

# Important information for co-borrowers

## Co-borrower financial responsibility

- You're liable for the full amount owing under the loan contract. This is referred to as joint and several liability.
- If the other co-borrower/s do not make repayments, you remain responsible for making repayments and can be asked to do so alone. You can be asked to pay arrears and, in the worst case, the balance of the loan.

## Other risks of co-borrowing

- The information you provide as part of the loan application, such as your liabilities, expenses, income, and assets, may be seen by the other applicants or joint borrowers. This means they may see details of your bank statements, credit reports, pay slips and other information you've given us to assess your application.
- In the event of a default (due to repayments not being made on the loan by the due date):
  - Your credit rating may be negatively impacted.
  - We may exercise our right to sell or enforce any collateral, securities, or guarantee attached to the loan. If the sale proceeds are not sufficient to cover the loan amount, we may ask you to repay the full remaining balance plus any applicable fees and charges.

## Independent advice

- You should consider obtaining independent legal and financial advice to thoroughly understand the consequences of being a co-borrower.

## Co-borrower versus guarantor

- A guarantor is not the same as a co-borrower.
- Guarantors can limit their liability for the loan at the time of giving the guarantee, while a co-borrower cannot. Co-borrowers are always fully liable for the full balance of the loan.
- A guarantor is only liable for the debt when a default has occurred on the loan and usually only after we have sold any collateral or security provided by the borrowers. This means the primary responsibility for repaying the loan sits with the borrower or co-borrower.

### We're here to help

If you're feeling pressured to enter into a loan as a co-borrower or you don't want to continue with your joint application, let us know by:

- contacting your lender,
- calling us on 13 63 73, Monday to Friday from 8am-6pm, or
- emailing [info@bankvic.com.au](mailto:info@bankvic.com.au)