

Important Information about Mortgage Loans and Home Equity Loans

This document contains your:

- Credit Guide
- Terms and Conditions for Mortgage Loans and Home Equity Loans
- Information Statement

Dated: 31 October 2023

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Credit Guide

This document provides information about the loans provided by us. We are licensed to provide loans under the National Consumer Credit Protection Act 2009 (**NCCP Act**).

Key information

Our full name	Newcastle Permanent, part of Newcastle Greater Mutual Group Ltd ACN 087 651 992 Australian credit licence/Australian Financial Services Licence 238273
Address	Our mailing address is: Newcastle Permanent PO Box 5001 HUNTER REGION MC NSW 2310
Phone	13 19 87 (open Monday to Friday 8am to 6pm and Saturday 9am to 2pm) +61 2 4907 6501 (from overseas)
Email	enquiries@newcastlepermanent.com.au
Internal Complaints Officer contact details	Our Complaints Officer can be contacted by phone, at a branch, via email or by post using the contact details in this table.
External Dispute Resolution Scheme contact details	AFCA (Australian Financial Complaints Authority) can be contacted by: Website: afca.org.au Email: info@afca.org.au Telephone: 1800 931 678 (free call) Post: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001 If an issue has not been resolved to your satisfaction by us first, you can lodge a complaint with AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

We will need information from you

Under the NCCP Act, we are obliged to ensure that any loan or principal increase to a loan we arrange for you is not unsuitable.

To decide this, we may need to ask you some questions in order to assess whether the loan is not unsuitable.

The law requires us to:

- make reasonable inquiries about your requirements and objectives;
- make reasonable inquiries about your financial situation;
- take reasonable steps to verify that financial situation.

Credit will be unsuitable if at the time of the assessment, it is likely that at the time the loan is made:

- you could not pay or could only pay with substantial hardship;
- the credit will not meet your requirements and objectives.

For example, if you can only repay by selling your principal place of residence, it is presumed that the loan will cause substantial hardship unless the contrary is proved. For this reason we must ask you to provide a significant amount of information. It is therefore very important that the information you provide to us is accurate.

If you decide to proceed with the loan or accept the increased loan amount you can ask us to provide you with a written copy of our assessment, free of charge.

If you ask us for our assessment before we agree to provide you with the loan or increase your loan amount then we must give you that assessment before we provide the loan or increase your loan amount.

If you ask for that assessment after we agree to provide you with the loan or increase your loan amount, provided that you ask within seven years of the date of the loan or the increase, then we must give you that assessment within:

- 7 *business days* after the request (provided the request was within 2 years of agreeing to provide you with the loan or increasing your loan amount); or
- 21 *business days* after the request (if the request was after 2 years of agreeing to provide you with the loan or increasing your loan amount).

If we arrange a loan for you to purchase or refinance real estate, remember you must make your own enquiries about the value of the real estate and its potential for future growth. Although we may obtain a valuation, that is for our own purpose and you should not rely on it.

Our internal dispute resolution scheme

We hope you are delighted with our services, but if you have any complaints you should notify us by contacting our Complaints Officer by:

- calling us on 13 19 87
- visiting one of our branches
- e-mailing enquiries@newcastlepermanent.com.au; *or*
- writing to our Complaints Officer at our mailing address (see above).

You should explain the details of your complaint as clearly as you can. You may do this verbally or in writing. When we receive a complaint, we will attempt to resolve it promptly. We hope that in this way we will stop any unnecessary and inappropriate escalation of minor complaints.

Our external dispute resolution scheme

If we do not reach agreement on your complaint, you may refer the complaint to an ASIC Approved External Dispute Resolution (**EDR**) Scheme. Our external dispute resolution provider is specified above. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. You can obtain further details about our dispute resolution procedures and obtain details of our privacy policy on request.

Things you should know

We do not make any promises about the value of any property you finance with us or its future prospects. You should always rely on your own enquiries.

We do not provide legal or financial advice. It is important you understand your legal obligations under the loan, and the financial consequences. If you have any doubts, you should obtain independent legal and financial advice before you enter any loan contract.

Questions?

If you have any questions about this credit guide or anything else about our services, just ask at any time. We are here to help you.

Terms and Conditions for:

- **Mortgage Loans**
- **Home Equity Loans**

Newcastle Permanent, part of Newcastle Greater Mutual Group Ltd
ACN 087 651 992
Australian credit licence/Australian Financial Services Licence 238273

About this document and your agreement with us

This document sets out terms that apply to your loan. These terms and conditions do not contain all the terms of your contract or all the precontractual information required to be given to you. As shown below, you'll also need to read other documents that make up your *loan contract* to understand all the terms that apply to your loan.

Your *loan contract* with us consists of:

- for **Mortgage Loans**: these Terms and Conditions and the Mortgage Loan Schedule; and
- for **Home Equity Loans**: these Terms and Conditions and the Home Equity Loan Schedule.

The documents listed above must be read together as they form the agreement between us and you. This is the *loan contract*.

The *Mortgage Loan Schedule* or *Home Equity Loan Schedule* (as applicable) is referred to in this document as the "*schedule*".

If there is any inconsistency between the *schedule* and these Terms and Conditions, the *schedule* prevails to the extent of the inconsistency.

If there is any inconsistency between the *schedule* or these Terms and Conditions, on the one hand, and the Account Access Terms and Conditions on the other, the *schedule* and these Terms and Conditions prevail to the extent of the inconsistency, unless the inconsistency relates to an access method in which case the Account Access Terms and Conditions prevail to the extent of the inconsistency.

The provisions of the Customer Owned Banking Code of Practice may apply to this contract.

While we strive to get things right, sometimes we may get things wrong. If you think this has happened, please let us know so we can make things right.

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Loan terms and conditions

1. What we lend and when

- 1.1 We agree to lend you the *amount of credit*. The *amount of credit* will be paid in accordance with your *schedule*.
- 1.2 We can debit amounts we lend you to your *loan account* (so that you pay interest charges on the amount) from the earlier of:
- (a) the day we lend you the amount (if we pay you the amount by posting a cheque, this is the day we post the cheque); and
 - (b) if our solicitors make payments to you or at your request (such as on the settlement of a property purchase), the day we provide the funds to our solicitors (this could be several days before the settlement).
- 1.3 We will only lend the *amount of credit* (or any part of it) when we are satisfied that the following conditions have been met:
- (a) you have paid all amounts required to be paid as outlined in the *schedule*;
 - (b) you have provided us with a direct debit request signed by you;
 - (c) we are satisfied as to the title of any *security*, and that any charges, including land tax, council rates and water rates or fees, in relation to each *security* have been paid and are up to date;
 - (d) we have received every document relevant to a *security* and each document has been completed to our satisfaction and is acceptable to us (acting reasonably);
 - (e) we have received any report, consent, valuation, certificate, approval, information, or any other document that we reasonably require (in a form satisfactory to us) and it is acceptable to us (acting reasonably);
 - (f) we have received a copy of the relevant insurance policy over any *security*, with our interest as mortgagee noted, and it is acceptable to us (acting reasonably);
 - (g) we are satisfied with the results of all searches and enquiries we and our consultants have done in connection with you, any *security* and any works;
 - (h) all information we have been given (including each declaration given) is correct, complete and not misleading;
 - (i) we have received a certificate of independent advice from a solicitor or financial advisor (or both) for you and each *security provider* in a form satisfactory to us if we require it;
 - (j) if the loan will be secured by a guarantee and indemnity, you have provided us with a guarantee and indemnity signed by each relevant *security provider*;
 - (k) a *security* has not been withdrawn;
 - (l) neither you nor any *security provider* has died or been imprisoned;
 - (m) there has been no material change to the financial situation of you or a *security provider* that would impact our credit assessment;

- (n) there has been no material change to any *security* and no *security* has been withdrawn;
 - (o) you are not in default under this contract;
 - (p) nothing else has occurred which in our reasonable opinion would make it undesirable to make a loan to you; and
 - (q) if you or a *security provider* enter your *loan contract* or a *security* as a trustee, we have received:
 - i. a legal opinion stating that the trustee's obligations are valid and enforceable and that the *security* is valid and enforceable against the trust assets; and
 - ii. a copy of the signed and stamped trust deed containing all the terms of the trust certified by the trustee (or, if the trustee is a company, a director or secretary of the trustee) as being true and up-to-date, which are satisfactory to us.
- 1.4 If you do not borrow the *amount of credit* within 90 days of the *disclosure date* (or any longer period we consent to) we may terminate your *loan contract*.
- 1.5 Unless we have agreed otherwise, we will make the *full amount of credit* available to you in a single drawdown.
- 1.6 If your *loan contract* is terminated, we will keep any fees and charges you have paid us under your *loan contract* and may charge you any fees and charges equal to any expenses we have incurred with third parties, and our reasonable average costs incurred in reviewing your loan application, and in connection with this agreement and any *security*.

2. Joint accounts

- 2.1 If there are two or more borrowers, each of you is individually liable, and all of you are jointly liable. This means that 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, 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 amongst yourselves and even if not all of you benefit equally.

Despite this clause, we will comply with any request by any one of you:

- (a) that all borrowers be required to approve any future withdrawals; or
 - (b) 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.
- 2.2 If a loan is held by one or more people, and one of you dies, the estate of that deceased *person* remains jointly and severally liable for the *total amount owing*. If you die, we may require the *total amount owing* to be paid in full. If there is

more than one of you, and one of you dies or is released for any reason, we may allow the remaining holder(s) of the loan to continue as the holder(s) of the loan. If we do not agree to the remaining holders of the loan continuing as the holder(s) of the loan we may call up the *total amount owing* even though further advances have been made after the death or release of the first of you.

- 2.3 If any guarantor of your loan dies at any time, we may call up the *total amount owing* even though further advances on your loan have been made after the death of the guarantor.

3 Interest charges

- 3.1 On or before the day we lend you the *amount of credit*, we will establish a *loan account* in your name. The *loan account* will record all amounts you owe us in respect of your loan, and all other transactions in connection with your loan.
- 3.2 You authorise us to debit your *loan account* at any time with any amounts that become payable in respect of your loan. We do not need to ask you first.
- 3.3 Interest for each day is calculated at the daily percentage rate on the *balance owing* at the end of that day. (The daily percentage rate is the *annual percentage rate* for that day divided by 365 (including in any leap year).
- 3.4 Interest begins accruing on the day we make the *amount of credit* available to you. Interest is debited monthly in arrears on the last day of each month, starting on the last day of the month in which the *settlement date* occurs, as well as on the day you repay the *loan contract*.

4. What you must pay and when

- 4.1 You must repay us all amounts you borrow from us and you must pay us interest charges under clause 3, and our fees and charges, government charges and any enforcement expenses under clause 21.
- 4.2 We can apply any payment or other credit to any part of the amount you owe us in any order we determine.
- 4.3 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.
- 4.4 You must make all payments and pay all credit fees and charges that are payable under your *loan contract*. In addition, on the final repayment date, you must pay us the *balance owing*.
- 4.5 Payments will be credited to your loan account only when they are actually received by us. All payments must be made in full when they are due, without setting off or deducting any amounts you believe we owe you, and without counterclaiming any amounts from us.
- 4.6 Payments are to be made by direct debit or by any other reasonable method we direct (if required). If we require, you must sign a direct debit authority to authorise us to debit one of your bank accounts for payments due under your

loan contract and you must keep that account open. You authorise us to use that direct debit authority for payment of any amounts due under your *loan contract*. If an attempted direct debit fails, we may make reasonable further attempts to direct debit your account until the direct debit is successful.

- 4.7 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.
- 4.8 If any payment is due on a day that is the 29th, 30th or 31st of a month with no such date, the payment is due on the last day of that month. If you pay by direct debit, your direct debit may be processed a day early to ensure that you pay on time.
- 4.9 If any payment to us is dishonoured, the payment 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.

5. Combination of accounts

- 5.1 We have the right to combine your accounts or exercise our right of set-off with respect to your accounts. For example, we may do this if one account is in credit and another is overdrawn, even if the accounts are at different locations, or managed under different brands (such as Greater Bank).
- 5.2 We will write to you if we have exercised our right to combine accounts.
- 5.3 While we have this right, you cannot presume that we will combine an overdrawn account with an account which is in credit and this right does not negate your obligation to make repayments required under this *loan contract*.

6. Building phase repayments

We calculate *building phase repayments* as a proportion of the *amount of credit* you have drawdown to the total *amount of credit* in the schedule. For example, if you have drawdown 50% of the total *amount of credit* your monthly repayment will be 50% of the repayment set out in the schedule.

We will write to you following the first drawdown and on each subsequent drawdown confirming the amount of your new repayment and advising when it first becomes payable.

7. Prepayments

- 7.1 You may prepay all or any part of the *total amount owing* at any time.
- 7.2 If your *annual percentage rate* is a fixed rate and you prepay all of the *total amount owing* in full or if you prepay more than \$25,000 of the *amount of credit* during any one year (see clause 7.5), then you must pay us *break costs* for "breaking" the fixed rate period (see clause 22). *Break costs* are payable on the day you prepay. *Break costs* are in addition to any early repayment fee (see clause 7.4).
- 7.3 If you make any advance payments, your future repayment amount may not decrease, and you must continue to make repayments in accordance with the *schedule*. Any advance

payments will be applied to the *total amount owing*, and may reduce the term of your loan.

- 7.4 If you prepay the *total amount owing* in full you may have to pay an early repayment fee (see the *schedule* for details).
- 7.5 For the purposes of prepayments a year will mean a calendar year.

8. Access methods

- 8.1 Your *schedule* will set out what payment facilities are available to you to operate your loan and will also detail all applicable fees. The terms and conditions governing payment facilities (including definitions) are set out in the Account Access Terms and Conditions. Additional information regarding redraw is set out below.

9. Redraw facility

IMPORTANT: We may review, suspend or cancel any redraw facility at any time. We will tell you if we do these things but we do not have to provide you with prior notice.

- 9.1 You may notify us by way of completing a Redraw Authority if you wish to be able to reborrow money you have paid early under clause 7 from time to time.
- 9.2 You may make a redraw under the Redraw Authority through our branch network, internet banking or any other method we approve from time to time. The terms and conditions governing internet banking (including definitions) are set out in the Account Access Terms and Conditions. Redraws made through our branch network will be paid either by cheque to a payee or to another account with us as nominated by you. Redraws made through internet banking can only be paid into another account held with us that is eligible to receive deposits and that is also registered for internet banking.
- 9.3 You may not reborrow money you have prepaid under clause 7 where, at the relevant time:
- (a) you are under the fixed rate option, unless your *schedule* specifies otherwise; or
 - (b) you have repaid the *total amount owing* in full and the *loan account* has been closed; or
 - (c) any *security* has been withdrawn or is otherwise ineffective, or any *security* has been dealt with without our consent, such as by giving another person a *security interest* in it; or
 - (d) an *event of default* has occurred; or
 - (e) the Redraw Authority has been cancelled by us, by you, or by a guarantor (if any); or
 - (f) at the time you request the redraw, we have suspended the availability of redraw, or have specified monetary limits for redraw and your request does not comply. We may from time to time choose to suspend or limit the availability of redraw. You can find out if redraw is restricted at any time by contacting us.

- 9.4 Any amount redrawn (including the redraw fee) becomes part of the *balance owing* and interest charges will apply to the amount redrawn from the day that it is redrawn.

10. Changes we can make to your loan contract

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

- 10.1 Acting reasonably, we can change or vary any term of your *loan 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.
- 10.2 If you are not satisfied with any change or variation to your *loan contract*, you may repay your loan in accordance with clause 7.
- 10.3 We will give you:
- (a) not less than 20 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 or frequency of your repayments;
 - (d) not less than 20 days' notice of a change to the fees and charges payable;
 - (e) notice of a change to any government charge or tax not later than the day on which the change takes effect; and
 - (f) not less than 20 days' notice of any other change we make to your *loan contract*.
- 10.4 We may give you a shorter notice period or no notice if the change is not adverse to you or reduces your obligations. We will give you notice either in writing (including by electronic means) or by publishing a notice in a major newspaper. 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.

11. Providing information

- 11.1 You must promptly (and in any event within 21 days) supply us with any information or documents that we ask for, acting reasonably, about your financial circumstances, the financial circumstances of any guarantor, or any other relevant matter.
- 11.2 You must contact us if you change your residential or postal address.

12. Declarations

- 12.1 You declare that:
- (a) you are not an undischarged bankrupt or *insolvent* and have neither assigned your estate nor entered into any arrangement or composition for the benefit of creditors; and
 - (b) no *security provider* is an undischarged bankrupt or *insolvent* and no *security provider* has either assigned the *security provider's* estate or entered into any arrangement or composition for the benefit of creditors; and
 - (c) unless stated in the *schedule* you do not enter, and no *security provider* enters, this *loan contract* or a *security* as a trustee; and
 - (d) if you or a *security provider* enter this *loan contract* or a *security* as a trustee:
 - i. the trustee has the power and is entitled to enter into this *loan contract* and each *security* to which the trustee is a party; and
 - ii. the trustee has taken all steps necessary to allow the trustee to enter into and perform the trustee's obligations under this *loan contract* and each *security* to which the trustee is a party; and
 - iii. the trustee's entry into and performance of obligations under this *loan contract* and each *security* to which the trustee is a party does not result in or involve a breach of trust; and
 - (e) you are not in default under any arrangement (including an agreement) which could have a material adverse effect on your ability to perform your obligations under this *loan contract* or a *security*; and
 - (f) no *security provider* is in default under any arrangement (including an agreement) which could have a material adverse effect on the *security provider's* ability to perform obligations under any *security*.
- 12.2 You must tell us if anything has happened which prevents you repeating all the declarations in clause 12.1 before you ask us at any time to lend you any of the *amount of credit*.

13. Building loans

- 13.1 The following provisions of clause 13 only apply if the *schedule* states that you have a building loan.
- 13.2 For a building loan we lend you the *amount of credit* progressively by:

- (a) paying the credit fees and charges and the insurance premiums the *schedule* states are included in the *amount of credit*; and
- (b) paying the balance of the *amount of credit* as progress payments in accordance with the builder's progress payment schedule that you provide to us, or as otherwise determined by us, acting reasonably.

13.3 Payments will normally be made directly to the builder, subject to us holding a progress payment authority from you.

13.4 We only have to lend or make any progress payments if:

- (a) before the first progress payment we have received any of the following that we require:
 - i. an identification survey;
 - ii. a report by our valuer;
 - iii. a certificate of treatment of slab;
 - iv. plans and specifications approved by the local council and signed by you and, if you have a builder, your builder; and
 - v. any other certificates or authorities from local councils or other authorities necessary to conduct the building works, and

unless you are an owner-builder:

- vi. an original or certified copy of the building contract between you and your builder;
- vii. a copy of the builder's all risk insurance policy; and
- viii. our standard acknowledgment form signed by the borrower relating to the progress payment schedule, and

if you are an owner-builder:

- ix. a copy of your insurance policy covering the building works and third party compensation;
- x. an estimate of material costs and quantities;
- xi. our owner-builder's declaration; and
- xii. a copy of your owner-builder's permit,

which are satisfactory to us;

- (b) if required by us, you provide us with satisfactory evidence that you have paid any difference between the *amount of credit* and the amount owing under your building contract; and
- (c) before each progress payment (including the first and last) we have received any of the following required by us:
 - i. a request to pay your builder (and you have not instructed us in writing not to pay your builder);
 - ii. a recommendation from our valuer to make the progress payment (our valuer would normally need to value the building work to do this);
 - iii. a further identification survey; and
 - iv. any other document or information, which are satisfactory to us; and

- (d) before the last progress payment we have received:
- i. confirmation that the building work is finished (which includes signed certificates from you and your builder of satisfactory completion of the building work); and
 - ii. evidence of any insurance we require,
- which are satisfactory to us.

These conditions are in addition to those in clause 1.3 which must also be satisfied.

- 13.5 You must not materially vary the plans and specifications or the building contract without our approval.
- 13.6 The building works must be completed within 12 months (or such longer time as we agree) of the date you sign the *schedule*.

14. Default interest

IMPORTANT: If you do not make any payment by the due date, you must pay default interest on the overdue amount until it is paid. Default interest is payable on the whole of the amount you owe us if that amount becomes due.

- 14.1 Acting reasonably, we may change the default rate of interest at any time without your consent. You will be notified of any changes in the default rate in the same way any variations to the interest rate are notified to you.
- 14.2 If any amount due by you is not paid on the due date, you must pay default interest on the overdue amount until the overdue amount plus the default interest on that amount is paid. You will also be liable for any default fees specified in the *schedule* (as varied from time to time).
- 14.3 Default interest is also payable on the following amounts until paid:
- (a) the whole of the amount you owe us if that amount becomes due for any reason; and
 - (b) any amount owing because you have drawn more than the amount available for redraw or because you have exceeded the credit limit of your line of credit account.
- 14.4 Default interest is calculated, accrues, is debited and is payable in the same way as ordinary interest.

15. Consequences of a breach of any term

If:

- (a) you breach any term of your *loan contract* or any other agreement with us (including an agreement with any of our other brands such as Greater Bank);
- (b) an *event of default* occurs; or
- (c) any *security interest* or guarantee is terminated or is of reduced force and effect,

then:

- (d) we will not be obliged to lend you any more money and

we can stop any redraws or withdrawals from any offset sub-account; and

- (e) we may rectify the breach or *event of default* by performing your obligations under your *loan contract* or any other agreement.

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

16. 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 your *loan contract* or any other agreement with us (including an agreement with any of our other brands such as Greater Bank) 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.

17. 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:
 - i. you become bankrupt;
 - ii. you are unable to pay your debts as they fall due; or
 - iii. you make any arrangement with your creditors;
- (b) if you or a *security provider* is a company, the company is *insolvent*;
- (c) you or a *security provider* no longer has legal capacity;
- (d) enforcement proceedings are taken against you or a *security provider*, or your or their assets, by another creditor;
- (e) early repayment is required under any other agreement with us, or default-based action is taken against you or a *security provider* by us under any other agreement, in each case due to a non-monetary *event of default* of the kind described in this clause 17;
- (f) we reasonably believe that you or a *security provider* 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 *security provider* or any business conducted by you or a *security provider*;
- (g) it becomes unlawful for you or us to continue with your *loan contract* or any other agreement;

- (h) you or a *security provider* 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 *security provider* are dealt with, or attempted to be dealt with, in breach of the terms of your *loan contract* or any other agreement without our prior written consent (which will not be unreasonably withheld), including:
 - i. any of the *security* 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;
 - ii. any of the *security* becomes subject to a mortgage or charge without our prior written consent, which will not be unreasonably withheld; or
 - iii. the amount secured by any mortgage or charge over the *security* is increased without our prior written consent, which will not be unreasonably withheld;
- (l) you or a *security provider* does not provide financial information required by us in connection with your loan;
- (m) you or a *security provider* does not maintain a licence or permit necessary to conduct any business conducted by you or a *security provider*;
- (n) you or a *security provider* does not maintain insurance required by us in connection with your loan;
- (o) legal or beneficial ownership, or management control, of you or a *security provider*, 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 *security provider* changes, including:
 - i. you or a *security provider* 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
 - ii. if you or a *security provider* is an individual, you or a *security provider* is sentenced to jail for a term of longer than 12 months;
- (q) the *security* is:
 - i. materially damaged, destroyed or demolished, and we consider in our reasonable opinion that the *security* cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the *security*; or
 - ii. taken out of your control;
- (r) there is a material reduction in the value of the *security*;
- (s) any repairs necessary to keep the *security* in good repair are not made in a timely fashion;
- (t) any amount required to be paid in connection with the *security* (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 agreed in writing by you to be an *event of default* for the purposes of your *loan contract* occurs.

18. Notification of an event of default

Without limiting our rights under your *loan contract* in any way, you must promptly notify us in writing if any *event of default* occurs that you are aware of.

19. What we can do if an event of default occurs

- 19.1 Subject to this clause 19 and clause 20, at any time after an *event of default* occurs, so long as the *event of default* is existing at the time, we can take one or more of the following actions:
- (a) demand and require immediate payment of any money due under your *loan contract*;
 - (b) call up the loan and require payment of the *total amount owing*;
 - (c) exercise any right or power conferred by law, your *loan contract* or any *security*, including taking possession of and selling any *security*; and
 - (d) in the case of a construction loan, complete the building works in any way we consider appropriate. We are not obliged to complete the building works. We may change the plans and specifications, and we may vary or terminate the building contract. We may employ any consultants or other builders we consider appropriate.
- 19.2 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 *security provider* 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 17(f), 17(g), 17(h) or 17(i) occurs.
- 19.3 We will not:
- (a) require you to repay the *total amount owing*;
 - (b) take enforcement action against you; or
 - (c) enforce any *security* held to secure repayment of your loan,
- unless:

- (d) we have given you at least 30 days written notice of the *event of default*; and
 - (e) if the *event of default* is remediable, you have not remedied that *event of default* within 30 days.
- 19.4 If any *event of default* is remediable, and you remedy that *event of default* within 30 days, we may take any action specified in clauses 19.3(a), 19.3(b) or 19.3(c) if an *event of default* of the same type has arisen during that period.
- 19.5 We do not need to give you notice to repay an overdraft or on-demand facility.
- 19.6 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 the mortgaged property or any *security*; or
 - (c) we have already given you a notice to remedy a non-monetary *event of default* and you have not remedied that *event of default*.
- 19.7 If your loan is regulated by the National Credit Code, we do not need to give you a default notice or wait 30 days before commencing enforcement action if:
- (a) we reasonably believe that we were induced by fraud by you or a *security provider* to enter into your *loan contract*;
 - (b) we have made reasonable attempts to locate you or a *security provider* but without success;
 - (c) a court authorises us to begin enforcement proceedings; or
 - (d) we reasonably believe that you or a *security provider* 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.
- 19.8 We can take action even if we do not do so promptly after the *event of default* occurs. We do not lose any rights or forgive any *event of default* unless we do so in writing.
- 19.9 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.
- 19.10 Our rights and remedies under your *loan contract* may be exercised by any of our employees or any other *person* we authorise.
- 19.11 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.

20. When we can take action if you are a *small business*

- 20.1 Despite anything else in your *loan contract*, if you are a *small business*, and an *event of default* occurs, we will not:
- (a) require you to repay the *secured money*; or
 - (b) take enforcement action against you; or
 - (c) enforce any *security interest* held to secure repayment of your loan,
- unless:
- (d) we have given you written notice of the *event of default* that complies with the notice period specified in clause 20.2; and
 - (e) if the event of default is remediable, you have not remedied that event of default within the notice period specified in clause 20.2.
- 20.2 If you are a *small business* and an *event of default* occurs:
- (a) we do not have to give you any notice if the *event of default* is a non-monetary *event of default* under clauses 17(a), 17(c), 17(d), 17(e), 17(f) or 17(j);
 - (b) we will give you at least 30 days written notice if the *event of default* is a monetary *event of default*; and
 - (c) we will give you at least three months written notice if the *event of default* is a non-monetary *event of default* other than an *event of default* under clauses 17(a), 17(c), 17(d), 17(e), 17(f) or 17(j) that is remediable.

21. 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 the *security*, collection expenses, and any other internal or external costs we incur as a result of your default.

- 21.1 Enforcement expenses may become payable under your *loan contract* and any *security* if you breach your *loan contract* or if 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 on 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.
- 21.2 If your loan is regulated by the National Credit Code or similar laws, enforcement expenses payable by you will not exceed our reasonable enforcement costs (including internal costs).
- 21.3 Enforcement expenses include the expenses we incur in preserving, maintaining or selling the *security* (including insurance, rates and taxes payable in respect of the *security*), collection expenses, expenses resulting from dishonour of a payment, and any internal or external costs we incur as a result of you breaching your *loan contract* 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).

- 21.4 You indemnify us from and against any expense, loss, loss of profit, damage or liability that we incur as a consequence of a breach of your *loan 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, or is otherwise recovered by us.

22. Break costs

IMPORTANT: *Break costs* can be quite high. We suggest you ask us for an estimate of the *break costs* and seek independent financial advice before you make any changes or early repayments to your fixed rate loan. A fixed rate option may not be suitable for you if you plan on breaking the fixed rate period.

- 22.1 If you “break” the fixed rate period by making a full or partial repayment before the end of the fixed rate option, you must pay us “*break costs*” as set out in this clause 22. *Break costs* cover our economic loss suffered as a result of the break. Details are set out below.
- 22.2 You will break a fixed rate if you are under the fixed rate option and, before the end of the fixed rate period, you:
- (a) repay all of the *total amount owing*; or
 - (b) repay early more than \$25,000 of the *amount of credit* during any one calendar year; or
 - (c) switch to another product, interest rate or payment type; or
 - (d) are in default and the *total amount owing* becomes immediately due for payment.
- 22.3 Clause 22.5 describes how we calculate *break costs* on your fixed rate home loan if the *disclosure date* shown on your schedule is 1 July 2021 or later. This method for calculating the *break costs* on your fixed rate home loan will also apply if you switch to a fixed rate home loan.
- 22.4 Depending largely on movements in wholesale interest rates, we may suffer an economic loss if you break the fixed rate. You must pay us any economic loss we determine as set out in this clause below.
- 22.5 *Break costs* are calculated as our reasonable estimate of the loss we incur on a fixed rate loan as a result of an early repayment or switch by using a calculation which takes into account the difference between our:
- (a) wholesale interest rate for the fixed interest period on the date the interest rate was fixed; and
 - (b) wholesale interest rate as at the date of the break in the fixed rate period for the remaining term of the fixed interest rate period.

We also take into account any scheduled principal repayments and the present day value of the *break costs*.

The wholesale interest rate is the rate at which we can borrow money to fund our loans.

- 22.6 This clause 22.6 describes how we calculate *break costs* on your fixed rate home loan if the *disclosure date* shown on your *schedule* is prior to 1 July 2021. This method for calculating the *break costs* on your fixed rate home loan will also apply if an application to convert your loan from fixed rate was received by us prior to 1 July 2021.

- (a) Depending largely on movements in market interest rates, we may suffer an economic loss if you break a fixed rate period. You must pay us any economic loss we determine as set out in clause 22.6(b).
- (b) We calculate our economic loss as the excess of:
 - i. the present value of the repayments we would have received from the time of the break, up to the end of the fixed rate period current at the time of the break, if the fixed rate period had not been broken over; and
 - ii. the present value of the repayments we would receive from the time of the break (if the *total amount owing* at the time of the break was repaid on the same terms as under this *loan contract* from the time of the break) up to the end of the fixed rate period current at the time of the break but at the “current market rate”. The “current market rate” is the approximate interest rate at which we could lend that amount for that period at the time of the break.

We use the current market rate as the discount rate. If you elect to make payments in addition to the scheduled repayments (that is prepay more than \$25,000 of the *amount of credit* in any one calendar year), our economic loss is a proportion of the amount by which the amount under paragraph (i) exceeds the amount under paragraph (ii) being the same proportion that the amount prepaid bears to the total *amount owing* at the time of the break.

23. Other costs and charges

- 23.1 You must pay us:
- (a) all fees and charges in the circumstances indicated in the *schedule* and all new fees and charges we impose under clause 10.1(a);
 - (b) when we ask, all additional government stamp and other duties and charges payable on receipts or withdrawals in connection with this *loan contract* or a *security*; and
 - (c) when we ask, any reasonable expenses we reasonably incur in enforcing this *loan contract* or a *security* after you are in default (including in the case of a mortgage, valuing the property and expenses incurred in preserving and maintaining property such as by paying insurance, rates and taxes for the property).
- 23.2 We may keep any credit fees and charges shown in the *schedule* that have already been paid.
- 23.3 You authorise us to debit any of these amounts to your *loan account*. We may do so on or after the date we pay them or the date they become due or payable by you or us (whichever is earlier).

24. Interest offset

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

Not all loan types will be permitted access to an interest offset facility. We will tell you if an interest offset facility is available on your loan.

Not all interest offset facilities receive a full interest offset. You may only receive a partial offset depending on the type of interest offset account that you have. If during your *loan term* you choose to switch from one interest rate option to another you may no longer be eligible to have an interest offset facility. We do not make any representations about the tax effectiveness of any interest offset facility.

- 24.1 If an interest offset facility applies to your *loan account*, the interest offset rate will apply to that part of the *balance owing* equal to the total credit balance of all your offset accounts linked to this loan.
- 24.2 The interest offset rate is the interest rate applying to your *loan account* under this *loan contract* less the offset deposit account credit interest rate applicable to the offset accounts linked to this loan. This may not amount to a full offset of the interest which you would otherwise pay on your *loan account*. Interest is not payable on the offset account linked to this *loan account*, instead interest which would otherwise be payable is offset against the interest charged each month on the *balance owing* on this loan (this is called an “interest offset”).

By way of example for full interest offset, if you have:

- a *loan account* balance of \$150,000 at a rate of 5% per annum; and
 - \$50,000 in a linked offset facility deposit account with a credit interest rate of 3% per annum,
- then you will pay interest of:
- 5% per annum on \$100,000 of your *loan account* balance; and
 - 2% per annum on the remaining \$50,000 (due to the credit interest rate of 3% per annum).

- 24.3 The loan offset will not give you a lower repayment amount. Instead, your *loan term* may shorten.
- 24.4 You do not earn interest on any credit balance in an offset account linked to this loan (even if the credit balance is more than the *balance owing*).

25. General matters

Membership

- 25.1 You must be a member of us to take up our products and services. If you are not already a member of us, by accepting this offer, you apply to become a member.

Statements

- 25.2 We give you a statement for your *loan account* every 6 months, or more often than that if required by law (unless the law does not say we have to).

Dealing with your *loan contract*

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.

- 25.3 We may at any time 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* in any way we wish. You must sign anything and do anything we reasonably require to enable any dealing with your *loan contract*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan contract*. Any dealing with our rights does not change your obligations under your *loan contract* in any way.
- 25.4 You may not assign, novate or otherwise deal with your rights or obligations under your *loan contract*, any *security*, and any document or agreement entered into or provided under or in connection with your *loan contract*.
- 25.5 We may disclose information about you, your *loan contract* or any *security* to any *person* involved in an actual or proposed assignment, novation or dealing by us with our rights under your *loan contract*.

Valuations

- 25.6 We may obtain valuations or other reports concerning the *security* whenever and as often as we decide. You must assist this process by providing access to and information about the *security* when requested by us.
- 25.7 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.
- 25.8 We accept no responsibility if you rely on these valuations. You should obtain your own valuations of the *security*.

Blanks

- 25.9 You agree that we may fill in blanks in any document related to this agreement as necessary to ensure all details are included such as security identification numbers. We will not fill in blanks in a way that would change the substance of what you and we have agreed.

Notices, other communications and serving documents

- 25.10 Subject to any applicable laws, we may give you any notice, statement, demand, court document (including any collection notice, default notice, court originating process or other court document) or other document connected to your *loan contract* or any mortgage given under your *loan 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.
- 25.11 Subject to any applicable laws, you consent to any notice, statement, demand, court document or other document

connected to your *loan contract* or any mortgage given under your *loan 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* is located.

- 25.12 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; and
 - (b) if sent electronically, on conclusion of transmission.
- 25.13 Any notice, statement, demand, court document or other document may be signed by any employee, solicitor or agent on our behalf.

Lender's mortgage insurance

- 25.14 If you are required to pay for lenders mortgage insurance or pay a lenders risk fee under your *loan contract*, that 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.
- 25.15 If you default under your mortgage, resulting in the sale of the *security*, and the sale proceeds are insufficient to fully repay the *total amount owing*, we may incur a loss. We may recover this loss under our lenders mortgage insurance policy. However, you are still 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.

Applicable laws

- 25.16 To the extent that your *loan contract* is regulated under consumer legislation (such as the National Credit Code) or any other law, any provisions in your *loan contract* that 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.

Severability

- 25.17 If any provision of your *loan contract* is illegal or becomes illegal at any time, the affected provision 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.

If you are a trustee

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

Identification information

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

If there is a trustee in bankruptcy or liquidator

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

Third party systems

- 25.21 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 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.

Government charges and GST

- 25.22 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).
- 25.23 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.
- 25.24 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.

Disclosures to *security providers*

- 25.25 We may disclose the following documents to each *security provider*:
- (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 overdrawing;
- (f) a copy of your statement of account; and
- (g) any other information or document relating to you and your accounts with us.

Anti-money laundering and counter-terrorism financing

25.26 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.

25.27 The *total amount owing* may become payable if we reasonably believe that continuing with your *loan 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.

25.28 If any of the events in clause 25.27 occur, we will endeavour to give you not less than 90 days’ notice to repay the *total amount owing*.

25.29 We may delay, block, freeze or refuse a transaction from your *loan account* if we have reasonable grounds to believe that the transaction may breach Australian anti-money laundering and counter-terrorism financing laws, other laws, or sanctions (or the law or sanctions of any other country). If transactions are delayed, blocked, frozen or refused, we are not liable for any loss you suffer in connection with your use of your *loan account*.

26. Meaning of words

amount of credit is stated in the *schedule*.

annual percentage rate means a per annum rate of interest.

balance owing means the total amount outstanding from time to time in respect of all your accounts provided under your *loan contract*, 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 costs means an amount determined in accordance with clause 22.

building phase is, if you have a building loan, the period up to and including the day on which we make the last progress payment.

building phase repayment has the meaning specified in clause 6.

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

disclosure date is stated in the *schedule*.

event of default means any of the events listed in clauses 16 and 17.

insolvent includes being an insolvent under administration or insolvent or having a controller appointed (each as defined in the Corporations Act), including being bankrupt, in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due. It also includes if the company is deregistered or is deemed or presumed by law or a court to be, insolvent. A reference to you or a *security provider* being insolvent includes a reference to any trust as trustee of which you or any *security provider* enters this *loan contract* or any *security* being insolvent.

loan account means an account we establish in your name for recording transactions in connection with your *loan contract*.

loan contract means these Terms and Conditions and the *schedule*.

loan term is a period beginning:

- (a) in respect of building loans when the first progress payment is made; and
- (b) in respect of all other loans, on the *settlement date*. The length of the loan term is specified in the *schedule*.

person includes an individual, a firm, a body corporate, an unincorporated association or an authority.

schedule means (as applicable) the:

- (a) Mortgage or Bridging Loan Schedule; or
- (b) Home Equity Loan Schedule.

security means each *security* interest described in the *schedule* under “*Security*” and any substitute or additional *security interest* given in connection with this *loan contract*.

The property the subject of any mortgage of real property described in the *schedule* under “*Security*” comprises all the mortgagor’s estate and interest in the property and rights which may arise in connection with it or in connection with things on it; and rights to personal goods left on the property if we take possession; and rights to set off any money we owe the mortgagor against the amount secured by that mortgage.

security interest means any mortgage, charge, lien, pledge, trust, power or other rights given as or in effect as *security* for the payment of money or performance of obligations. Security interest also includes a guarantee or an indemnity.

security provider means each *person* who gives a *security*.

settlement date means the date we first lend you any of the principal part of the *amount of credit* (or, if earlier, the date we first debit any of it to your *loan account*).

small business means a business or group having fewer than 100 full-time (or equivalent) employees.

total amount owing means at any time, the *balance owing* on your *loan account* at that time, plus default charges and other amounts which you must pay under this *loan contract* but which have not been debited to your *loan account* at that time.

“we”, “us”, “our” and “Newcastle Permanent” means Newcastle Permanent, part of Newcastle Greater Mutual Group Ltd, ABN 96 087 651 992, Australian credit licence/Australian Financial Services Licence 238273 and its successors and assigns and extends to products or agreements operated under our other brands (such as Greater Bank), for example, for the purposes of combining accounts, set-off and cross-default under agreements with “us”

“you” and “your” means the *person* or *persons* named in the *schedule* as “Borrower(s)”. If there are more than one of you, you means each of you separately and every two or more of you jointly. You includes your successors and assigns.

In your *loan contract*:

- (a) a reference to the singular includes the plural and vice versa;
- (b) a reference to law means common law, principles of equity, and laws made by Parliament (and laws made by Parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them);
- (c) a reference to a document includes any variation or replacement of it;
- (d) a reference to a *person* includes any other entity recognised by law;
- (e) a reference to a *person* or to a party to your *loan contract* includes its successors and permitted assigns;
- (f) headings are for ease of reference only and not to assist interpretation;
- (g) the use of the word ‘includes’ or ‘including’ is not to be taken as limiting the meaning of the words preceding it;
- (h) a reference to any thing includes the whole and each part of it; and
- (i) use of examples is illustrative of the context only and does not limit the natural meaning of the terms of your *loan contract*.

Information Statement

NEWCASTLE PERMANENT, part of NEWCASTLE GREATER MUTUAL GROUP LTD
ACN 087 651 992
Australian credit licence/Australian Financial Services Licence 238273

Information Statement

This Information Statement only applies if the National Credit Code applies to your loan agreement.

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 your credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

The contract

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

Your credit provider must give you a precontractual statement containing certain information about your contract.

The precontractual statement, and this document, must be given to you before —

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

whichever happens first.

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

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

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

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

3. Can I terminate the contract?

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

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

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

4. Can I pay my credit contract out early?

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

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

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify.

You can also ask for details of how the amount is made up.

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

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

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

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

Yes, but only if your contract says so.

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

That depends on the type of change. For example —

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

Phone: 1800 931 678

Internet: afca.org.au

Post: Australian Financial Complaints Authority, 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 the answers to questions 22 and 23.

Otherwise, you may —

- if the mortgaged property is goods - give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first;

OR

- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

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

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

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

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

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

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

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

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

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

General

22. What do I do if I 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;
- 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 below.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you can not 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 AT:

PHONE: 1800 931 678

INTERNET: AFCA.ORG.AU

POST: AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY, GPO BOX 3, MELBOURNE VIC 3001

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

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**Drop into your local branch,
visit the website or call 13 19 87**

newcastlepermanent.com.au