 - (d) no other redraw restrictions are set out in your *loan agreement*.
- 9.5 The amount available for redraw will reduce over the term of your loan because the amount available for redraw is limited to the scheduled balance (which reduces over the term of your loan except during any interest only period).
- 9.6 If you have a construction loan, no redraw is available during the construction period.
- 9.7 The amount you redraw must not be less than the minimum amount specified by us from time to time. We may reduce the amount otherwise available to you to redraw by the estimated amount of your next scheduled repayment.
- 9.8 You must keep the method of making redraws from your *loan accounts* (including any *offset sub-account*) confidential to ensure there are no unauthorised transactions or other dealings with your *loan accounts*.
- 9.9 Despite clause 9.4, if you have a fixed rate loan, redraw may be available at our discretion during the fixed rate period on the fixed rate portion of your loan but can only be completed by contacting us. If you request a redraw during the fixed rate period, we have full discretion whether to approve or refuse your request.
- 9.10 If you make your request for redraw manually, you should allow at least two business days for your redraw to be processed.
- 9.11 You must make sure that you do not draw more than the amount available for redraw. If you do draw more than that amount, you must repay the excess immediately, and we may charge default interest on that amount until it is repaid.
- 9.12 If you attempt to redraw more than the amount available for redraw, we may (but are not obliged to) stop or prevent the payment, including by not processing a direct transfer from your *loan account*.
- 9.13 If you make any other payment to your *loan account* during a month, those amounts (to the extent not redrawn) will be applied to cover your repayments for that month. If the amount paid is insufficient to cover your repayment when it

is due, you will need to deposit further funds to your *loan account* to cover your repayment. If the amount paid equals or exceeds your minimum monthly payment (and has not been redrawn at the time your payment is due), no further amount needs to be paid to your *loan account* for that month only. Any amount paid in excess of your payment will not be applied to your payment for the next month and you will be required to pay further funds to the *loan account* to cover your next month's repayment.

- 9.14 We may withhold funds and make them unavailable for redraw in order to apply them to your next payment.
- 9.15 If you request a redraw, and for that *loan account* your existing repayments are not sufficient to repay the balance over the remaining term, we may recalculate your future repayments for that *loan account*.

About *offset sub-accounts*

Warning

We can change, suspend or cancel your offset facility at any time. We may debit your *offset sub-account* with any money due to us under any account you have with us.

- 10.1 We will tell you if offset facilities are available. Offset facilities are not available during any construction period. We may change, suspend or cancel the offset facility at any time. If we cancel the offset facility, any funds in the *offset sub-account* will be credited to the *loan account* linked to the *offset sub-account*.
- 10.2 We do not make any representations:
- (a) that an *offset sub-account* will be available or continue to be available or will not be terminated; or
 - (b) about the tax effectiveness of any *offset sub-account*.
- 10.3 Each *offset sub-account* must be linked to a separate nominated *loan account*.
- 10.4 If you have an interest *offset sub-account*, interest payable on your linked *loan account* will be calculated on the daily balance of that *loan account* less the balance in the linked *offset sub-account*. Despite the interest *offset sub-account*, you must make all your repayments as normal.
- 10.5 If you have a repayment *offset sub-account* (only available with our approval), the interest component of your repayment amount for your linked *loan account* will be calculated on the daily balance of that account less the balance in the relevant linked *offset sub-account*. The result may be that your repayment amount is reduced. This means that your principal balance will not reduce as a result of having a linked *offset sub-account*.
- 10.6 Any *offset sub-account* is not a stand-alone account and cannot be severed from your linked *loan account*.
- 10.7 You may not link your *offset sub-account* to a fixed rate account.
- 10.8 You must ensure that the balance of any *offset sub-account* does not exceed the *amount owing* under your linked *loan account* at any time. If the balance of your *offset sub-account* exceeds the *amount owing* under your linked *loan account*,

- we may send the excess funds back to you, or apply them towards another of your *loan accounts*.
- 10.9 No interest is payable on your *offset sub-account*, even if the balance exceeds the *amount owing* under your linked *loan account*.
- 10.10 You may draw funds from your *offset sub-account* in the same way as for redraw as set out above. We may, but are under no obligation to, withhold funds from your *offset sub-account* and make them unavailable to draw down in order to apply them to the next repayment due under your linked *loan account*.
- 10.11 You must make sure that you do not allow your *offset sub-account* to be overdrawn. If your *offset sub-account* is overdrawn, you must repay the excess immediately, and we may charge default interest on that amount until it is repaid.
- 10.12 If you make repayments due under your linked *loan account* by directly debiting your *offset sub-account*, you must ensure that your *offset sub-account* has sufficient funds available to make each repayment.
- 10.13 If your *offset sub-account* has a negative balance, funds may be transferred from the linked *loan account* in order to clear the negative balance. This may occur even if doing so will put the linked *loan account* into default.
- 10.14 We may debit your *offset sub-account* with any money due to us under any other *loan account* or other account you have with us.
- 11.4 Generally, all progress payments will be made directly to the builder or service provider.
- 11.5 If total construction costs are less than the amount we agree to lend you for construction, we may reduce the amount we lend you accordingly.
- 11.6 We may suspend, reduce or cancel any progress payments, and can refuse to make any further advances if anything happens which in our reasonable opinion adversely affects the value of the mortgaged property, if the works are not proceeding satisfactorily, or if there are any unreasonable delays in the works.
- 11.7 If any insurer who has provided lenders mortgage insurance (or the provider of any other type of risk cover in respect of your loan) cancels, suspends or limits that insurance or cover, and that decision materially impacts our credit or security risk, we may demand repayment of the whole or any part of the *amount owing* on not less than 90 days notice.
- 11.8 If you overrun the approved planned expenditure, we may require you to fund the overrun from your own funds before we approve your next drawdown request.
- 11.9 Progress payments can only be applied to completed work fixed to the building. We may not make progress payments for supplies until they are installed or permanently affixed to the mortgaged property.
- 11.10 Any variations to the building works must be funded by you unless we agree otherwise.

Construction

Warning

If you have a construction loan, we may suspend, reduce or cancel any progress payments. For example, we can refuse to make any further advances if anything happens which adversely affects the value of the mortgaged property, if the works are not proceeding satisfactorily, or if there are any unreasonable delays in the works.

About your construction loan

This part only applies if you have a construction loan.

- 11.1 No building works may be commenced on the mortgaged property without our prior written consent, which will not unreasonably be withheld. You must commence and complete construction within the timeframe, if any, specified in the special conditions of your *loan agreement*. You must complete the building works expeditiously in accordance with the best skills and practices to our satisfaction, with plans and specifications approved by us, and with the requirements of any responsible authority (such as a local council).
- 11.2 If you do not commence construction within the period specified in your *loan agreement*, we, acting reasonably, may elect to cancel any further borrowing on your loan, or reduce the available credit limit to an amount determined by us, and convert your *loan account* to principal and interest repayments. We will provide you with notice before we do this.
- 11.3 The loan amount will be advanced progressively as and when we see fit to assist in the construction of building works.
- 11.11 Before we make any progress payment under your *loan agreement*, we may require you to give us the following documents in a form and substance acceptable to us.
- An executed copy of the fixed price (inclusive of GST) building contract, including all variations, between you and the builder in relation to construction, with a completion date of not more than 12 months from the construction commencement date.
 - A copy of the plans and specifications approved by the relevant authority in relation to construction.
 - Home owners warranty insurance (where applicable).
 - A builders all risk policy and a certificate of currency for that policy showing our interest as mortgagee.
 - An identification survey report completed by a licensed land surveyor.
 - A copy of the certificate of registration of the builder with an authority satisfactory to us.
 - A progress payment authority signed by you.
- You are still liable under your *loan agreement* if we make any progress payment without requiring any of these things.
- 11.12 We may require a valuation to be obtained prior to us making any progress payment.
- 11.13 You must also do the following.
- Provide evidence satisfactory to us that the agreed drawdown schedule is observed and that there are

always sufficient undrawn funds under the loan to complete construction.

- (b) Promptly comply with any condition imposed by us in relation to any progress payment or the works.
- (c) Not materially vary or terminate the building contract without our prior written consent (which will not be unreasonably withheld).
- (d) As soon as the building works are complete, provide us with:
 - A. a general insurance policy noting the Lender's interest as mortgagee. The policy must include cover for fire and damage, evidenced by a copy of the certificate of currency (a cover note is not acceptable), and be otherwise on terms acceptable to us; and
 - B. a final certificate from the local council or other responsible authority confirming that building works have been completed in accordance with all relevant requirements.

11.14 We accept no responsibility in respect of the building works irrespective of whether we conduct any inspections, make any comments or requirements, or make any progress payments. You must satisfy yourself that the building works are properly carried out.

Default

Warning

The events which may cause you to default under your loan are listed below. You may default under your loan even if you have made all your payments. If you do not make any payment by the due date, you must pay default interest on the overdue amount until it is paid. If you default, you may lose your property.

Default rate

12.1 Acting reasonably, we may change the default rate of interest at any time without your consent. You will be notified of any changes in the default rate in the same way any variations to the interest rate are notified to you.

12.2 If any amount due by you is not paid on the due date, you must pay default interest on the overdue amount until it is paid. You will also be liable for any default fees specified in the Financial Table (as varied from time to time).

12.3 Default interest is also payable:

- (a) on the whole of the *amount owing* if that amount becomes due for any reason; and
- (b) on any *amount owing* because the balance of your *loan account* exceeds the scheduled balance,

until those amounts are paid.

12.4 Default interest is calculated, accrues, is debited, and is payable in the same way as ordinary interest.

Consequences of a breach of any term

12.5 If you breach any term of your *loan agreement* or any other agreement, if an event of default occurs, or if any *security* or *guarantee* is terminated or is of reduced force and effect:

- (a) we will not be obliged to lend you any more money and we can stop any redraws or withdrawals from your *offset sub-account*; and
- (b) we may rectify the breach or event of default by performing your obligations under your *loan agreement* or any other agreement.

Monetary events of default

12.6 A monetary event of default is an event of default that occurs as a result of your failure to make a payment. Each of the following is a monetary event of default:

- (a) you do not pay any money due to us under your *loan agreement* or any other agreement by the due date for payment;
- (b) you do not pay any amount exceeding \$50,000 to any person other than us by the due date for payment.

Non-monetary events of default

12.7 Each of the following is an event of default:

- (a) if you are an individual:
 - A. you become bankrupt;
 - B. you are unable to pay your debts as they fall due;
 - C. you make any arrangement with your creditors;
 - D. you are, or are deemed or presumed by law or a court to be, insolvent;
- (b) if you or a *guarantor* are a company:
 - A. proceedings are commenced to wind up the company;
 - B. a receiver, manager, receiver and manager, administrator, controller, provisional liquidator or liquidator is appointed to any part of the company's assets; or
 - C. the company is, or is deemed or presumed by law or a court to be, insolvent;
- (c) you or a *guarantor* no longer have legal capacity;
- (d) enforcement proceedings are taken against you or a *guarantor*, or your or their assets, by another creditor;
- (e) early repayment is required under any other agreement, or default based action is taken against you or a *guarantor* by us, in each case due to a non-monetary event of default of the kind described in this clause 12.7;
- (f) we reasonably believe you or a *guarantor* have not complied with the law or any requirement of a statutory authority, and such non-compliance has or may have a material adverse effect on the assets of you or a *guarantor* or any business conducted by you or a *guarantor*;
- (g) it becomes unlawful for you or us to continue with your *loan agreement* or any other agreement;
- (h) you or a *guarantor* give us information, or make a representation or warranty to us, that is materially incorrect or misleading (including by omission), and is such that we would not have provided the loan, or would only have provided the loan on different terms, if we had known the correct information;

- (i) you use the loan for a purpose not approved by us;
- (j) you use the loan for an illegal or improper purpose, or to finance an illegal or improper activity;
- (k) the assets of you or a *guarantor* are dealt with, or attempted to be dealt with, in breach of your *loan agreement* or any other agreement without our prior written consent (which will not be unreasonably withheld), including:
 - A. any of the mortgaged property becomes subject to a mortgage or charge without a priority agreement being in place between us and the other security holder on terms acceptable to us (acting reasonably);
 - B. any of the mortgaged property becomes subject to a mortgage or charge without our prior written consent (which will not be unreasonably withheld); or
 - C. the amount secured by any mortgage or charge over the mortgaged property is increased without our prior written consent (which will not be unreasonably withheld);
- (l) you or a *guarantor* do not provide financial information required by any agreement with us;
- (m) you or a *guarantor* do not maintain a licence or permit necessary to conduct any business conducted by you or a *guarantor*;
- (n) you or a *guarantor* do not maintain insurance required by any agreement with us;
- (o) legal or beneficial ownership, or management control, of you or a *guarantor*, or your or their business, changes without our prior written consent (which will not be unreasonably withheld);
- (p) without our prior written consent (which will not be unreasonably withheld), the status, capacity or composition of you or a *guarantor* changes, including:
 - A. you or a *guarantor* cease to carry on all or a material part of your or their business, or dispose of all or a material part of your or their assets;
 - B. if you or a *guarantor* are an individual, you or a *guarantor* are sentenced to jail for a term of longer than 12 months;
- (q) the mortgaged property is:
 - A. substantially damaged or destroyed, and we consider in our reasonable opinion that the mortgaged property cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the mortgaged property; or
 - B. taken out of your control;
- (r) there is a material reduction in the value of the mortgaged property;
- (s) you, or any person on behalf of you, breach any material undertaking given to us or any condition imposed by us;
- (t) any repairs necessary to keep the mortgaged property in good repair are not made in a timely fashion;
- (u) any amount required to be paid in connection with the mortgaged property (including council rates, water rates, land tax, or shared title contributions) is not paid within 90 days of the due date; or
- (v) any other event agreed in writing by you to be

an event of default for the purposes of your *loan agreement* occurs.

Notification of an event of default

- 12.8 Without limiting our rights under your *loan agreement* in any way, you must promptly notify us in writing if any event of default occurs.

What we can do when an event of default occurs

- 12.9 Subject to clauses 12.10 to 12.14 inclusive, at any time after an event of default occurs, we can take any of the following actions:

- (a) Demand and require immediate payment of any money due under your *loan agreement*.
- (b) Call up the loan and require payment of the *amount owing*.
- (c) Exercise any right, power or privilege conferred by any law, your *loan agreement* or any *security*.
- (d) In the case of a construction loan, complete the building works in any way we consider appropriate. We are not obliged to complete the building works. We may change the plans and specifications. We may employ any consultants or other builders we consider appropriate.

- 12.10 We will only act on a non-monetary event of default if the event by its nature is material, or we reasonably consider that the event has had, or is likely to have, a material impact on:

- (a) the ability of you or a *guarantor* to meet your or their financial obligations to us (or our ability to assess this);
- (b) our security risk (or our ability to assess this); or
- (c) our legal or reputational risk where an event in clause 12.7(f), 12.7(g), 12.7(h) or 12.7(i) occurs.

- 12.11 We will not:

- (a) require you to repay the *amount owing*;
- (b) take enforcement action against you; or
- (c) enforce any *security* held to secure repayment of your loan,

unless:

- (d) we have given you at least 30 days written notice of the event of default;
- (e) if the event of default is remediable, you have not remedied that event of default within 30 days; and
- (f) no event of default of the same type has arisen during that period.

- 12.12 We do not need to give you notice to repay an overdraft or on-demand facility.

- 12.13 If your loan is not regulated by the National Credit Code, we may give less than 30 days notice or no notice if:

- (a) the event of default is unable to be remedied;
- (b) it is reasonable for us to do so to manage a material and immediate risk relating to the nature of the relevant

event of default, your particular circumstances, or the value of the mortgaged property or any *security*; or

- (c) we have already given you a notice to remedy a non-monetary event of default and you have not remedied that event of default.

12.14 If your loan is regulated by the National Credit Code, we do not need to give you a default notice or wait 30 days before commencing enforcement action if:

- (a) we reasonably believe that we were induced by fraud by you or a *guarantor* to enter into your *loan agreement*;
- (b) we have made reasonable attempts to locate you or a *guarantor* but without success;
- (c) a court authorises us to begin enforcement proceedings; or
- (d) we reasonably believe that you or a *guarantor* have removed or disposed of mortgaged property, or that urgent action is necessary to protect the mortgaged property.

12.15 We can take action even if we do not do so promptly after the event of default occurs. We do not lose any rights or forgive any event of default unless we do so in writing.

12.16 We can exercise these rights with or without taking possession of any mortgaged property. If we hold more than one *security*, we can enforce any one of the securities first or all of them at the same time.

Set off

12.17 In addition to any other right of set-off we have, after an event of default occurs, we may without notice combine, consolidate or merge any or all of your accounts conducted with us, and may set-off the debt against them.

12.18 If you assign, transfer, create a security interest over, or otherwise deal with any of your rights in any money now or in the future credited to any of your accounts with us, we are deemed to have exercised our rights of set-off immediately before the assignment, transfer or dealing occurs.

General matters

Account statements

13.1 Statements of account will be sent to you at least once every six months or more frequently if required by law. We may not send account statements if not required by law.

National Credit Code

13.2 This clause applies to the extent that a National Credit Code applies to your *loan agreement*.

If:

- (a) that Code would otherwise make a provision of your *loan agreement* illegal, void or unenforceable; or
- (b) a provision of your *loan agreement* would otherwise contravene a requirement of that Code or impose an obligation or liability which is prohibited by that Code, your *loan agreement* is to be read as if that provision

were varied to the extent necessary to comply with that Code or, if necessary, omitted.

Establishing your *loan account* and accounting for transactions

13.3 You authorise us to open a *loan account* in your name and to debit to it each part of the amount you borrow on the date we lend it and any amount which you must pay under your *loan agreement* on or after the date it becomes due without first notifying you.

13.4 Acting reasonably, we may assign any date we consider appropriate to a debit or credit to the *loan account* (except that, in the case of a debit, the date must not be earlier than the date on which the relevant transaction occurs).

13.5 We credit payments to your *loan account* as soon as practicable after we actually receive them. This is not necessarily the same day that you pay.

13.6 Acting reasonably, we may subsequently adjust debits and credits to the loan account so as to accurately reflect the legal obligations of you and us (for example, because of an error or because a direct debit authority is dishonoured). If we do this, we may make consequential changes (including to interest charges).

Consents

13.7 You must comply with all reasonable conditions and requirements in any consent we give.

Judgment interest

13.8 If any amount you must pay under your *loan agreement* becomes merged in a court order, you must pay interest on that amount as a separate obligation. The interest is payable from the date we first ask you for the amount until that amount is paid. This obligation is not affected by the court order. The rate is the higher of the rate in the court order and the default rate. Further, if any obligation you owe under your *loan agreement* becomes merged in a court order, you owe us that obligation as a separate obligation and that obligation is not affected by the court order.

What is lenders mortgage insurance

Warning

If we require you to pay for lenders mortgage insurance, this insurance protects us and not you. If you default under your mortgage and the mortgaged property is then sold, and the sale proceeds are insufficient to fully repay the *amount owing*, you are still responsible for repaying the balance outstanding under the mortgage.

13.9 If your *loan agreement* requires you to pay for lenders mortgage insurance, you acknowledge that the insurance protects us and not you. If you default under your *loan agreement* or any mortgage or *security*, resulting in a need to sell the mortgaged property, and the sale proceeds are insufficient to fully repay the *amount owing*, we may incur a loss. We may recover this loss under our lenders mortgage insurance policy. However, you are still legally responsible for repaying to the insurer the amount outstanding under your *loan agreement*, mortgage or *security* because you are not protected by the lenders mortgage insurance. Therefore, the only advantage you receive from paying for any lenders

mortgage insurance is the ability to borrow more than we would permit if we did not have that insurance.

Valuations

13.10 We may obtain, at your cost, independent valuations or other reports concerning any mortgaged property:

- (a) when you apply for a loan with us;
- (b) if the valuation obtained at the time of loan approval can no longer be relied on, and your loan has not yet settled;
- (c) when you apply for an increase in your loan amount;
- (d) prior to sale of the mortgaged property by us after default by you;
- (e) if the mortgaged property is being used by you as *security* for another loan;
- (f) when there are any dealings impacting the title to the mortgaged property (for example, any subsequent mortgage, request for release of related *security*, or request for sub-division of the mortgaged property);
- (g) if required by any regulatory or legislative requirement from time to time; and
- (h) in any other reasonable circumstance.

13.11 Our processes in relation to external expert valuations will be fair and transparent. Our communication will be clear and we will explain the purpose of the valuation to you. Any valuation is for our use only and we have no obligation to disclose the valuation or anything within the valuation report to you.

13.12 We accept no responsibility if you rely on these valuations. You should obtain your own valuations of the mortgaged property.

How we may exercise our rights

13.13 Acting reasonably, we may exercise a right or remedy, or give or refuse our consent, in any way we consider appropriate, including by imposing conditions.

13.14 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later, provided that any default by you is still existing.

13.15 Our rights and remedies under your *loan agreement* are in addition to other rights and remedies provided by law independently of it.

13.16 Our rights and remedies may be exercised on our behalf by:

- (a) any of our employees whose job title includes the word "manager"; or
- (b) any other person we authorise.

13.17 We are not liable for loss caused by the exercise or attempted exercise of, the failure to exercise, or delay in exercising, a right or remedy except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint.

Government charges

13.18 You must pay us any government duties, taxes and other charges on receipts, debits or withdrawals that apply to your

loan. This includes (but is not limited to):

- (a) stamp duty;
- (b) income tax payable by you (if the Commissioner of Taxation requires us to deduct this from your *loan account*);
- (c) withholding tax; and
- (d) goods and services tax (GST).

13.19 You must pay these duties, taxes and charges whether or not someone else is liable to pay them and whether or not the loan is made. We may debit these duties, taxes and charges to your *loan account* as and when they become payable. We do not need to tell you first.

Blanks

13.20 You agree that we may fill in any blanks in any document related to your *loan agreement* (such as an acknowledgment) consistently with the commercial intent of the parties.

Assignment

Warning

We may at any time assign or otherwise deal with our rights and obligations under your loan without your consent and without notifying you first. We may disclose information about you, your *loan agreement* or any *security* to any third party involved in an actual or proposed assignment or dealing by us, and that disclosure may be in a form that may enable that third party to identify you.

13.21 We may at any time assign, novate or otherwise deal with our rights under your *loan agreement*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan agreement* in any way we wish. You must sign anything and do anything we reasonably require to enable any dealing with your *loan agreement*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan agreement*. Any dealing with our rights does not change your obligations under your *loan agreement*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan agreement* in any way.

13.22 You may not assign, novate or otherwise deal with your rights or obligations under your *loan agreement*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan agreement*.

13.23 We may disclose information about you, your *loan agreement*, or any *security* to anybody involved in an actual or proposed assignment, novation or dealing by us of our rights under your *loan agreement*.

Insurance

13.24 You must take out and maintain appropriate fire and general insurance with respect to the mortgaged property. The insurance must be with an insurer acceptable to us. If you do not take out and maintain that insurance, we may take out that insurance and the amount we pay for this will be an enforcement expense under your *loan agreement*.

Notices, other communications and service of documents and verbal confirmations and taping of conversations

13.25 Subject to any applicable laws, we may give you any notice, statement, demand, court document (including any collection notice, default notice, court originating process or other court document) or other document connected to your *loan agreement* or any mortgage given under your *loan agreement* by:

- (a) giving it to you personally;
- (b) leaving it at or posting it to your residential or business address last known to us;
- (c) electronic means to your electronic address last known to us; or
- (d) any other means permitted by law.

13.26 Subject to any applicable laws, you consent to any notice, statement, demand, court document or other document connected to your *loan agreement* or any mortgage given under your *loan agreement* being given to you by electronic means, including any documents that would otherwise require personal service in accordance with the relevant court rules in force in the jurisdiction in which the mortgaged property is located.

13.27 Any notice, statement, demand, court document or other document given by us to you will be taken to have been served:

- (a) if posted, when it would have been delivered in the ordinary course of post;
- (b) if sent electronically, on conclusion of transmission.

13.28 Any notice, statement, demand, court document or other document may be signed by any employee, solicitor or agent on behalf of us.

13.29 You must notify us in writing of any change in your addresses, or if you think there is any information that we should be aware of about your ability to comply with your *loan agreement*.

13.30 You agree that a verbal instruction, agreement or confirmation by any one or more of you pursuant to your *loan agreement* is binding on you. This includes any instruction, agreement or confirmation by any one or more of you over the telephone.

13.31 You consent to us:

- (a) taping any conversation (including over the telephone) between you and us, or any of our contractors; and
- (b) using that tape as proof of your verbal instruction, agreement or confirmation.

13.32 If there is more than one of you, then:

- (a) this contract applies to and binds each of you separately and all of you as a group; and
- (b) each of you will be jointly and severally liable for all transactions initiated by any one or more of you (or by any person authorised by any of you to access your *loan account*), including without limitation transactions effected by any one or more of you (or by any person authorised by any of you to access your *loan account*) by means of any of the following (as applicable to your *loan account*):

A. any card issued with your *loan account*;

- B. our telephone access service;
- C. our internet access service;
- D. Pay Anyone Facility;
- E. transfer of funds from or to an account; or
- F. any other access method linked to your *loan account* we authorise from time to time.

13.33 Where you are provided with a password and access number for security:

- (a) the terms and conditions applicable to our telephone and internet access service require you to use reasonable precautions to safeguard your password and access numbers; and
- (b) if you (or any person authorised by you to access your *loan account*) do not use such precautions, you will be responsible for all transactions on your *loan account* whether or not they are authorised by you and such transactions will be deemed to have been authorised by you.

Changes we can make to your *loan agreement*

Warning

We can make changes to your *loan agreement* at any time (except interest rate changes during a fixed rate period). In making any changes, we will act reasonably. We will endeavour to give you reasonable notice of changes, but we reserve the right to make immediate changes to variable interest rates.

13.34 Acting reasonably, we can change or vary any term of your *loan agreement* to accommodate:

- (a) a change in the pricing of your loan (including your interest rate, repayments and credit fees and charges, but subject to any specific agreement such as a fixed rate period);
- (b) a change to the day you make repayments or we debit interest to your *loan account*;
- (c) a change in law or market practice;
- (d) a change that is beyond our control;
- (e) a change in technology or other ways of communication;
- (f) a change in payment methods;
- (g) any cancellation of any offset or redraw facility;
- (h) any cancellation of debit card access to your *loan account*;
- (i) a change in the frequency that statements are issued (so long as any such change remains compliant with the law); and
- (j) any other reasonable change.

13.35 You will be notified in accordance with applicable laws on or before the day the change takes effect either in writing or by advertisement in a major newspaper or by electronic means. If notified by newspaper, the change will also be confirmed in your next statement of account. You may not be notified of changes which reduce your obligations. Any variation will take effect from the date specified in the notice of change we give you.

13.36 If any law (including the National Credit Code) or code applies to your loan and requires us to give you a minimum

notice period before a variation takes effect, we will give you at least that minimum period of notice. We will endeavour to give you reasonable notice, but we reserve the right to make immediate changes to variable interest rates.

- 13.37 If you are not satisfied with any change or variation to your *loan agreement*, you may repay your loan in accordance with clause 7.1.

Additional repayment triggers

- 13.38 The *amount owing* may become payable if we reasonably believe that continuing with your *loan agreement* would cause us to breach an applicable law or would represent an unacceptable level of risk for us because:

- (a) we reasonably believe that you have migrated to a country that we determine is unacceptably 'high risk' given our obligations under anti-money laundering and counter-terrorism laws in respect of the services we provide;
- (b) you fail to provide any information or document to us that we have requested for the purpose of our compliance with applicable laws (including any details necessary for us to verify your nationality in accordance with anti-money laundering and counter-terrorism laws); or
- (c) we reasonably believe that you are unacceptably 'high risk' given our obligations under anti-money laundering and counter-terrorism laws.

- 13.39 If any of the events in clause 13.38 occur, we will endeavour to give you not less than 90 days notice to repay the *amount owing*.

Breaches of laws

- 13.40 We may delay, block, freeze or refuse a transaction from your *loan account* if we have reasonable grounds to believe that the transaction breaches Australian law or sanctions (or the law or sanctions of any other country). Where transactions are delayed, blocked, frozen or refused, we are not liable to any loss you suffer in connection with your use of your *loan account*.

Applicable law

- 13.41 Your *loan agreement* is usually governed by the laws of the Australian state or territory in which you reside. If there are two or more borrowers, and each of you reside in the same Australian state or territory when your *loan agreement* is entered into, your *loan agreement* is governed by the laws of that state or territory. If there are two or more borrowers who reside in different states or territories, your *loan agreement* is governed by the laws of the Australian state or territory in which the Lender first provides the loan.

- 13.42 You submit to the jurisdiction of the courts of the Australian state or territory whose laws apply to your *loan agreement* and the proper jurisdiction of any other court.

If you are a trustee

- 13.43 If you are at any time trustee of any trust, you are liable under your *loan agreement* in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as

well as you. An event of default occurs if there is a change of trustee, a termination of the trust, or any material change to the terms of the trust without our prior written consent, which will not be unreasonably withheld. You must comply with your obligations as trustee of the trust.

If you are a trustee

- 13.44 If we are at any time trustee or custodian of any trust, our liability is limited to the assets of that trust which are available to us to enable us to satisfy that liability.

Disclosures to guarantors

- 13.45 We may disclose the following documents to each *guarantor*:

- (a) a copy of any notice, including correspondence, to us or to you;
- (b) any credit report received in relation to you;
- (c) any financial statements you have given us;
- (d) any notice of demand, or information regarding a dishonour, on any loan with us;
- (e) information on any excess or overdrawn;
- (f) a copy of your *loan account* statement; and
- (g) any other information about you and your accounts with us.

Providing financial statements

- 13.46 Within 14 days of our request, you must provide to us any information we reasonably require relating to your business, assets and financial affairs. For example, if you are an individual, we may require a copy of an individual's taxation return or an assets and liability statement. In relation to a company, we may require a balance sheet, a profit and loss statement, or both. We may require this information to be certified or audited.

If your account has a credit balance

- 13.47 If you repay us more than the *amount owing*, we may place the excess funds into a suspense account, deposit it with a bank, or pay it to you. We may not pay you interest on that amount.

Severability

- 13.48 If any of the provisions of your *loan agreement* are illegal or become illegal at any time, the affected provisions will cease to have effect, but the balance of your *loan agreement* will remain in full force and effect, and we may by notice vary your *loan agreement* so that the provision is no longer illegal.

Identification information

- 13.49 On request by us, you must provide us with any information we require about you or anyone authorised to operate your *loan account* and, if you are a company or trustee, information about beneficial owners of you.

If there is a trustee in bankruptcy or liquidator

- 13.50 If a trustee in bankruptcy or liquidator is appointed to you, they may ask us to refund a payment we have received in relation to your loan. To the extent we are obliged to or agree

to make a refund, we may treat the original payment as if it had not been made. We are then entitled to our rights against you under your *loan agreement* as if the payment had never been made.

Meaning of words

Definitions

Words in your *loan agreement* are defined as follows.

amount owing means the total amount outstanding from time to time in respect of all your *loan accounts*, including all accrued interest charges, default interest charges and other amounts which you must pay under your *loan agreement*, and includes any part of that amount.

business day means a day other than a Saturday or Sunday, or a public or special holiday in New South Wales.

construction period means the period while you are constructing a dwelling with our approval under a 'construction loan'. Your construction period ends on the date nominated by us.

disclosure date means the date specified in your *loan agreement*.

event of default means any event described in clauses 12.6 and 12.7.

final repayment date means the first to occur of:

- (a) the date on which your *loan term* ends;
- (b) the date on which the final repayment is due as a result of your default;
- (c) the date on which you elect to repay the whole of the *amount owing*;
- (d) the date on which the whole of the *amount owing* becomes payable for some other reason; and
- (e) such other date which we agree with you.

guarantor means anyone who at any time guarantees to us the payment of all or any part of the *amount owing*, and includes any guarantor specified in your *loan agreement*.

insolvent means being bankrupt, having a controller appointed, being in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, or otherwise unable to pay debts when they fall due.

loan account means any account we establish in your name for recording transactions in connection with your *loan agreement*.

loan agreement means the *loan agreement* which incorporates these General Terms & Conditions and includes any variations of that *loan agreement*. The document that contains the Financial Table and these General Terms and Conditions together comprise your *loan agreement*

loan amount means the amount specified in the Financial Table in your *loan agreement* as varied from time to time.

loan term is the period beginning when we lend to you and expiring on the final repayment date.

mortgaged property means any real estate subject to the *security* specified in your *loan agreement* and, where the context permits, any other property subject to the *security*, and includes any improvements, attachments or contracts relating to that property and any part of that property.

offset sub-account means the sub-account linked to a nominated *loan account*.

other agreement means any other agreement or arrangement under which we provide financial accommodation to you or any *guarantor* at any time.

scheduled balance, in relation to a *loan account*, means the amount which would be owing if all repayments were made on the due date.

security means any security specified in your *loan agreement* under "Security" and any other security from time to time given to secure your obligations.

settlement date means the date you tell us to lend you the loan amount (even though the actual date we lend you the loan amount may be a later date).

third party fees means third party fees we incur in providing a service under your *loan agreement* and includes such costs as valuation fees, Lender's processing fee, legal costs, document custodian charges, titles office fees, any type of security registration fees, and electronic processing fees.

you means the person or persons named in your *loan agreement* as "Borrower" and each of them separately and jointly.

Interpretation

In your *loan agreement*:

- (a) any thing includes the whole and each part of it;
- (b) a reference to the singular includes the plural and vice versa;
- (c) a reference to a document includes any variation or replacement of it;
- (d) a reference to a person includes any other entity recognised by law;
- (e) use of examples is illustrative of the context only and does not limit the natural meaning of the terms of your *loan agreement*;
- (f) a reference to a person or to a party to your *loan agreement* includes its successors and permitted assigns; and
- (g) headings are for convenience only and do not affect the interpretation of your *loan agreement*.

The information statement below will only apply to you if your loan is regulated by the National Credit Code. This statement is prescribed by law. If the borrower is a company or if this loan is predominantly used for business purposes or investment purposes (except for investment in residential property) it will not be regulated by the National Credit Code.

Information Statement

Things you should know about your proposed credit contract

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

The contract

1. How can I get details of my proposed credit contract?

Your credit provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before —

- your contract is entered into; or
- you make an offer to enter into the contract;

whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep. Also, the credit provider must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply if the credit provider has previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to your credit provider and ask for one. Your credit provider may charge you a fee. Your credit provider has to give you a copy —

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the credit provider so long as —

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by your credit provider has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay your credit provider the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the pay out figure?

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up.

Your credit provider must give you the statement within 7 days after you give your request to the credit provider. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits your credit provider to charge one) and other fees.

7. Can my contract be changed by my credit provider?

Yes, but only if your contract says so

8. Will I be told in advance if my credit provider is going to make a change in the contract?

That depends on the type of change. For example —

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for —
- a change in the way in which interest is calculated; or
- a change in credit fees and charges; or
- any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted by phone on 1800 931 678, by email at info@afca.org.au, or in writing to GPO Box 3, Melbourne VIC 3001.

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>.

Insurance

10. Do I have to take out insurance?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over *mortgaged property* or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted

the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give your credit provider certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the credit provider.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to questions 22 and 23. Otherwise you may —

- if the *mortgaged property* is goods — give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first; OR
- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact the AFCA scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after the *mortgaged property* is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit provider all the information you have so they can be traced.

21. When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General

22. What do I do if I cannot make a repayment?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways —

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

23. What if my credit provider and I cannot agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the AFCA scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also READ YOUR CONTRACT carefully.

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING THE AFCA SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED BY PHONE ON 1800 931 678, BY EMAIL AT INFO@AFCA.ORG.AU, OR IN WRITING TO GPO BOX 3, MELBOURNE VIC 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.