

Summary of changes to your Important Information about Mortgage Loans and Home Equity Loans and Mortgage Memorandum

We have updated and refreshed our Important Information about Mortgage Loans and Home Equity Loans (which includes the Terms and Conditions for Mortgage Loans and Home Equity Loans) and Mortgage Memorandum:

- to ensure that our terms are clear and easy to understand, and are in line with industry practice;
- to ensure compliance with the Customer Owned Banking Code of Practice;
- to remove any terms that may be considered unfair contract terms under the unfair contract terms legislation; and
- as a result of the merger between Newcastle Permanent and Greater Bank.

For new customers, your Newcastle Permanent Mortgage Loan or Home Equity Loan will be subject to the **Important Information about Mortgage Loans and Equity Loans** dated 31 October 2023 (**Updated Terms and Conditions**).

A copy of the Updated Terms and Conditions is available at newcastlepermanent.com.au/tools-and-services/terms-and-conditions. Please read these carefully. If you would like a paper copy of the Updated Terms and Conditions, or if you have any questions, please contact us on 13 19 87 (Monday to Friday 8am to 6pm and Saturday 9am to 2pm) or enquiries@newcastlepermanent.com.au

Except as specified in this document, there are no changes to your interest rate, your repayment amount, how we calculate interest, when your repayments are due, when we debit interest, or how you operate your Mortgage Loan or Home Equity Loan account(s) as a result of this change.

Part A – Summary of the key changes to your Important Information about Mortgage Loans and Home Equity Loans

This is a summary of the key changes we have made to our Important Information about Mortgage Loans and Home Equity Loans which you should know about. This summary does not set out every change that has been made in detail, but provides an overview of the key changes to the terms and conditions. Reading this summary does not replace reading the Important Information about Mortgage Loans and Home Equity Loans in full.

GENERAL CHANGES	
Corporate name	References to our corporate name are updated to 'Newcastle Permanent, part of Newcastle Greater Mutual Group Ltd', references to 'the Society' are updated to 'us' and other corresponding changes to our name are updated.
Document references	References to the document titled 'Terms and Conditions for Mortgage and Home Equity Loans' are updated with the title 'Important Information about Mortgage Loans and Home Equity Loans'.
Documents that make up your loan contact.	Your 'loan contract' comprises the: <ul style="list-style-type: none"> – Loan Schedule; and – Important Information about Mortgage Loans and Home Equity Loans. This means that the Account Access Terms and Conditions do not form part of your loan contract. However, you must still comply with the Account Access Terms and Conditions, as well as the Mortgage Memorandum of Common Provisions.
'IMPORTANT' boxes	We have set out key terms that you should be aware of in bold text in boxes with a 'IMPORTANT' to draw your attention to these important terms. These boxes do not replace reading the term in full.
Customer Owned Banking Code of Practice	The provisions of the Customer Owned Banking Code of Practice may apply to this contract.
Unfair contract terms	We have removed or amended terms that may be considered unfair contract terms under the unfair contract terms legislation.
Removed of duplicated terms	We have removed a number of clauses where this information duplicates information included in your Loan Schedule.
Definitions	We have <i>italicised</i> defined terms, and added some definitions to aid your understanding of the Terms and Conditions.
SPECIFIC CHANGES	
Joint accounts	Clarifying that joint borrowers are jointly and severally liable, and how we approve redraw requests for joint borrowers including an obligation to comply with a request for all borrowers to approval future withdrawals and for redraw to be suspended on request. See clause 2 of the Updated Terms and Conditions.
Interest charges	Clarification and improved wording with respect to how interest is charged and debited. See clause 3 of the Updated Terms and Conditions.
Accrual of interest	We have clarified that interest accrues on a daily basis from the day we disburse money at your request to make the first advance, regardless of whether or not any real estate transaction to which the advance relates (such as a refinance or purchase) occurs on that day. See clause 3.2 of the Updated Terms and Conditions.
What you must pay and when	Clarification and improved wording with respect to how payments must be made and how payments are credited, including that if you make a payment without telling us how it is to be applied, we can apply it as we think fit. See clause 4 of the Updated Terms and Conditions.
Direct debits	We have added that if you pay by direct debit, and an attempted direct debit fails, we may make reasonable further attempts to direct debit your account until the direct debit is successful. See clause 4.6 of the Updated Terms and Conditions.
Combination of accounts	Clarification about our rights to set-off and combine your accounts, including our right to do this across our brands. See clause 5 of the Updated Terms and Conditions.
Changes to your loan agreement	We have clarified the types of changes we may make to your loan contract and how much notice we will give you if we vary your loan agreement. We have also added that if you are not satisfied with any change to your loan agreement, you may repay your loan. See clause 9 of the Updated Terms and Conditions.

Payments to a builder	We have clarified that payments for building loans are normally made directly to the builder. See clause 12.3 of the Updated Terms and Conditions.
Providing a payout figure	We have added that 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 (including stopping use of any card used to access your loan account). See clause 10.2 of the Updated Terms and Conditions.
Default interest	We have clarified: <ul style="list-style-type: none"> – that default interest is payable on any amount owing because you have exceeded the credit limit of your line of credit account until that amount is paid; – how default interest is calculated and paid. See clause 14 of the Updated Terms and Conditions.
Consequences of a breach of any term	We have added that if you breach any term of your loan agreement or any other agreement, if an event of default occurs, or if any security or guarantee is terminated or is of reduced force and effect, we: <ul style="list-style-type: none"> – are not obliged to lend you any more money and can stop any redraws or withdrawals from your offset account; and – we may rectify the breach or event of default by performing your obligations under your loan agreement or any other agreement. See clause 15 of the Updated Terms and Conditions.
Events of default	We have replaced the events of default with events of default which are consistent with industry best practice and which we consider are not unfair. We have removed any events of default which may be considered unfair contract terms. See clauses 16 and 17 of the Updated Terms and Conditions.
Rights on enforcement	We have amended our enforcement rights so that they are consistent with industry best practice, including clarifying that we will only take enforcement action if we have given you at least 30 days written notice of the event of default and 30 days to remedy the event of default (if it is remediable). See clause 19 of the Updated Terms and Conditions.
Small business loans	We have amended the actions we can take when the borrower is a small business. See clause 20 of the Updated Terms and Conditions.
Redraw and offset	We have clarified that we may change, suspend or cancel your offset or redraw. See clauses 9 and 24 of the Updated Terms and Conditions.
Assignment	We have clarified our rights to assign, novate or otherwise deal with our rights and obligations under your loan contract, any security, and any document or agreement entered into or provided under or in connection with your loan contract. See clauses 25.3 – 25.5 of the Updated Terms and Conditions.
Our AML rights	We have clarified when we may require repayment of the amount you owe us, or when we may delay, block, freeze or refuse a transaction from your loan account, for reasons relating to our anti-money laundering and counter-terrorism financing obligations. See clauses 25.26 – 25.29 of the Updated Terms and Conditions.
Service of notices	We have clarified the types of notices we may give you in relation to your loan and how we may give you those notices (including electronically). We have also added that, subject to any applicable laws, we may give you any notice, statement, demand, court document or other document connected to your loan agreement or any mortgage given under your loan agreement by electronic means, including any documents that would otherwise require personal service in accordance with the relevant court rules in force in the jurisdiction in which the mortgaged property is located. See clause 25.10 – 25.13 of the Updated Terms and Conditions.
If there is a trustee in bankruptcy or liquidator	We have added that if a trustee in bankruptcy or liquidator is appointed to you, and they ask us to refund a payment we have received in relation to your loan, we may treat the original payment as if it had not been made except for the purpose of calculating interest payable by you. See clause 25.20 of the Updated Terms and Conditions.
Third party systems	We have clarified that our provision of services and finance is dependent on third party systems and financing, and we will not be liable to you for any failure or delay in meeting our obligations to you to the extent that they are beyond our reasonable control. See clause 25.21 of the Updated Terms and Conditions.
Limitation of liability	We have clarified that any limitation of our liability does not extend to loss arising from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint. See clauses 19.10, 21.4 and 25.26 of the Updated Terms and Conditions.

Part B – Summary of the key changes to your Real Property Mortgage Memorandum of Common Provisions

Please be aware that due to changes to the laws regarding contract terms, we are changing the way that we will enforce your Real Property Mortgage Memorandum of Common Provisions (**Mortgage Memorandum**).

In your Mortgage Memorandum, we will neither enforce nor rely on the following clauses:

- Clause 8.8 with respect to ‘Certificates’; and
- Clause 5 with respect to ‘Exclusion of time periods’ as we will instead rely on the time periods set out in the National Credit Code and the Customer Owned Banking Code of Practice (**COBACOP**)

We will not take action for a non-monetary event of default unless the default by you is material and impacts:

- the ability of you or a security provider to meet your financial obligations to us;
- our security risk; or
- our legal or reputational risk.

If you are a small business within the meaning of the COBACOP and the COBACOP allows you a specific time frame to remedy a particular default, we will not take enforcement action against you unless we have provided you with that time to remedy.

We will not enforce any right of indemnity in the Mortgage Memorandum to the extent that the loss that is indemnified is caused by the mistake, error, fraud, negligence or wilful misconduct of us, our employees, officers, agents, contractors or a receiver that we appoint.