

Home Loan.

**General
Terms and Conditions
July 2021.**



Contents

1. Terms and Conditions	2
Definitions	2
Representation and Warranties	3
Code(s) of Practice	4
Repayments	4
Additional Fees and Charges	6
Annual Percentage Rate	6
Interest Charges	6
Default Rate	7
Redraw	9
Offset Accounts	10
2. Fixed Rate Home Loans	12
3. Construction Loans	13
4. Line of Credit Facility	15
5. General Provisions	16
6. Identification Information	19

1. Terms and Conditions

BankVic home loans are offered by Police Financial Services Limited ABN 33 087 651 661 AFSL and Australian Credit Licence 240293 (BankVic) to its members.

These home loan terms and conditions should be read in conjunction with our BankVic Terms & Conditions.

Home loan applications are subject to our normal lending and credit assessment criteria.

Definitions

Settlement date means the date we advance the loan monies to you.

Disclosure date means the date on which we prepared our Offer and Home Loan Contract.

Loan contract means the contract entered into between us when you accept our offer of finance.

Mortgaged property means the property you agree to mortgage to us as security for your loan.

Offer and our Offer means the offer document prepared by us including the loan contract.

When is there a binding legal contract?

There is no binding legal contract until the home loan settlement date. This means that until the settlement date:

- a) you are not bound to go ahead; and
- b) we have the right to withdraw our offer of finance and decline to make an advance of funds to you.

We are not obliged to make an advance of funds until all relevant conditions are fulfilled to our satisfaction. You may be liable for our costs, however, if you decide not to proceed.

What happens if there are two or more 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 pursue 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, a split into one or more additional loans, or any other activity. Each 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 even though you may have some other arrangement among yourselves and even though not all of you benefit equally.

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

Representation and Warranties

You represent and warrant that all information you give us regarding your financial and personal affairs, and any mortgaged property, is true and correct. Unless disclosed to us in writing prior to the settlement date, you also represent and warrant that:

- a. there are no unpaid rates or taxes owing in respect of the mortgaged property;
- b. the mortgaged property will be occupied by you;
- c. there are no notices or proposals from any government or other authority adversely affecting the mortgaged property;
- d. there are no defects or disputes relating to the mortgaged property; and
- e. 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.

What can we do with your account?

We can debit your account with any amounts lent to you or due under your loan contract.

If someone makes a payment to you on our behalf, we can debit your 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. We may also combine any offset account with another loan account.

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

- a. Convert from variable rate to fixed rate and vice versa.
- b. Consolidate one or more accounts.
- c. Convert from interest only 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 line of credit account). Additional information may be required, and in some instances a new assessment may be required.

You may request a change prior to the initial advance being made to you, in which case the change takes effect from the settlement date.

If a new loan account is created, separate repayment dates and interest debit dates may apply to that new account. If a 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. Interest will be debited, and repayments will be due on the new loan account monthly in arrears from the commencement date of the split or switch.

If you switch from a fixed rate loan to a variable rate loan during the fixed rate period, a fixed rate break cost fee and/or a switch/split administration fee may be payable.

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.

Code(s) of Practice

We undertake that we will comply with the requirements of the ePayments Code, as applicable, when those requirements apply to your dealings with us. The code changes from time to time. You can find out which version we have subscribed to by contacting us.

Repayments

You must make all payments and pay all credit fees and charges specified in your loan contract. In addition, on the final repayment date you must pay us the amount you owe us in respect of all your accounts.

Payments will be credited to your loan account only when received by us. All payments must be made in full when they fall due, without setting off any amounts you believe we owe you. You must make all payments by the due date. In addition to making any repayments specified in the financial table section in your loan contract, on the date your loan ends, you must pay to us the amount you owe us. Repayments will be credited when they are received by us and will be applied to your loan as determined by us. All payments must be made in full, without any deduction, set-off or counterclaim.

Repayments are to be made as directed by us. Usually, this will be by a transfer from your BankVic savings/transaction account. You must sign any forms required by us and do anything required by us to effect repayments.

We may require you to provide us with a valid transfer authority to debit the monthly repayments from a BankVic Savings / Transaction account as they fall due.

You authorise us to transfer any amounts payable by you (including interest and credit fees and charges) as they become due. You must ensure that the account always has sufficient funds to meet your repayment obligations. If you fail to have sufficient funds in your account, payment may be dishonoured, and a fee may apply.

Home Loan General Terms and Conditions

You must not cancel the transfer authority or close the account without making alternate arrangements and without our consent.

If the interest rate changes, we may change your repayments. If any repayment is due:

- a. on a day which is not a business day, or
- b. on a day which is the 29th, 30th or 31st of a month with no such date, the payment must be made on or before the previous business day.

However, if this means payment is due in the next calendar month, your payment is due on the last business day of the current calendar month.

If any direct debit or cheque used for repayment 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.

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

How are your payments credited?

We can apply any payment or other credit to any amount you owe us in any order we determine.

If you have more than one account with us and 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.

If you have more than one account with us and any one of those accounts is in arrears while one or more other accounts have money available for redraw, you irrevocably request and authorise us to appropriate from one or more of those accounts to pay some or all your arrears. We are not obliged to do this.

What happens if you repay early?

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

- a. repayments greater than your scheduled repayment will not be credited to any offset account you have established unless you specifically request that before making the payment;
- b. fees or a fixed rate break fee may be payable on early repayment of a fixed rate account; and
- c. you may be able to redraw any excess repayments.

Additional Fees and Charges

Other fees and charges may apply for matters relating to the mortgaged property, including for example a variation on title, i.e. Change to Consideration / Consent to Transfer / Plan of Subdivision / Survivorship application by joint proprietor or any other cause for variation.

In addition to the above, third party fees, which are fees incurred by us in providing the service and include costs such as valuation and legal fees after the settlement date may apply and will be payable by the borrower. These fees are unascertainable at the disclosure date.

The cost of variations is available on application and will be quoted prior to commencing with your request.

Annual Percentage Rate

The Annual Percentage Rate, also known as the Interest Rate (including standard variable, fixed, discounted, and/or special offer rates) may change prior to the Settlement date.

Where the Interest Rate changes prior to the Settlement date, we may apply the new interest rate on the Settlement date. If we do this, we will notify you in writing.

We obtain funding for our loans from a variety of sources. As a result, interest rates may differ from time to time between our different loans. Accordingly, you may see us advertising a different rate to the rate applicable to your loan.

If we choose to vary the Interest Rate on your loan after the Settlement date, we will provide you no less than 30 days notice.

Interest rates may vary after the Settlement date. Fixed interest rates will not change after the Settlement date unless;

- the fixed term period ends,
- you request and we consent to change the loan product, and
- you pay the break cost fee as calculated by us (refer to Fixed Rate Home Loans).

Interest Charges

We will calculate interest daily by multiplying the unpaid daily balance of the account at the end of the day by the daily percentage rate. The daily percentage rate is the rate determined by dividing the interest rate by 365.

We will debit interest monthly in arrears on the last day of each month, and on the final repayment date. This day will not necessarily be the same day that your repayments are due.

Interest debited to your loan will be added to the outstanding balance of your loan and accrue interest at the same rate and in the same manner as the principal of your loan.

Home Loan General Terms and Conditions

In addition to debiting interest to your account monthly, we may debit interest whenever the loan is in default, you repay the total amount you owe us, there is any principal increase or variation in your loan contract, or there is any change to the loan terms.

We will calculate default interest daily by multiplying the unpaid daily balance of the account at the end of the day by the daily default percentage rate. The daily default percentage rate is the rate determined by dividing the default rate of interest by 365.

Interest accrues daily from the day we make the first advance. This applies whether any real estate transaction to which the advance relates (e.g. refinance or purchase) occurs on that day.

The charging of interest on arrears of interest and fees and charges does not mean that they are part of the principal sum or the loan amount. These amounts only become part of the principal sum or loan amount if we elect to convert them to principal.

If more than one interest rate applies to your accounts, we will apply the applicable daily percentage rate to the relevant portion of the amount you owe us.

Default Rate

Default interest may be charged at a rate equal to 2% per annum above the Annual Percentage Rate applying to your Loan at the time (the Default Rate).

If any amount due by you is not paid on the due date, you must pay default interest on the amount in default until it is paid. You may also be liable for default fees. If for any reason your entire loan amount is due, interest at the applicable default rate is payable on the entire amount.

If you default at any time, we may elect not to charge default interest or fees at that time. However, we reserve the right to charge default interest and fees at a later time, including retrospectively for any period during which you were in default.

Default interest accrues daily calculated by applying the daily default rate to the amount in default at the end of each day while the default continues. The daily default rate is the annual default rate divided by 365. The end of each day for calculating default interest is 5.00 pm Australian Eastern Standard time.

When will you be in default?

If any one or more of the following occur, we may decide an event of default has occurred. You must ensure no event of default occurs.

- You do not make a repayment in full by the date it is due.
- There is default of any term or condition of your loan contract.
- There is default under any mortgage or other security given under your loan contract.

Home Loan General Terms and Conditions

- You fail to pay any associated costs relating to the mortgage property, i.e. council rates, insurance, body corporate etc by the due date.
- Any representations or warranties made by you or on your behalf to us or our agents prove to be untrue or misleading.
- You become bankrupt, enter into any kind of bankruptcy administration, are jailed, or are deceased.
- Any agreement or security becomes wholly or partly unenforceable.
- You breach any material undertaking given at any time to us.

What can we do when you are in default?

At any time after default occurs, we can take any of the following action:

- a. Demand and require immediate payment of any money due under your loan contract.
- b. Call up the loan and require payment of the entire balance owing under your loan contract.
- c. Exercise any right, power, or privilege conferred by any law, your loan contract, or any security.
- d. Use any money of yours in any account with us to reduce the amount you owe us.
- e. 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 employ any consultants or other builders we consider appropriate.

We need not give any notice before exercising any right, power (including power of sale) or remedy under this loan contract unless required by law. If the law does require notice, we need only give one day's notice, or the shortest notice required by that law. If the law does require us to give you notice before exercising rights, we may not have to give notice if:

- a. we cannot locate you after making reasonable attempts to do so;
- b. you are insolvent; or
- c. we are authorised by a court.

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

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.

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

Home Loan General Terms and Conditions

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.

Are you liable for enforcement expenses?

Enforcement expenses may become payable under your loan contract and any security if you default. You must pay on demand, and we may debit your account with our costs in connection with any exercise or non-exercise of rights arising from any default, including:

- a. legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher; and
- b. our internal costs.

Where the loan is regulated by the National Credit Code or similar laws, these costs will not exceed our reasonable enforcement costs including internal costs.

These expenses include our expenses incurred in preserving or maintaining the mortgaged property (including insurance, rates and taxes payable in respect of any security), collection expenses and expenses resulting from dishonour of a cheque or payment. These expenses may be debited to your loan at any time after they are incurred.

Redraw

We will tell you if redraw facilities are available.

If you have made extra payments above your minimum repayment amount, you may redraw all or any part of those extra payments provided:

- you have not defaulted under your loan contract;
- the interest rate applying to the account to which the extra payments were made is a variable interest rate;
- the value of the mortgaged property has not reduced; and
- no other redraw restrictions are set out in your loan contract.

We may review, suspend or cancel the redraw facility at any 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.

While you have one or more split loans, any re-borrowing will be made from the account specified by you, or if no account is specified, the account 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 total amount you have repaid early, and for which cleared funds have been received. We may reduce the amount you can redraw by the estimated amount of your next scheduled repayment.

Home Loan General Terms and Conditions

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

You must ensure that the amount you wish to redraw is not for more than you have paid early.

If you make your request for redraw manually you should allow at least one business day for your redraw to be processed.

If you attempt to redraw more than your available funds limit, we may (but are not obliged to) stop or prevent the payment including by:

- a. not processing a direct transfer from your account;
- b. dishonouring a cheque (where you have chosen the cheque facility) drawn on your account.

You must make sure that the amount you owe us does not go over your credit limit. However, if it does go over the credit limit, you must repay the excess immediately.

If you have a construction loan, no redraw is available during the construction period.

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

Offset Accounts

We will tell you if offset facilities are available. We may review, 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 nominated linked account will be calculated on the daily balance of that account less the balance in the linked offset account.

Any offset account(s) is not a stand-alone account and cannot be severed from your nominated loan account.

You may not link your offset account(s) to a fixed rate account.

You must ensure that the balance of all your offset accounts does not exceed the amount outstanding on your nominated loan account at any time. Where the balance of your offset account(s) exceeds the amount outstanding on your nominated loan account, we may send the excess funds back to you or apply them towards another of your loan accounts.

No interest is payable on the amount in your offset account(s), even if that amount exceeds the amount owing under your nominated loan account.

Home Loan General Terms and Conditions

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

What happens if you want to pay people by direct debit?

With our approval, you can arrange for third parties to have a right to debit any of your offset or line of credit accounts. Once set up, any request by a third party for payment under a direct debit authority will be treated as having been properly authorised by you. We can cancel this arrangement at any time, and we are not liable to you or anyone else if a payment is not made for any reason. Any arrangement must be confirmed before the settlement date and may not be available after the settlement date without our approval.

We may impose an additional fee for any arrangement requested after the settlement date. We are not liable for any loss or damage if payment is not made under a third-party payment arrangement.

Each request by that third party for payment under a direct debit authority will be deemed to be a request for a redraw by you of the amount of that payment.

Can your obligations under your loan contract change?

Acting reasonably, we can change any term of your loan contract including the interest rate, the credit fees or charges, and the repayments. We can introduce new credit fees or charges. 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.

The interest rates and repayments shown in the Financial Table section in your loan contract are correct at the disclosure date but may change prior to the settlement date if the interest rate changes.

We may change the interest rate at any time, except in respect of a fixed rate loan during the fixed rate period. The variable rate is an individual rate set for your loan and acting reasonably we may vary it as we see fit from time to time.

If any variation increases your obligations, other than in respect of interest rate changes, we must give you written notice at least 21 days before the increase takes effect.

If you are not satisfied with any change or variation, you may repay your loan before the variation takes effect.

When will you receive account statements?

If you have a line of credit account, we will issue monthly statements to you. Otherwise, for all other accounts, statements of account will be forwarded to you at least once every three months or more frequently if required by law.

2. Fixed Rate Home Loans

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

Fixed Rate Break Costs

Break costs are payable if, during a fixed rate period, any of the following circumstances occurs;

- the whole of the loan to which a fixed rate applies is repaid. In this case, this fee is payable on the date of that repayment.
- you make additional repayments which exceed \$10,000, (the tolerance amount) in any calendar year, the break cost fee may apply only to the repayments in excess of \$10,000,
- the whole or part of your fixed rate loan is changed by agreement to any other variable or fixed loan type or interest rate, or
- repayment is because of a demand by us after default.

Break Cost Fee

A Break Cost Fee (BCF) may be payable if you fully repay your loan, you make an additional repayment exceeding the tolerance amount, during any period in which your loan interest rate is fixed, or you choose to change to a different interest rate prior to expiration of the fixed period.

The BCF is based on the difference between the Fixed Rate, i.e., the interest rate for your fixed interest rate contract, and our Reinvestment Rate, which is the interest rate that we can reasonably expect to earn on any amount that is repaid early.

The BCF reflects the cost incurred by us if the Reinvestment Rate is less than the Fixed Rate at the date of repayment.

The minimum BCF is zero. We will not pay a refund for any advantage gained if the Reinvestment Rate exceeds the Fixed Rate.

Repayments not subject to Break Cost Fee

We will waive the BCF if your total additional repayments during any calendar year (starting from the anniversary of your fixed interest rate period) do not exceed \$10,000.

If your additional repayments exceed \$10,000 in any year, the BCF will apply only to the repayments in excess of \$10,000.

3. Construction Loans

These terms only apply to loans made to assist in the construction of building works.

Construction Accounts

Construction accounts provide for the progressive release of funds over a set period of time and are principal and interest, unless you have chosen an Interest Only term for the construction period of the loan.

At the end of the construction period, or when the account is fully drawn, your repayments will be principal and interest.

The amount of your repayments at the end of the construction period is unascertainable at the disclosure date. We will tell you how much they are before they become due. They will be broadly equivalent to the amount required to repay the amount you owe us, together with interest over the balance of the loan term. These repayments may change from time to time in accordance with interest rate changes and otherwise as specified in the Offer and Home Loan Contract.

How does your Construction Loan work?

No building works may be commenced on the mortgaged property without our prior written consent. The construction of the building must be completed in accordance with plans and specifications approved by us and in accordance with the requirements of any responsible authority (e.g. a local council).

The loan amount will be advanced progressively as and when we see fit to assist in the construction of building works. These will generally match progress payments required pursuant to the building contract, subject to progress valuations.

Generally, all progress payments will be made directly to the builder or service provider.

If total construction costs are less than the agreed amount in the loan contract, we may reduce the amount we lend you accordingly.

Progress valuations may be required from time to time to confirm the stages of construction have been completed in accordance with the building contract. You will be required to pay any fees and charges associated with this.

We are under no obligation to make any progressive advances, and in particular can refuse to make any further advances if anything happens which in our opinion adversely affects the value of the mortgaged property or if the works are not proceeding satisfactorily.

If the insurer who has provided mortgage insurance, or if the provider of any other type of risk cover in respect of this loan cancels, suspends, or limits that insurance or cover, a default will have occurred, and we can demand repayment of the whole or any part of the amount you owe us.

Home Loan General Terms and Conditions

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.

Construction payments can only be applied to completed work fixed to the building. All variations must be funded by you using your own funds unless approved with our consent.

What are your obligations in relation to construction?

Before we advance any progress payment under your loan contract, we may require you to give us the following in a form and substance acceptable to us.

- a. A copy of the building contract including all variations, between you and the builder in relation to construction, with a completion date acceptable to us with a licensed builder acceptable to us.
- b. A copy of the plans and specifications approved by the relevant authority in relation to construction.
- c. Home owner's warranty insurance (where applicable).
- d. A builder's all risk policy and a certificate of currency for that insurance.
- e. Progress payment authority signed by you.

You must also do the following.

- a. As soon as the building works are complete, provide us with a general insurance policy noting our 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, including as to the amount of the insurance cover which would be equivalent to the value of the building.
- b. Promptly after completion of construction provide to us a final certificate from the local council or other responsible authority confirming that building works have been completed in accordance with all relevant requirements.
- c. Ensure that the agreed drawdown schedule is observed and that there is always a sufficient undrawn amount under this loan to complete construction.
- d. Promptly comply with any condition imposed by us in relation to any progressive draw or the works.
- e. Not vary or terminate the building contract without our prior written consent.
- f. You are still liable under your loan contract if we make any advances without requiring any of these things and despite anything in relation to the construction. We accept no responsibility for anything relating to the building works.

4. Line of Credit Facility

Amount you may borrow under a Line of Credit Account

This part only applies to loans that include a line of credit facility.

WARNING: We can suspend, cancel, or change your line of credit facility at any time immediately upon default or with 90 days notice and you must then repay any amounts owing in excess of the changed line of credit limit within 90 days of the date we give notice to you.

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

If you default under this loan contract, without notice we can cancel the Line of Credit Facility or reduce the line of credit limit in which case you must repay the entire whole facility or the amount owing in excess of the changed line of credit limit immediately upon notice from us.

At any time upon not less than 30 days' notice, we may convert the facility to a term loan under which you must make regular instalments (i.e. monthly instalments) of principal and interest to repay the loan by a specified date.

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

- a. the amount you owe us under your line of credit account;
- b. any withdrawal amounts for which we have received instructions, but which have not yet been processed (not including future periodical payments);
- c. the amount of any payments by cheque which have been credited to your account, but which have not cleared yet; and
- d. the amount of any other proposed payments on your line of credit account which we have been told about, but which have not yet been debited to your account, e.g. certain types of deposits for goods or services.

You must ensure that you do not exceed your credit limit. If you exceed your credit limit without our written consent, we may apply a default interest rate as set out in your loan contract and the amount by which you have exceeded the credit limit must be repaid immediately with or without 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 account are first applied by us to the excess amount and any interest charged on that amount.

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.

5. General Provisions

Do you have to pay government charges?

You must pay us on request 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 account); and
- c. withholding tax.

You must pay these duties, taxes and charges whether 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.

What happens if you have a guarantor?

You agree to allow us to disclose the following documents to each guarantor named in your loan contract:

- a. a copy of any notice, including correspondence, to us or to you;
- b. any financial statements you have given us;
- c. any notice of demand, or information regarding a dishonour, on any loan with us;
- d. information on any excess or overdrawing;
- e. a copy of your loan account statement; and
- f. any other information about you and your accounts with us.

Must you provide financial statements?

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

What happens if your account has a credit balance?

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

What does a certificate signed by the lender mean?

A certificate signed by us or on behalf of us as to an amount payable to us is, in the absence of manifest or proven error, conclusive and binding on you. In making any decision we will act reasonably.

Will we obtain valuations of the mortgaged property?

We may obtain at your cost independent valuations or other reports concerning any mortgaged property whenever we consider it to be reasonably necessary.

Any valuation or other report is for our use only. We are not obliged to inform you of anything adverse contained in these reports. If the contents of any of these documents become known to you, we accept no responsibility if you rely on them.

You should obtain your own valuation in respect of any mortgaged property. We are not obliged to provide you with a copy of any valuation report.

What law applies to your loan contract?

Our loan contract is governed by and interpreted in accordance with the law for the time being in force in the place where the main security is located.

How can your loan contract be dealt with?

We may assign, novate or otherwise deal with our rights and obligations under your loan contract in any way we wish. You must sign anything and do anything we reasonably require to enable any dealing with your loan contract. Of course, any dealing with our rights does not change your obligations under your loan contract in any way.

You may not assign, novate, or otherwise deal with your rights or obligations under your loan contract.

We may disclose information about you, your loan contract, or the security to anybody involved in an actual or proposed assignment, novation or dealing by us with our rights under your loan contract.

What about any relevant legislation or statutes?

To the extent that your loan contract is regulated under consumer legislation (e.g. the National Credit Code) or any other law, any provisions in your loan contract which do not comply with that law have no effect, and to the extent necessary, your loan contract is to be read so it does not impose obligations prohibited by that law.

Home Loan General Terms and Conditions

There may be some statutes (i.e. laws passed by parliament) or other law (usually called common law) intended to limit lenders' rights.

None of those statutes or laws will operate to limit our rights under your loan contract unless by law those statutes or laws cannot be negated.

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

What happens if you are a trustee?

If you are at any time trustee of any trust, you are liable under your loan contract in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as well as you. Default occurs if there is a change of trustee, a termination of the trust, or any change to the terms of the trust without our consent and where we reasonably believe our interests may be adversely affected.

What should you do if your contact details change?

You must tell us promptly if your contact details change (including any residential, postal, telephone or electronic address – e.g. mobile or SMS), or if you think there is any information that we should be aware of about your ability to comply with your loan contract.

How can we give you notices about your loan?

Subject to any applicable laws, we may give you a notice by personal delivery, electronic means, or prepaid ordinary post, sent to your address shown on your loan contract, sent to your registered office (if you are a company), or sent to your last address known to us (including an electronic address). We may also give a notice in any other way authorised by law.

The notice may be signed by any employee, solicitor, or agent on our behalf.

What is Lenders Mortgage Insurance?

If your loan contract requires you to pay for lenders mortgage insurance, this insurance or fee protects us and not you. The amount paid by you under your loan contract is usually not refundable if you repay your loan early.

If you default under your mortgage, resulting in the sale of the mortgaged property and the sale proceeds are insufficient to fully repay your loan, we may incur loss. We may recover this loss under our lenders mortgage insurance policy or from our lenders risk fee. However, you are still legally responsible for repaying the amount outstanding under the mortgage because you are not protected by the lenders mortgage insurance policy or any other type of risk cover.

Deceased Borrowers or Guarantors

If a borrower or guarantor is deceased, we may require the loan to be repaid in full out of their estate. Alternatively, where there is more than one borrower, if a borrower or guarantor is deceased or is released from the loan contract or guarantee (as appropriate) for any reason, we may allow the remaining borrower/guarantors(s) to become the borrower(s) under the loan contract, or guarantors under the guarantee, subject to normal assessment criteria. If we do not agree to the remaining borrower(s) becoming the borrower(s) under the loan contract (or the guarantors to be the remaining guarantors under the guarantee), we may call up the loan even though further advances have been made after the death or release of a borrower or guarantor.

6. Identification Information

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

First Home Buyers

You will need to provide us, directly or through your conveyancer or legal representative, the required documents that evidence you (and any joint applicant) are eligible as First Home Buyers.

Page left blank intentionally.

