

CONSUMER STANDARD TERMS & CONDITIONS





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These are the *Terms and Conditions* that govern your loan with us. This document does not contain all of the pre-contractual information required by law to be given to you. Your *credit contract* is made up of the loan agreement and these *Terms and Conditions*. These two documents contain the pre-contractual disclosure statement required by the National Credit Code.

You should also refer to the terms and conditions of any mortgage or other security.

The meaning of words printed in italics *like this* is explained at the end of these *Terms and Conditions*.

This booklet is divided into two sections.

Section 1: Standard Loan Terms and Conditions.

Section 2: Information Statement: "Things you should know about your proposed *credit contract*". The National Credit Code says we must give you this information before you agree to take a loan.

SECTION 1: STANDARD LOAN TERMS AND CONDITIONS

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1. About us

We are a member of the Customer Owned Banking Association. We undertake that we will comply with the requirements of the Customer Owned Banking Code of Practice where those requirements apply to your dealings with us. The Customer Owned Banking Code of Practice changes from time to time. You can find out more about the Customer Owned Banking Code of Practice by contacting us.

2. This *credit contract*

IMPORTANT: Until the settlement date, we have the right to change the terms of this credit contract or to withdraw our offer to lend altogether.

There is no binding legal contract between us until the *settlement date* or any such earlier time that we decide. This means that until the *settlement date*:

- (a) you are not bound to go ahead; and
- (b) we have the right to change the terms of this *credit contract* or withdraw it altogether and decline to make any advance of funds to you if anything occurs that we reasonably believe makes proceeding with the loan undesirable.

You may be liable for fees and charges if we or you decide not to proceed.

3. Other terms you must comply with

In addition to your *credit contract* (which includes these *Terms and Conditions*), you must read and comply with:

- (a) the Mortgage Common Provisions;
- (b) access methods, if applicable; and
- (c) any other conditions reasonably imposed by us.

4. Representations and warranties

Each time you ask for credit under this *credit contract*, you make the following representations and warranties to us:

- All information you have given us regarding your financial and personal affairs and any *security property* is true and correct.
- You and any *guarantor* are not an undischarged bankrupt.
- You have not assigned your estate or entered into any arrangement or composition for the benefit of your creditors.
- No *event of default* has occurred.
- Other than as disclosed to us in writing:
 - there are no unpaid rates or taxes owing in respect of any *security property*;

- if any *security property* is residential real estate, that *security property* will be occupied by you;
- there are no notices or proposals from any government or other authority adversely affecting any *security property*;
- there are no defects or disputes relating to any *security property*; and
- there are no structural alterations or improvements on any *security property* which require approval by the council or any other authority which have not been approved.
- In instructing us in relation to any matter or transaction, you are not in breach of the laws of Australia or any other jurisdiction.

5. Joint borrowers

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.

Each borrower can bind each other borrower. For example, any one of you can authorise a redraw or transaction on any offset account, a split into one or more loan accounts, or any other activity in respect of your loan. Each borrower and any *guarantor* will be liable even if they did not know about or agree to the transaction.

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

Despite this clause 5:

- (a) we may require all borrowers and *guarantors* to authorise any activity; and
- (b) we will comply with any request by any one of you:
 - that all borrowers be required to approve any future withdrawals; or
 - to suspend any *loan account* (or a redraw facility on any *loan account*) to allow all borrowers time to reach agreement about dispersal of the account funds.

6. Accessing your loan funds

6.1 Number of draw downs allowed

Unless your loan is a construction loan or a line of credit loan (or we otherwise approve in writing), you may only borrow the *amount of credit* by a single drawdown on the *settlement date*.

We will debit the *loan account* for the amount of any drawdown.

If you do not draw down the total *amount of credit* on the *settlement date*, any borrowing of the balance is subject to our approval.

6.2 Progressive draw downs

If the loan is to be funded by progressive loan drawdowns, you may be required to satisfy our reasonable requirements for the funding of each loan drawdown.

Any requirements that apply to funding under a line of credit loan will be notified to you at the time those requirements arise.

The requirements that apply to construction loans are set out in clause 14.

6.3 Use of the loan

You must only use the loan for the purpose set out in your *loan agreement*.

6.4 What we can do with your loan account

We can debit your *loan account* with any amounts due under this *credit contract*, such as interest and credit fees and charges, and any amounts lent to you or at your request. If you have more than one *loan account*, we can debit these amounts to any of your loan accounts.

If a third party makes a payment to you on our behalf, we can debit your *loan account* on the date that money is made available to you.

We may combine two or more loan accounts if they have identical repayment types, interest rates, fixed rate periods (if applicable), interest only periods (if applicable), and loan purposes.

7. Interest

7.1 Paying interest on your loan

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 you owe us*.

7.2 Calculation of interest on your loan

We calculate interest charges on a daily basis by applying the *daily percentage rate* to the *loan account* balance at the beginning of each day.

If more than one interest rate applies to your loan, we will apply the applicable *daily percentage rate* to the relevant *loan account*.

Interest accrues on a daily basis from the day we disburse money at your request to make the first advance. This applies whether or not any real estate transaction to which the advance relates (such as a refinance or purchase) occurs on that day.

7.3 When we will debit interest to your loan

Interest will be debited to your *loan account*:

- (a) monthly in arrears on the last day of each calendar month, regardless of whether or not that day is a *business day*; and
- (b) on the *final repayment date*.

In addition to debiting interest to your *loan account* as specified above, we may debit interest to your *loan account* when:

- (a) the loan is in default;
- (b) the whole of the *amount you owe us* is repaid;
- (c) we increase your *amount of credit* or vary this *credit contract*; or
- (d) we credit to your *loan account* a payment that equals or exceeds the *loan account balance* at that time.

If a *fixed rate period* or interest only period ends on a day which is not a *business day*, your fixed rate or interest only period may end on the next *business day*.

7.4 Credit balance

No interest is payable by us to you if on any day the *loan account balance* is a credit balance.

7.5 Switches

You may with our approval split your *loan account* into two or more accounts or switch account types. The following are examples of switches. Some or all of these options may not be available to you.

- (a) Convert from a variable interest rate to a fixed interest rate and vice versa.
- (b) Consolidate one or more *loan accounts*.
- (c) Convert from interest only repayments to principal and interest repayments and vice versa.
- (d) Convert from one type of account to another type of account (for example, from a variable rate account to a fixed rate account).

You may request a split or switch prior to the initial drawdown, in which case the change takes effect from the *settlement date*. We have full discretion whether or not to approve any split or switch requested by you.

We may charge you a fee for allowing you to switch interest rates. If you are switching from a fixed interest rate to a variable interest rate or to another fixed interest rate before the end of the *fixed rate period*, we may charge you a *break cost fee*. See further information about *break cost fees* at clause 10.2.

If a new *loan account* is created, separate repayment dates and interest debit dates may apply to that new account. 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.

7.6 Calculating your interest rate

We calculate the interest rate applicable to your loan by adding a margin to, or subtracting a margin from, the applicable reference interest rate. The name of the reference interest rate and the margin applicable to your loan is stated in your *loan agreement*.

7.7 Reference interest rates

Our current reference interest rates are published at <https://bankofus.com.au/home-loan-interest-rates>. You can also find out the current reference interest rates at any time by contacting us. We can change the reference interest rates or the applicable margin at any time except during a *fixed rate period*.

7.8 Interest on judgment

If you become liable by a court order to pay any money due under this *credit contract*, you must pay interest at the higher of the rate ordered by the court or the rate payable under this *credit contract*.

8. Fees and charges

You must pay us the fees and charges set out in your *loan agreement* as varied from time to time. You authorise us to debit those fees and charges to either (at our discretion):

- (a) your *loan account*, which, when debited, become part of the *loan account balance*; or
- (b) the bank account you have nominated for repayments to be debited from.

If the fee or charge is for someone else, you authorise us to pay it to that other person.

9. Repayments

9.1 Amount of repayments

You must pay us the repayments in the amounts and at the times set out in your *loan agreement* (as varied from time to time).

9.2 When repayments are made

If any repayment is due on a day which is not a *business day*, the repayment must be made on or before the next *business day*. However, if that means that the payment is due in the next calendar month, your payment is due on the last *business day* of the current calendar month.

9.3 The total you must pay us

You owe us and must pay the *amount you owe us* on the *final repayment date*.

9.4 Crediting payments to your loan account

We treat a payment as made when we credit it to your *loan account*. Payments will be credited to your *loan*

account only when we receive them.

If any payment is dishonoured, the payment will be treated as not having been made, and interest will continue to accrue on the *loan account balance* until actual payment is received by us.

9.5 How we apply payments

We may apply any payment made under this *credit contract* to any part of the *amount you owe us* in any order we determine.

9.6 How payments must be made

Payments must be made by direct debit or by any other reasonable method we direct. You must sign a direct debit authority to authorise us to debit one of your bank accounts for payments due under this *credit contract* and you must keep that account open. You authorise us to use that direct debit authority for payment of any amounts due under this *credit contract*.

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

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.

9.7 No set off or counterclaim

Except as permitted by law, you must pay all amounts due under this *credit contract* in full without setting off or deducting any amounts you believe we owe you, and without counterclaiming any amounts from us.

9.8 Death of a borrower or a guarantor

The *amount you owe us* must be repaid within 180 days from the date you die (or if there is more than one borrower, from the date the last borrower dies) or a *guarantor* dies unless other arrangements are made for the continuation of the loan to our satisfaction. We will discuss this with your executor or beneficiaries and seek to agree a mutually acceptable solution. If there is more than one borrower, and one of the borrowers dies, we may allow the surviving borrower(s) to continue to operate the *loan account(s)*.

9.9 Deduction of payments

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 make an additional payment so that the amount we receive is not reduced.

10. Repaying your loan early

10.1 If you repay your loan early

You may make additional payments or repay your loan in full at any time. If you do:

- (a) fees may be payable if specified in your *loan agreement*, including *break cost fees* if you repay your loan during a *fixed rate period*;
- (b) repayments greater than your scheduled repayment will not be credited to any offset account unless you specifically request so before making the payment; and
- (c) you may be able to redraw any excess repayments.

10.2 About *break cost fees*

When lenders agree to lend money to a borrower for a *fixed rate period*, they may enter into financial arrangements to enable them to do so. If the loan is repaid or otherwise terminated before the end of the *fixed rate period*, lenders may 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. You decide to repay the loan early at the end of one year. The lender, acting reasonably, determines that it can only lend the money at 6% per annum.

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. We may use various funding techniques, but the underlying principle holds true (even if the formula applied each time is different). Break cost fees may be payable even if there is no matching borrowing by us.

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

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*.

10.3 Payout figure

If you inform us that you propose to repay your loan in full, we may place a stop on all further debits to your *loan account* to enable us to provide you with a payout figure.

11. Redraw facility

If your loan has a redraw facility, this clause 11 applies.

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

11.1 Availability of redraw

We will tell you if redraw facilities are available. Redraws will be processed as we decide from time to time. If you request a redraw, we have full discretion whether or not to approve your request.

11.2 Requesting a redraw on your loan

For two or more borrowers, you authorise us to act on the redraw instructions of any one of you. Any one of you can tell us that all borrowers must give the redraw instruction.

Subject to this clause 11, you may at any time during the *loan term* ask to redraw all or any part of those extra payments provided that:

- (a) the interest rate applicable to the *loan account* to which the extra payments were made is a variable rate;
- (b) you have not defaulted under this *credit contract*;
- (c) your redraw facility has not been suspended or cancelled by us;
- (d) no further charge or security interest has been granted over any of the *security*; and
- (e) no other redraw restrictions are set out in this *credit contract*.

11.3 Cancellation, suspension and variation

We may change, suspend or cancel the redraw facility at any time. We will tell you if we do any of these things.

11.4 How to make your request

You may request a redraw:

- (a) in writing by completing the relevant form and delivering it to any of our branches;

- (b) if you have internet banking under your loan, by using internet banking in accordance with the internet banking terms and conditions; or
- (c) by any other method we authorise from time to time.

You must keep the method of making redraws from your *loan account* (including any offset account) confidential to ensure that there are no unauthorised transactions or other dealings with your *loan account*.

11.5 Amount of redraw

We may specify minimum and maximum redraw amounts from time to time.

The maximum amount available for redraw is the amount you have repaid early, less the amount of any previous redraws, permanent reductions to the balance of your *loan account*, and other debits as reasonably determined by us.

The amount you redraw must not be less than the minimum amount specified by us from time to time and must not be more than the maximum amount available for redraw. If you draw more than the amount available for redraw, you must repay the excess promptly after our demand.

We may reduce the amount you can redraw by the estimated amount of your next scheduled repayment.

If you attempt to redraw more than the amount available for redraw, we may (but are not obliged to) stop or prevent the payment.

If you request a redraw, and for that *loan account* your existing repayments are not sufficient to repay the amount owing under that *loan account* over the remaining term, we may recalculate your future repayments for that *loan account*.

11.6 When you cannot redraw

You may not redraw:

- (a) if the interest rate applicable to your *loan account* is a fixed rate;
- (b) during the construction period if your loan is a construction loan.

12. Offset facility

If your loan has an offset facility, this clause 12 applies.

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

12.1 About your offset facility

We will tell you if offset facilities are available. We may change, suspend or cancel the offset facility at any time.

We do not make any representations about the tax effectiveness of any offset account.

Each offset account must be linked to a separate nominated *loan account*.

Interest payable on each *loan account* linked to your offset account will be calculated on the daily *loan account balance* less the balance in the linked offset account.

12.2 Using your offset account

You must ensure that the balance of any offset account does not exceed the amount owing under the linked *loan account* at any time. If the balance of your offset account exceeds the amount owing under the linked *loan account*, we may send the excess funds back to you, or apply them towards another one of your *loan accounts*.

No interest is payable on any offset account even if the balance exceeds the amount owing under your linked *loan account*.

You may draw funds from your offset account(s) in the same way as for redraw as set out in clause 11.4.

You must make sure that you do not allow your offset account to be overdrawn. If your offset account is overdrawn, you must repay the excess immediately.

We may reduce the amount you can draw from your offset account by the estimated amount of your next scheduled repayment.

We may debit your offset account with any money due to us under any other *loan account* or other account you have with us.

13. Line of credit loans

If you have a line of credit loan, this clause 13 applies.

IMPORTANT: We can change, suspend or cancel your line of credit loan at any time.

13.1 About your line of credit loan

We may at any time convert your line of credit loan to a term loan under which regular monthly principal and interest repayments are required. We will give you at least three months notice if we convert your line of credit account, and we will provide details of the applicable interest rate and repayment amount before your principal and interest repayments commence.

13.2 Cancellation, suspension and variation

We may change, suspend or cancel your line of credit loan (including reduce your *credit limit*) at any time without your consent.

If we:

- (a) reduce your *credit limit*, you must repay any amount owing in excess of the new *credit limit*; or

- (b) cancel your line of credit loan, you must repay the amount owing under your line of credit loan.

We will endeavour to give you adequate notice before we reduce your *credit limit*, but we reserve the right to act immediately. We will give you at least three months notice if we cancel your line of credit loan unless you have breached your *credit contract* or an *event of default* has occurred.

If your *loan agreement* specifies a term for your line of credit loan, we will give you at least three months notice if we will not extend the term of your line of credit loan unless you have breached your *credit contract* or an *event of default* has occurred.

We are not liable for any loss suffered by you or anyone else as a result of us changing, suspending or cancelling your line of credit loan.

13.3 Accessing your credit limit

We calculate your available funds limit on each day by deducting from your *credit limit*:

- (a) the amount owing under your line of credit loan;
- (b) any withdrawal amounts or other proposed payments on your line of credit loan for which we have received instructions but have not yet been debited to your *loan account* (not including future periodical payments); and
- (c) the amount of any payments that have been credited to your *loan account* but have not cleared yet.

You must ensure that you do not exceed your *credit limit*. If you exceed your *credit limit* without our written consent, the amount by which you have exceeded the *credit limit* must be repaid promptly after our demand.

If we consent to you exceeding your *credit limit*, we may impose one or more of the following conditions:

- (a) that the amount by which you have exceeded your *credit limit* be repaid within a certain period; or
- (b) that payments made to your line of credit loan are first applied by us to the excess amount and any interest charged on that amount.

13.4 Transactions on your loan account

If a transaction would cause your *loan account balance* to exceed your *credit limit*, we may, without notice, decline, stop or reverse the transaction. If for some reason we allow your *loan account balance* to exceed your *credit limit*, that does not mean we are increasing your *credit limit*.

We have the right to decline any transaction if we are uncertain for any reason of the authenticity or validity of the authorisation. We will not be liable to you or any other person for any loss or damage which you or such other

person may suffer as a result of our action.

14. Construction loans

If you have a construction loan, this clause 14 applies.

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

14.1 About your construction loan

No construction works may be commenced on any *security property* without our prior written consent (which will not be unreasonably withheld). You must commence and complete the construction works within the timeframe, if any, specified in your *loan agreement*. You must ensure that the construction works are completed expeditiously in accordance with the best skills and practices to our satisfaction, with the *building contract* approved by us, and with the requirements of any responsible authority (such as a local council).

14.2 How we will advance the *amount of credit* under your construction loan

Any portion of the *amount of credit* under your construction loan that is to be used for the acquisition of land or the refinance of existing borrowings must be borrowed by one drawdown on the *settlement date*.

Subject to this clause 14, during the construction period, you may drawdown the balance of the *amount of credit* as progress payments.

We may suspend, reduce or cancel any progress payment, and in particular, can refuse to make any further advances if anything happens which in our reasonable opinion adversely affects the value of any *security property* or if the construction works are not proceeding satisfactorily.

14.3 What you must do before we will fund the first progress payment

Before we make the first progress payment under your *building contract*:

- (a) you must have already used any equity that you have agreed to contribute to the cost of the construction works; and
- (b) we may require you to provide to us, in a form satisfactory to us:
 - a copy of the stamped local council approved plans and specifications;
 - a copy of the executed *building contract*;
 - evidence of any insurance in relation to the construction works we require;

- any other certificates or authorities from local councils or other authorities necessary to conduct the construction works;
- a progress payment authority signed by you; and
- any other document or evidence we reasonably require.

(c) we must have received a satisfactory report from our valuer.

You are still liable under this *credit contract* if we make the first progress payment without requiring any of these things.

14.4 What you must do before we will make any further progress payment

Before we make any further progress payment:

- (a) we may require you to provide a builders invoice signed by you that is in accordance with the series of progressive payments under your *building contract*; and
- (b) we must have received a report from our valuer recommending that we make the progress payment.

You are still liable under this *credit contract* if we make any progress payment without requiring any of these things.

14.5 What you must do before we will make the final progress payment

Before we will make the final progress payment, we must have received the following:

- (a) confirmation from our valuer that the construction works are finished;
- (b) evidence of any insurance we require; and
- (c) a certificate of occupancy and certificate of completion issued by the local council.

You are still liable under this *credit contract* if we make the final progress payment without requiring any of these things.

14.6 Availability of the *amount of credit*

The *amount of credit* must be fully drawn within the period specified in your *loan agreement*. If the *amount of credit* is not fully drawn within that period, we may, at our discretion, cancel the availability of any undrawn loan funds and reduce the *amount of credit* accordingly. Your loan will then be fully drawn.

If the total construction costs are less than the amount we agree to lend you for construction, we may reduce the amount we lend you accordingly.

14.7 Your obligations in relation to construction

You must:

- (a) not agree to any variations to the *building contract* without our prior written consent (which will not be unreasonably withheld);
- (b) ensure that the agreed drawdown schedule is observed and that there are always sufficient undrawn funds under the loan to complete the construction works;
- (c) not terminate the *building contract* without our prior written consent (which will not be unreasonably withheld); and
- (d) promptly comply with any condition we impose in relation to any progress payment or the construction works.

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

15. Security over personal property

This clause 15 applies if your *loan agreement* specifies a security interest over personal property, such as a motor vehicle, motor cycle, caravan, trailer or boat.

15.1 Mortgage and security interest

By signing your *loan agreement*, you grant to us a mortgage and a security interest over the *security property* and over any insurance policy relating to the *security property*. This includes any asset acquired in replacing the *security property*, or any modifications made to the *security property* (including any additions made or accessories purchased), and any money received from any insurance claim over the *security property* or received from an insurer following cancellation of a policy.

You agree to do anything we reasonably request to effect, more effectively secure, confirm and register the mortgage and security interest, including signing any documents.

You warrant that you own the legal title to, or will own legal title to, the *security property* during the term of the loan. You warrant that there is no and will be no other security interest granted over the *security property*.

15.2 Your obligations in relation to the *security property*

You must:

- (a) keep the *security property* in good condition and repair and not do anything that is likely to materially lower the value of the *security property*;

- (b) keep the *security property* in Australia;
- (c) not change the location of the *security property*, or if the *security property* is a motor vehicle, not change where it is usually garaged;
- (d) tell us if the *security property* is stolen, lost, seriously damaged or materially defective;
- (e) not mortgage, charge or grant a security interest over the *security property* to another person;
- (f) not sell, grant a licence over, lease or part with possession of, or give away the *security property*;
- (g) not cause or allow the *security property* to be affixed to any other property without our prior written consent, which will not be unreasonably withheld;
- (h) not make any alterations to the *security property*, and not remove any identification numbers. If any chattels are affixed to the *security property*, then those chattels form part of the *security property* and are subject to this *credit contract*;
- (i) not do anything or allow anything to happen that might reduce the value of the *security property*;
- (j) comply with all laws relating to the use, operation, maintenance and possession of the *security property*, including obtaining any necessary licenses or permits, and pay any money to maintain these licences or permits;
- (k) repair, maintain and service the *security property* on terms which do not create a lien over the *security property*, and pay for all repair, maintenance and servicing promptly;
- (l) ensure that operation and maintenance of the *security property* complies with all relevant laws and the manufacturer's instructions as to use;
- (m) on request by us with reasonable notice, allow or arrange for us or our authorised agents or employees to inspect the *security property* and any records you hold pertaining to the *security property*;
- (n) take all reasonable steps to keep the *security property* secured against theft or damage;
- (o) immediately notify us if you become aware that another party may or will register a security interest over the *security property*; and
- (p) deliver the *security property* to us if we are entitled to take possession of it.

15.3 PPS Act provisions

You acknowledge that we will have a security interest under the *PPS Act* in respect of the *security property*, and you authorise us to register one or more security interests under the *PPS Act* in respect of this *credit contract*.

The rights and powers conferred on us by this *credit contract* or by law are in addition to any rights and powers conferred by the *PPS Act*.

For the avoidance of doubt, in addition to the powers under section 125 of the *PPS Act*, we may take any action after default authorised by this *credit contract* or by law, including delaying any disposal, leasing or action to retain any of the *security property*.

Unless the *security property* is used predominantly for personal, domestic or household purposes, you waive your right to receive notice of:

- (a) a verification statement under section 157 of the *PPS Act* in respect of commercial property;
- (b) the removal of an accession under section 95 of the *PPS Act*;
- (c) a decision to enforce a security interest pursuant to a land law under section 118 of the *PPS Act*;
- (d) action to enforce security over liquid assets under section 121(4) of the *PPS Act*;
- (e) a proposal to dispose of the *security property* under section 130 of the *PPS Act*;
- (f) a statement of account under sections 132(3)(d) and 132(4) of the *PPS Act*; and
- (g) any proposal by us to retain the *security property* under section 135 of the *PPS Act*.

Unless the *security property* is used predominantly for personal, domestic or household purposes, you waive your right:

- (a) to redeem the *security property* under section 142 of the *PPS Act*; and
- (b) to reinstate this *credit contract* under section 143 of the *PPS Act*.

16. Security over deposit

This clause 16 applies if your *loan agreement* specifies a right of set-off or charge over a deposit account or term deposit.

By signing your *loan agreement*, you grant to us a right of set-off or charge over any deposit account or term deposit specified in your *loan agreement*.

If your *loan agreement* specifies a minimum account balance, you agree not to allow the balance of that deposit account or term deposit to fall below the specified minimum account balance.

If the *security property* is a term deposit and we apply the deposit, or part of it, to the loan balance, before the deposit matures, we may adjust the rate of interest to the rate that would have been payable if the term deposit had originally been lodged with us for the reduced term. The reduced term will be calculated from the day the term deposit was lodged to the day of application.

If the *security property* is a term deposit, we may renew the term deposit, regardless of any instruction that you may have given us, to coincide with the anticipated date of repayment of the loan and at the rate of interest then payable on term deposits of the like amount and term.

Except for our right of set-off / charge, the deposit account or term deposit specified in your *loan agreement* cannot be assigned, charged or otherwise dealt with.

17. Insuring the *security property*

You must maintain the following insurance over the *security property*:

- (a) if the *security property* is a vehicle – comprehensive insurance over the vehicle against collision damage, theft, fire and other usual risks, third party property insurance, and compulsory third party insurance; and
- (b) in any other case – insurance against fire, theft, accident, and any other risk we reasonably require in connection with the *security property*.

In each case, you must ensure that our interest as mortgagee/secured party is noted on the insurance policy, and you must provide us with evidence of the policy and its currency when we ask. The insurance must be of a value and on terms acceptable to us. You bear the entire risk of loss of, or damage to, the *security property* from any cause.

You must pay all insurance premiums relating to insurance of the *security property* on or before the due date.

If you do not take out and keep current all required insurance, or if you do not give us evidence of this on request, we may take out any insurance we reasonably see fit and debit the cost to your *loan account*, but we have no obligation to do so.

You must not do anything by which any insurance policy relating to the *security property* could be prejudiced or cancelled or be subject to an increased premium.

If you make a claim and the insurer refuses, you must tell us. We can ask you to give us your rights to take further action against that insurer on your claim.

If the *security property* is stolen, lost, destroyed or damaged so that repair is impractical or uneconomic, you must pay us the *amount you owe us*, less any insurance money paid to us, on not less than 30 days notice.

Any insurance money paid must be paid to us in reduction of your liability to us. If the money is paid to you, you must immediately pay it to us. Payment of the insurance money to us does not release you from liability for any other amount due under this *credit contract*.

If the *security property* is stolen, lost, destroyed or damaged, we may (but are not obliged to) accept other assets to replace the *security property*. Any asset that is accepted as a replacement will be *security property* and subject to this *credit contract*.

If repair is practical, you are obliged to repair the *security property* promptly.

We may enter the premises where the *security property* is held to gain access to the *security property* for any purpose under this *credit contract* provided that, in the case of occupied residential premises, we have a court order or the occupier of the premises has consented.

18. Default

IMPORTANT: 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 default, you may lose any security property.

18.1 Consequences of a breach of any term

If you breach any term of this *credit contract* 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 account; and
- (b) we may rectify the breach or *event of default* by performing your obligations under this *credit contract* or any other agreement.

18.2 Monetary events of default

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

18.3 Non-monetary events of default

A *non-monetary event of default* is an *event of default* that occurs even if you have made all your payments. Each of the following is a *non-monetary event of default*:

- (a) if you are an individual:
- you become bankrupt;
 - you are unable to pay your debts as they fall due; or
 - you make any arrangement with your creditors;
- (b) if you or a *guarantor* is a company:
- proceedings are commenced to wind up the company;
 - a receiver, manager, receiver and manager, administrator, controller, provisional liquidator or liquidator is appointed to the company or any part of the company's assets; or
 - the company is, or is deemed or presumed by law or a court to be, insolvent;
- (c) you or a *guarantor* no longer has 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 under any other agreement, in each case due to a non-monetary *event of default* of the kind described in this clause 18.3;
- (f) we reasonably believe that you or a *guarantor* has not complied with the law or any requirement of any competent 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 this *credit contract* or any other agreement;
- (h) you or a *guarantor* gives us information, or makes 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 the terms of this *credit contract*, any security or any other agreement without our prior written consent (which will not be unreasonably withheld), including:
- any *security 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);
 - any *security property* becomes subject to a mortgage or charge without our prior written consent (which will not be unreasonably withheld); or
 - the amount secured by any mortgage or charge over any *security property* is increased without our prior written consent (which will not be unreasonably withheld);
- (l) you or a *guarantor* does not provide any financial information required by us in connection with your loan;
- (m) you or a *guarantor* does not maintain any licence or permit necessary to conduct any business conducted by you or a *guarantor*;
- (n) you or a *guarantor* does not maintain any insurance required by us in connection with your loan;
- (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:
- you or a *guarantor* ceases to carry on all or a material part of your or their business, or disposes of all or a material part of your or their assets; or
 - if you or a *guarantor* are an individual, you or a *guarantor* is sentenced to jail for a term of longer than 12 months;
- (q) any *security property* is:
- substantially damaged, destroyed or demolished, and we reasonably consider that the *security property* cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the *security property*; or

- taken out of your control;
- (r) there is a material reduction in the value of any *security property*;
- (s) any repairs necessary to keep any *security property* in good repair are not made in a timely fashion;
- (t) any amount required to be paid in connection with any *security property* (including council rates, water rates, land tax or shared title contributions) is not paid within 90 days of the due date; or
- (u) any other event specified to be an *event of default* for the purposes of this *credit contract* occurs.

18.4 What we can do if an event of default occurs

Subject to clause 18.5 and clause 18.6, at any time after an *event of default* occurs, we can take any of the following actions:

- (a) demand and require payment of any money due under this *credit contract*;
- (b) call up the loan and require payment of the *amount you owe us*;
- (c) exercise any right or power conferred by law, this *credit contract* or any security, including taking possession of and selling any *security property*; or
- (d) in the case of a construction loan, complete the construction works in any way we consider appropriate. We are not obliged to complete the construction works. We may vary or terminate the *building contract*. We may employ any consultants or other builders we consider appropriate.

18.5 When we will act on a non-monetary event of default

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 18.3(f), 18.3(g), 18.3(h) or 18.3(i) occurs.

18.6 Notice of enforcement

If an *event of default* occurs, we will not:

- (a) require you to repay the *amount you owe us*;
- (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*; and
- (e) if the *event of default* is remediable, you have not remedied that *event of default* within 30 days.

If an *event of default* is remediable, and you remedy that *event of default* within 30 days, we may take any action specified in paragraphs (a), (b) or (c) above if an *event of default* of the same type has arisen during that period.

If your loan is regulated by the National Credit Code, we may give you less than 30 days notice or no notice if:

- (a) we reasonably believe that we were induced by fraud by you or a *guarantor* to enter into this *credit contract*;
- (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* has removed or disposed of any mortgaged goods (or intends to remove or dispose of any mortgaged goods), or that urgent action is necessary to protect any mortgaged goods.

If your loan is not regulated by the National Credit Code, we may give you 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 any *security property* or 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*.

18.7 Exercising our rights

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

We can exercise these rights with or without taking possession of any *security 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.

Our rights and remedies under this *credit contract* may be exercised by any of our employees or any other person we authorise.

We are not liable for any loss caused by the exercise, attempted exercise, failure to exercise, or delay in exercising any of our rights or remedies, 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.

18.8 Enforcement expenses

IMPORTANT: If you default under your loan, enforcement expenses may be payable. This means that you may have to pay any of our reasonable costs incurred in maintaining any security property, collection expenses, and any other internal or external costs we incur as a result of your default.

Enforcement expenses may become payable under this *credit contract* and any security if you breach this *credit contract* or an *event of default* occurs. We may debit your *loan account* with our enforcement expenses at any time after they are incurred, and we may then require you to pay these costs promptly after our demand (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.

Enforcement expenses payable by you will not exceed our reasonable enforcement costs (including internal costs).

Enforcement expenses include our expenses incurred in preserving, maintaining or selling any *security property* (including insurance, rates and taxes payable in respect of the *security property*), collection expenses, expenses resulting from dishonour of a payment, and any internal or external costs we incur as a result of you breaching this *credit contract* or any other agreement or an *event of default* occurring (including legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher).

You indemnify us from and against any expense, loss, loss of profit, damage or liability which we incur as a consequence of a breach of this *credit contract* or an *event of 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.

19. Changes we can make to this *credit contract*

19.1 Types of changes we can make

IMPORTANT: We can make changes to this credit contract at any time (except interest rate changes during a fixed rate period). In making any changes, we will act reasonably.

Acting reasonably, we can change or vary any term of this *credit contract*:

- (a) that deals with the pricing of your loan, such as your interest rate, repayments and credit fees and charges (but subject to any specific agreement such as a *fixed rate period*);
- (b) that deals with the day you make repayments or we debit interest to your *loan account*;
- (c) to accommodate a change in law or market practice;
- (d) to accommodate a change in technology or other ways of communication;
- (e) to accommodate a change in payment methods; or
- (f) to make any other reasonable change.

19.2 Exiting your *credit contract* because of a variation

If you are not satisfied with any change or variation to this *credit contract*, you may repay your loan in accordance with clause 10.

19.3 Notifying you of changes

We will give you:

- (a) not less than 30 days notice of a change to the manner in which interest is calculated or applied;
- (b) notice of a change to the interest rate(s) applicable to your loan not later than the day on which the change takes effect;
- (c) not less than 20 days notice of a change to the amount, frequency or due date of your repayments;
- (d) not less than 20 days notice of a change to the fees and charges payable; and
- (e) not less than 30 days notice of any other change we make to this *credit contract*.

We may give you a shorter notice period or no notice if the change is not adverse to you or reduces your obligations. We may also not give you notice of a change to the amount of your repayments if your repayments are determined by reference to a method of calculation.

If there is a change to, or introduction of, a government charge that you directly or indirectly pay in connection with your loan, we will notify you of this reasonably promptly after the government notifies us, unless the government itself publicises the introduction or change.

We will give you notice of any change to this *credit contract* either in writing (including by electronic means) 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. Any variation will take effect from the date specified in the notice of change we give you.

20. Trusts

If you enter into this *credit contract* as trustee of a trust, this clause 20 applies.

20.1 Liability as trustee

If you are at any time trustee of any trust, you are liable under this *credit contract* in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as well as you.

20.2 Representations and warranties

You represent and warrant as trustee that:

- (a) the trust is properly constituted and is in existence at the date you sign this *credit contract* and you have given us a true and complete copy of the trust deed;
- (b) you have been validly appointed trustee and remain the sole trustee as at the date of this *credit contract*;
- (c) no date has been declared as the date on which the trust will be vested or come to an end;
- (d) you have the power, authorisation and legal entitlement under the trust deed to enter into and perform your obligations under this *credit contract* and any security;
- (e) it is in the best interests of the beneficiaries of the trust that you enter into this *credit contract* and any security;
- (f) you have complied with your trust obligations (as have any directors or officers if the trustee is a corporation);
- (g) our rights under this *credit contract* and any security have priority over the interest of the beneficiaries of the trust;
- (h) you are personally liable to us to the full extent of your obligations under this *credit contract* and any security; and
- (i) you have the full right to claim against the assets of the trust for all liabilities incurred by you under this *credit contract* and each security and those rights have not been and will not be changed or lost by entering into this *credit contract*.

20.3 Your promises as a trustee

You promise that you will:

- (a) tell us immediately if you stop being the trustee of the trust or the trust is terminated, vests, altered or ceases to exist;

- (b) promptly give us any information we require about the business or financial condition of the trust, including copies of up to date balance sheets and profit and loss statements;
- (c) not do anything which limits, prejudices or disposes of all, part of or an interest in your right to be indemnified from the trust; and
- (d) comply with all the terms of the trust deed.

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).

21. Notices

21.1 How we may give notices

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 this *credit contract* or any mortgage given under this *credit contract* 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.

Subject to any applicable laws, you consent to any notice, statement, demand, court document or other document connected to this *credit contract* or any mortgage given under this *credit contract* 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 *security property* is located.

21.2 Service of notices

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; or
- (b) if sent electronically, on conclusion of transmission.

21.3 Notices signed by us

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

21.4 Change of address

You must tell us as soon as you change your contact details, including any residential, postal, telephone or electronic address.

22. General provisions

22.1 Disclosures to *guarantors*

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 statement of account; and
- (g) any other information about you and your *loan account* with us.

22.2 Anti-money laundering and counter-terrorism financing

You must not use your loan for the purposes of money laundering or terrorism financing. You indemnify us from and against any loss that we incur as a result of your breach of this obligation, 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.

The *amount you owe us* may become payable if we reasonably believe that continuing with this *credit contract* 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 'high risk' given our obligations under anti-money laundering and counter-terrorism financing 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 financing laws); or
- (c) we reasonably believe that you are 'high risk' given our obligations under anti-money laundering and counter-terrorism financing laws.

If any of the above events occur, we will endeavour to give you not less than 90 days notice to repay the *amount you owe us*.

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 anti-money laundering and counter-terrorism financing laws, other laws 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*.

22.3 Assignment

IMPORTANT: We may disclose information about you to any third party involved in an actual or proposed assignment, novation or dealing by us, and that disclosure may be in a form that may enable that third party to identify you.

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

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

We may disclose information about you, this *credit contract* or any security to anybody involved in an actual or proposed assignment, novation or dealing by us with our rights under this *credit contract*.

22.4 Governing law

This *credit contract* 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 this *credit contract* is entered into, this *credit contract* is governed by the laws of that state or territory. If there are two or more borrowers who reside in different states or territories, this *credit contract* is governed by the laws of the Australian state or territory in which we first provide the loan.

If any borrower does not ordinarily reside in Australia, *credit contract* is governed by the laws of the Australian state or territory in which the main *security property* (as determined by us) is located.

You submit to the jurisdiction of the courts of the Australian state or territory whose laws apply to this *credit contract* and the proper jurisdiction of any other court.

22.5 Unenforceable provisions

If any provision of this *credit contract* is invalid or unenforceable in whole or in part, the affected provision will cease to have effect, but the rest of this *credit contract* will remain valid and enforceable, and we may by notice vary this *credit contract* so that the provision is no longer illegal.

22.6 Providing financial statements

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 your taxation return or an assets and liabilities 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.

22.7 Identity verification

At any time during the term of this *credit contract*, on request by us, you must provide us with any information and documents that we reasonably require to verify or re-verify your identity and the identity of any person you authorise to operate your *loan account*.

22.8 Application of consumer credit legislation

To the extent that the National Credit Code or other legislation applies to this *credit contract*, if

- (a) that legislation would otherwise make a provision of this *credit contract* illegal, void or unenforceable; or
- (b) a provision of this *credit contract* would otherwise contravene a requirement of that legislation or impose an obligation or liability which is prohibited by that legislation,

this *credit contract* is to be read as if the provision were varied to the extent necessary to comply with the legislation or, if necessary, omitted.

22.9 Statements

We will give you a statement of account for your loan every 6 months or, if you have a line of credit loan, at least monthly or otherwise as required by law. We may also send you a statement to confirm any changes you request.

22.10 Lenders mortgage insurance

IMPORTANT: 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 security property is then sold, and the sale proceeds are insufficient to fully repay the amount you owe us, you are still responsible for repaying the balance outstanding under the mortgage.

If you are required to pay for lenders mortgage insurance under this *credit contract*, that insurance protects us and not you. The amount paid by you under this *credit contract* is not usually refundable if you repay your loan early.

If you default under your mortgage or any other security, resulting in the sale of the *security property*, and the sale proceeds are insufficient to fully repay the *amount you owe us*, we may incur a loss.

We may recover this loss under our lenders mortgage insurance policy. However, you are still legally responsible for repaying the amount outstanding under the mortgage or other security because you are not protected by the lenders mortgage insurance policy or any other type of risk cover.

22.11 Valuations of the *security property*

We may obtain valuations or other reports concerning the *security property* whenever and as often as we decide (acting reasonably). You must assist this process by providing access to and information about the *security property* when reasonably requested by us.

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.

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

22.12 If a trustee in bankruptcy or liquidator asks us for your money back

A trustee in bankruptcy or a liquidator or other person may ask us to refund a payment we have received in relation to your loan. To the extent we are obliged to, or we agree to, make a refund, we may treat the original payment as if it had not been made except for the purpose of calculating interest payable by you.

22.13 Government charges and taxes

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).

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.

If any payment to us is for a taxable supply for the purposes of GST or any similar tax, you must also pay to us an additional amount equal to the tax relating to that supply.

22.14 Owner occupation and leasing

If the purpose of the loan is for you to buy or build a home to live in, you must not lease the home without our prior written consent (which will not be unreasonably withheld).

22.15 If we are a trustee

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 satisfy that liability.

22.16 Third party systems

Our provision of services and finance is dependent on third party systems and financing. We will not be liable to you for any failure or delay in meeting our obligations to you to the extent they are beyond our reasonable control, including:

- (a) any disruption to financial markets;
- (b) delays or failures in third party payment and settlement systems; and
- (c) any disruption of the internet, interference from third parties over the internet, or in relation to third party IT systems and infrastructure.

23. Understanding this *credit contract*

23.1 Words with special meanings

In this *credit contract* (excluding Section 2 of these *Terms and Conditions*), words printed in italics are defined as follows:

amount of credit means the amount specified in your *loan agreement* as varied from time to time.

amount you owe us means the total amount outstanding from time to time in respect of all your *loan accounts*, including all accrued interest, fees and charges (including where applicable those that accrue on partial or total repayment), and includes any part of that amount.

break cost fee means the fee specified in your *loan agreement*.

building contract means the *building contract* you enter into with your builder, the cost of which is to be funded in whole or in part by your loan.

business day means any day other than a Saturday, Sunday or a public or bank holiday in Tasmania.

credit contract means the *credit contract* entered into by you and us that incorporates these *Terms and Conditions* and includes any variations of that contract. Your *loan agreement* and these *Terms and Conditions* together comprise your *credit contract*.

credit limit means the amount specified in your *loan agreement* as varied from time to time.

daily percentage rate means the annual percentage rate divided by 365 or, in a leap year, 366.

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

event of default means any event described in clauses 18.2 and 18.3.

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 you owe us*;
- (d) the date on which the whole of the *amount you owe us* becomes payable for some other reason; or
- (e) such other date that we agree with you.

fixed rate period means the period, if any, specified in your *loan agreement*.

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

loan account means the account we open for the purposes of this *credit contract*.

loan account balance means the balance of your *loan account* at any time, being the difference between all amounts credited and all amounts debited to your *loan account* (excluding any uncleared funds).

loan agreement means the *loan agreement* that contains the Financial Table and forms part of this *credit contract*.

loan term means the period specified in your *loan agreement*.

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

PPS Act means the Personal Property Securities Act 2009 (Cth).

prepayment is a payment you make before it is due to be made.

security means the security specified in your *loan agreement* and any other security from time to time given to secure your obligations under this *credit contract*, and includes any mortgage, guarantee or other type of security interest.

security property means any property subject to the security, and includes any improvements, attachments or contracts relating to that property and any part of that property.

settlement date means the date we first advance funds to you.

Terms and Conditions means this Consumer Standard *Terms and Conditions* booklet.

we, us and *our* means Bank of us, a trading name of B&E Ltd (A.C.N. 087 652 088 and Australian Credit Licence 236870), the credit provider under this *credit contract*.

you means the borrower(s) specified in your *loan agreement*.

23.2 General interpretation

In this *credit contract*, a reference to:

- (a) a person or to a party to this *credit contract* includes their successors and assigns;
- (b) the singular includes the plural and vice versa;
- (c) a document includes any variation or replacement of it; and
- (d) a person includes any other entity recognised by law.

SECTION 2: 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 pre-contractual statement containing certain information about your contract. The pre-contractual 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 your 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 your 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 can not 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 can not 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 can not 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 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 can not 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 can not 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 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.com.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.





Bank *of us.*

Tasmania | Community | Customer

1300 306 716 | bankofus.com.au

Bank of us is a trading name of B&E Ltd
ABN 32 087 652 088 AFSL & Australian Credit Licence 236870