

Consumer Loan Terms and Conditions

Version March 2020

BANK OF SYDNEY CONSUMER LOAN TERMS AND CONDITIONS

Version: March 2020

INTRODUCTION

We have agreed, at your request, to provide you with the Loan on the terms and conditions of this Agreement.

This Agreement consists of:

- (a) the Loan Agreement;
- (b) these Bank of Sydney Consumer Loan Terms & Conditions (**T&Cs**); and
- (c) any Securities.

The Loan Agreement and these T&Cs must be read together. To the extent of any inconsistency, the provisions of the Loan Agreement prevail.

Capitalised words in these T&Cs are defined at the end of this document.

USING YOUR LOAN

1. Before you can drawdown your Loan

Your right to drawdown the Loan is subject to all conditions set out in the Loan Agreement and all of the following conditions being met to our satisfaction:

- (a) you have signed and returned the Loan Agreement and any other documents reasonably required by us within 30 days of the Disclosure Date;
- (b) you (and guarantor providing security) have signed and returned a copy of each Security set out in the Loan Agreement in a form satisfactory to us;
- (c) you (or any guarantor providing security), has provided us with evidence that:
 - a. you own any Property; and
 - b. each Property is insured to our satisfaction;
- (d) we are satisfied that:
 - a. all Securities are acceptable to us;
 - b. all Securities can be promptly registered where required; and
 - c. no one else has granted any interest in or claim over a Property (unless such interest or claim is acceptable to us).
- (e) you are not in default of any of your obligations under any other loan with us;
- (f) you have paid all fees and charges that are due on or before the Loan is advanced;
- (g) you have provided suitable proof of your identity to satisfy our 'know your customer' obligations;
- (h) you have provided us with all other information or documents we may request; and
- (i) if your Loan is a Construction Loan, you have satisfied the requirements set out in the section of these T&Cs headed '*Construction Loans*'.

2. Representations made by you

Before you drawdown your Loan and at all times before your repay the Outstanding Balance in full, you and any guarantor represents and warrants that:

- (a) all information you have given us concerning the Loan and your application for it is true, correct and not misleading;
- (b) you have not withheld from us any document or information that may substantially affect our decision to provide you with the Loan;
- (c) this Agreement (including each Security) are legal, valid, enforceable and binding obligations;
- (d) entry into this Agreement (including each Security), and the use of this Loan, does not breach any contract between you and another person; and
- (e) you are not bankrupt.

If you or a guarantor are trustees of a trust, please also refer to the section of these T&Cs headed '*General Provisions – If you are Trustee of a Trust*'.

3. Drawing down your Loan

- (a) Subject to the terms and conditions of this Agreement, we will make the Amount of Credit available to you on the Settlement Date.
- (b) Single drawdown Loans (including Bridging Loans)

Unless your Loan:

- a. is a Construction Loan; or
- b. is an Equity Maximiser Loan;

you must draw your Loan in one single instalment within 60 days of the Disclosure Date.

If your Loan is a Fixed Rate Loan subject to a Rate Lock Agreement, you must drawdown the Loan within 90 days of the effective date set out in the Rate Lock Agreement. If you fail to do so, you will forfeit the locked in rate.

- (c) Construction Loans

If you have a Construction Loan you can drawdown your Loan in a number of instalments, subject to satisfying our requirements in the section of these T&Cs headed '*Special Provisions Relating to Certain Types of Loans – Construction Loans*'.

You should check your Loan Agreement for details of any fees that apply to each drawing.

You must make your initial drawing within 180 days of the Disclosure Date.

Your Loan must be fully drawn within 12 months of the Disclosure Date (or such other period specified in the Loan Agreement). If your Loan is not fully drawn by this time, we may cancel the undrawn Amount of Credit.

- (d) Equity Maximiser Loans

If you have an Equity Maximiser, you may withdraw any amount, provided that amount does not exceed the Amount of Credit. Please refer to the section of these T&Cs headed '*Special Provisions Relating to Certain Types of Loans – Equity Maximiser Loans*' for further details.

4. The Purpose of your Loan

You must only use the Loan for the purpose specified in the Loan Agreement.

IF YOUR LOAN DOES NOT PROCEED TO DRAWDOWN

5. Cancelling your Loan

We may cancel your Loan before it is drawn, or cancel or suspend any further drawings under your Loan if:

- (a) you have not made the initial drawing within 60 days of the Disclosure Date (unless your Loan is an Equity Maximiser Loan or a Construction Loan);
- (b) in our opinion, there is a significant change in your ability to make your repayments when they fall due (now or in the future);
- (c) you or any guarantor has not satisfied your requirements set out in the section of these T&Cs headed '*Before you can drawdown your Loan*';
- (d) we are required to do so by law or regulation;
- (e) any of your guarantors, withdraw their guarantee, die or is under administration;
- (f) you or a guarantor have provided us with misleading and deceptive information that is material to our decision to proceed with the Loan; or
- (g) your Loan is a Construction Loan and anything happens which, in our opinion, acting reasonably, adversely affects the value of the Property or if the works are not proceeding satisfactorily.

6. Fees and Charges if your Loan does not proceed

If your Loan does not proceed for any reason (including because it was cancelled by us or because you elected not to drawdown your Loan), you may still be liable for:

- (a) the Loan Application Fee;
- (b) any Valuation Fees we have paid to our valuer;
- (c) any Rate Lock Fee; and
- (d) any documentation fees (if we have instructed our panel lawyers to prepare your Loan and Security documents).

YOUR LOAN ACCOUNT

7. What we can do with your Loan Account

We can debit your account with any amounts lent to you or due under this Agreement.

If a third party makes a payment to you on our behalf, we can debit your account on the date that money is made available to you and interest in accordance with the terms of your loan will accrue on the payment from that date.

Acting reasonably, we may vary the terms of this Agreement. We will provide you with notice of any such changes as required by law. In exercising our rights to vary this Agreement, (other than a change relating to the interest rates), we may only vary other terms and conditions of your Loan Agreement provided that:

- (a) the variation does not adversely affect you; and

- (b) we provide you with at least 30 days calendar notice of the variation unless a change that is unfavourable to you is reasonable for us to manage a material and immediate risk. In such case, we will provide you with written notice as soon as reasonably practicable.

8. What you can do with your Loan Account

You may with our approval (which we will not unreasonably withhold) vary your Loan, for example you may split an account into two or more accounts or switch an account type. The following are examples of variations.

- (a) convert from variable rate to fixed rate and vice-versa.
- (b) split the Loan into one or more accounts.
- (c) consolidate one or more accounts.
- (d) convert from interest only to principal and interest repayments and vice-versa.
- (e) convert from one type of account to another type of account (for example, from an Equity Maximiser Loan Account to a variable rate Loan).

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

Fees and charges may apply to Loan variation requests as set out in your Loan Agreement.

INTEREST

9. Liability for interest

- (a) Interest on the Loan is charged from the Settlement Date, regardless or whether or not you ask us to advance funds to you on that day.
- (b) Unless your Loan is an Expect More Loan Package with a linked Offset Account, Interest on your Loan will accrue daily, calculated at the Daily Annual Percentage Rate on the Outstanding Balance at the end of that day. For details of the calculation of interest on Expect More Loan Packages with a linked Offset Account, refer to the section of these T&Cs headed '*Special Provisions Relating to Certain Types of Loans – Expect More Loan Packages*'.
- (c) Interest charges are debited to your Loan Account monthly in arrears on the same date each month as the Settlement Date and on the Expiry Date. Interest charges may also be debited on the date of any switch or split. If the date does not exist in a month (for example 31 April) interest will be debited on the last day of that month.
- (d) All accrued interest will be added to, and form part of, the Outstanding Balance.

10. Changes in the Annual Percentage Rate

- (a) We will give you notice in writing of any changes to the Annual Percentage Rate on or before the date on which the change takes effect.
- (b) If the Annual Percentage Rate changes, the amounts of your interest payments will change.
- (c) Information on your current Annual Percentage Rates are available from us at any time.

11. Default Interest

- (a) If you fail to make a payment on or before the due date, we may charge interest on the amount that is overdue at the Default Rate.

- (b) Interest will accrue daily, calculated at the Daily Default Rate on the overdue amount at the end of each day that the amount remains overdue.
- (c) During any period in which a payment is overdue, interest will be debited to your Loan Account monthly in arrears on the last Business Day of each month.

WARNING

If you are in default under your Loan there may also be other consequences. Please refer to the section headed '*Default*' in these T&Cs for full details.

COSTS, FEES AND CHARGES

12. Payment of fees and charges

You must pay us:

- (a) all fees and charges specified in this Agreement and any changed or new fee or charge notified to you;
- (b) an amount equal to any government charges and duties that apply to receipts or payments to or from your Loan Account calculated in accordance with the relevant legislation; and
- (c) when you are in default, our reasonable expenses incurred in enforcing this Loan Agreement or any Securities including:
 - a. expenses incurred in preserving and maintaining the Property - such as by paying insurance, rates and taxes for the Property;
 - b. legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher; and
 - c. our internal costs.

You irrevocably authorise us to debit 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.

13. Changes to fees and charges

- (a) To the extent they are known, the amounts of the fees and charges current at the date of the Loan Agreement are shown in the Loan Agreement.
- (b) By giving you advance notice (in writing or by newspaper advertisement), we may change the amount, or frequency of payment, of any fee or charge, or impose a new fee or charge. Some changes in government fees and charges are publicised by the government and not us.
- (c) We will not give you prior notice of changes which reduce your obligations.
- (d) Information on your current fees and charges are available from us at any time.

14. Lenders mortgage insurance

This clause applies if your Loan Agreement states that there is a Lenders Mortgage Insurance Fee.

Lenders Mortgage Insurance protects us – not you. It protects us if you default under your Loan and we sell the Property but the sale proceeds are insufficient to fully repay the Outstanding Balance.

However, you must be aware that as Lenders Mortgage Insurance does not protect you, you are still legally responsible for repaying the Outstanding Balance.

If we require you to pay for Lenders Mortgage Insurance, we will give you a fact sheet containing information outlining the key policy features.

The Lenders Mortgage Insurance fee will not be any more than the actual cost of the policy. We will not receive a commission on your Lenders Mortgage Insurance policy.

Depending on the terms of the Lenders Mortgage Insurance policy, if your Loan is repaid or refinanced before the end of the policy, then you may be entitled to a refund of part of the fee or charge you have paid. We will explain this to you in the fact sheet.

REPAYMENTS

WARNING

The repayments set out in the Loan Agreement are examples which assume that payments will be made on time, and that the Annual Percentage Rate and fees and charges will not change after the Disclosure Date.

15. What you must pay

You must pay us:

- (a) the repayments specified in the Loan Agreement (or, if your Loan is a Construction Loan or an Equity Maximiser Loan, the repayments described by reference to how they are calculated in the Loan Agreement);
- (b) our fees and charges;
- (c) all government charges in connection with the Loan; and
- (d) any enforcement expenses.

If the Annual Percentage rate changes, the amount of your repayments will change. You will be notified of any change to your repayments in writing in accordance with any applicable law on or before the day the change takes effect.

16. When you must make payments

You must make all repayments on or before the date they are due. You may with our approval (which will not unreasonably be withheld), make weekly or fortnightly repayments rather than making monthly repayments. If you have a Fixed Rate Loan, you must ensure that any such repayments do not amount to an early repayment of your Loan. You should refer to the section of these T&Cs headed '*Special Provisions Relating to Certain Types of Loan – Fixed Rate Loans*' for details of the consequences if you repay your Fixed Rate Loan early.

If a payment would otherwise be due on a day which is not a Business Day, you must pay on the next Business Day (even if that day is in the following month).

If a payment is due on a day which is the 28th, 29th, 30th or 31st of a month with no such date, the payment must be made on the last day of the month.

17. Repayment Manner

- (a) You must pay all amounts you are required to pay to us in cleared funds as we may direct from time to time.
- (b) We will apply any payment we receive in connection with this Loan Agreement to the amount for which the payment or credit is made unless:
 - a. we are not able to determine the payment obligation for which the payment was received;
 - or

b. you are in default which is continuing;

in which case we may apply moneys received in any order or manner we choose (acting reasonably) including payment of third parties.

18. Direct Debit Authority

- (a) If we ask for a direct debit authority, you must not cancel the direct debit authorisation or close the account referred to in the direct debit authority.
- (b) You must also ensure there is enough money in the relevant account to meet all repayments under this Agreement. If a payment that is paid by a direct debit authority is dishonoured, it will be treated as not having been made.

19. Set-off Exclusion

You must make any payment you are required to make under this Agreement without any set-off or counterclaim of any kind.

EARLY REPAYMENTS

20. Can you repay your Loan early?

You may repay early the whole or any part of the Outstanding Balance at any time.

WARNING

If your Loan is a Fixed Rate Loan that is repaid early for any reason (for example because you voluntarily decide to repay early or because we demand early repayment of your Loan), Break Costs may be payable. Full details of when Break Costs are set out in the section of this Agreement headed '*Special Provisions Relating to Certain Types of Loans - Fixed Rate Loans*'.

Once you have notified us of your decision to repay early, if you change your mind and decide not to repay, you will be liable to pay our reasonable administrative and processing fees and charges for cancelling your request. We will advise you of these fees and charges in writing and you irrevocably authorise us to debit these amounts to your Loan Account.

REDRAW

The following provisions do not apply to Fixed Rate Loans, Construction Loans or Equity Maximiser Loans. Redraw is not available on those products.

21. When is redraw available under your Loan

If you have prepaid amounts under the Loan Agreement, you may redraw (ie re-borrow) any amount prepaid provided it is above the minimum amount set by us. Acting reasonably, we may set a minimum amount for each redraw. Any such minimum redraw amount will be advised to you in writing.

Acting reasonably, we may cancel, suspend or vary your right to redraw at any time upon written notice to you.

DEFAULT

22. When will you be in default

You will be in default under this Loan Agreement if any of the following events occur:

- (a) you or any Guarantor fails to pay any part of the Outstanding Balance on the due date and in the manner specified in this Agreement; or

- (b) you or any Guarantor fail to do anything you are required to do or promise to do under this Agreement and/or the Securities.

23. Consequences of Default

If you are in default, and that default persists for a grace period of at least seven days:

- (a) we may give you a notice stating that you are in default; and
- (b) if the default is not corrected within any period given in the notice or required by law (or if you are in default again for a similar reason at the end of that period), then, at the end of that period and without further notice to you, we can declare that the whole of the Outstanding Balance is immediately due for payment and demand the immediate repayment by you of that amount.

We may then take action to:

- (a) exercise any right, power or privilege we have that is given to us by any law, this Agreement and/or the Securities;
- (b) enter any Property and take possession of that Property by force if required; and/or
- (c) terminate this Agreement.

In limited circumstances set down by law (including any applicable provisions of the Banking Code of Practice), we need not give the notice, or may not wait until the end of any grace period given in such notice. Instead, if you are in default, the Outstanding Balance becomes immediately due for payment without notice.

We can only enter residential premises with the occupier's consent unless we have a court order.

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

If we hold multiple Securities we can enforce any one of the Securities first or all of them at the same time, however, we will exercise our rights against you or under any mortgage or other Security you have given us before we seek to exercise our rights under or in connection with a guarantee.

WARNING

If you fail to make a payment on or before the due date, in addition to our rights set out above, we may also charge interest on the amount that is overdue at the Default Rate. Please refer to the section headed '*Interest*' in these T&Cs for further details.

24. Interest on judgement

If a liability under your Loan or a Security becomes merged in a judgment or order then you must, as an independent obligation pay interest to us on the amount of your liability under the judgement at the Default Rate (or such higher rate specified in the judgement) from the date it becomes payable until it is paid.

SECURITY

25. How do you know what Security you have given to secure your Loan?

Each security listed in your Loan Agreement will secure your Loan. In addition, if there is an existing mortgage over the Property which has previously been granted to us, this mortgage will also secure this Loan.

You can ask us for details of the Securities that you or any of your guarantors have granted at any time.

26. Real Property Security

If you grant a mortgage over real property that is your principal place of residence or is a residential investment property, we will remind you of your obligations to keep the Property insured at least once a year. Our reminder will include:

- (a) a statement that you should check with your insurer about your cover; and
- (b) a reference to the Australian Securities and Investments Commission's MoneySmart website (moneysmart.gov.au) for information on insuring the Property.

If we obtain an independent valuation of a Property that is or is proposed as Security for your Loan, you will be required to pay our reasonable costs for the valuation. We will not require you to pay for a valuation more than once every 12 months.

Upon your request, we will provide you with copies of those valuations and instructions to our valuer (except when enforcement action has already commenced).

27. What are the terms and conditions of any mortgage that you grant?

Your obligations under any mortgage that you have granted are set out in the document headed *Mortgage Common Provisions*. In addition to your obligations under this Agreement you must comply with your obligations under any mortgage you have granted.

These obligations include obligations to:

- (a) keep the Property in good repair;
- (b) pay all rates, taxes, and other expenses in relation to the Property;
- (c) not alter the Property or change the use of the Property without our prior written consent;
- (d) not deal with the Property in any way (ie not mortgage it, sell it, or lease it) without our prior written consent; and
- (e) keep the Property insured in accordance with our reasonable requirements.

If you do not observe all the terms of any mortgage you have granted, you may be in default under this Loan and we may be entitled to obtain vacant possession of the Property and sell it. This short summary does not replace your reading the mortgage in full.

You should read all conditions associated with any mortgage carefully. This short summary does not replace your reading the mortgage in full.

28. What if your Loan has a guarantor?

If any Property is owned by a person who is not a Borrower, that person will be required to provide a guarantee to support your Loan. We may also take a guarantee to support your Loan in other circumstances.

Any guarantee we take will be limited to:

- (a) a specific amount and/or category of amounts such as all amounts owing under a specific loan, plus other liabilities and amounts as described in the guarantee (for example, interest and recovery costs); or
- (b) the value of a specified Property under an existing mortgage to us (or other assets subject to other security granted to us) at the time of recovery.

Each guarantor must:

- (a) satisfy our requirements in relation to the guarantee and any mortgage;
- (b) sign the guarantee, any mortgage and any other document reasonably required by us.

If we attend the signing of the guarantee, we will ensure that the guarantor does not sign the guarantee in your presence.

Before taking a guarantee,

(a) we will advise the guarantor that:

- a. they should consider seeking independent legal and financial advice;
- b. they can refuse to sign the guarantee;
- c. there are financial risks involved in giving a guarantee;
- d. they can limit their liability in accordance with the Banking Code of Practice and other relevant laws;
- e. they can request information about the proposed Loan; and
- f. if applicable, that the guarantee may cover future credit facilities and variations of the existing Loan; and

(b) give each prospective guarantor:

- a. the proposed Loan Agreement;
- b. a list of any related Security contracts;
- c. any related credit report from a credit reporting body;
- d. any current credit-related insurance contract that is in our possession;
- e. any financial accounts or statement of financial position you have given us in the previous two years;
- f. the latest statement of account relating to the Loan for a period in which a notice of demand was made by us; and
- g. other information we have about the guaranteed Loan that the guarantor reasonably requests — but we do not have to give them our internal opinions.

Throughout the Loan term, we may also give each guarantor the following information about your deteriorating financial position within 14 days of the relevant event:

- (a) a copy of any formal demand or default notice we send you;
- (b) a written notice if you have advised us that you are experiencing financial difficulty which has resulted in a change to your Loan; and

- (c) a written notice if you are in continuing default for more than two months after we have issued a default notice.

Each guarantor or prospective guarantor may request that we limit, or further limit their liabilities under the guarantee, however, we do not have to agree to your request if:

- (a) the amount, or nature, of the limit you request does not cover the Borrower's existing liability under the relevant Loan contract at the time;
- (b) we are obliged to make further advances to the Borrower; or
- (c) we would be unable to preserve the current value of Property which secures the Loan without making further advances.

SPECIAL PROVISIONS RELATING TO CERTAIN TYPES OF LOANS

29. Fixed Rate Loans

The following provisions apply only to Fixed Rate Loans

(a) Rate Lock Agreements

You may ask us to lock in a fixed interest rate at any time before you drawdown your Loan by entering into a Rate Lock Agreement with us and paying the Rate Lock Fee.

The Rate Lock Fee is calculated as a percentage of the Amount of Credit and represents our estimation of the value attached to locking in the fixed interest rate. You can ask us at any time for details of the Rate Lock Fee applicable to your proposed loan.

If you enter into a Rate Lock Agreement with us, you will pay the lesser of the locked in rate and the fixed interest rate for the applicable term on the Settlement Date provided you drawdown the Loan within 90 days of the effective date set out in the Rate Lock Agreement. If you fail to do so, you will forfeit the locked in rate.

The Rate Lock Fee is non-refundable if you elect not to proceed with your Loan, drawdown your Loan at the prevailing fixed interest rate on the Settlement Date or forfeit the locked-in rate.

(b) Extra Repayments and Switching Loan Types

WARNING

If you repay part or all of your Fixed Rate Loan early or switch your Fixed Rate Loan to another type of Loan, break costs could be substantial.

When you enter into a Fixed Rate Loan with us, we may enter into external finance arrangements in order to ensure that we can continue to provide the fixed interest rate to you for the agreed term. These arrangements therefore assume that you will continue to make your Fixed Rate Loan repayments for the agreed period.

Therefore, if you have a Fixed Rate Loan, and

- a. you make early repayments totalling more than \$10,000 in any calendar year; or
- b. repay your Loan in full; or
- c. switch your Fixed Rate Loan to another type of Loan before the end of the Fixed Rate period;

we may require you to pay administration fees and applicable break costs as set out in your Loan Agreement and these terms and conditions.

Break costs are an estimate of our loss as a result of you breaking or switching your Fixed Rate Loan. There are a number of ways we calculate break costs.

As we manage our funding position on a portfolio basis, the calculation does not necessarily reflect the actual transactions we enter into on the day you elect to break or switch your Fixed Rate Loan. Therefore, the method of calculation is not ascertainable at the Disclosure Date in your Loan Agreement.

Generally, if our funding rate on the day that you elect to break or switch your Fixed Rate Loan is lower than it was when you entered into the Loan, break costs will apply. Note that we do not pay a benefit to you if you break your Fixed Rate Loan at a time that our funding costs are higher than they were on the day you entered into your Fixed Rate Loan.

If you are considering making an early repayment on your Fixed Rate Loan, please contact us and we will give you an indication of the amount of any break costs.

(c) The end of your Fixed Rate period

Your Loan Agreement sets out details of the interest rate that will apply to your Loan at the end of the Fixed Rate period. It also includes an indication of your Annual Percentage Rate following the Fixed Rate period as at the Disclosure Date.

We may approve a further fixed rate term (at our discretion, acting reasonably) at the end of your Fixed Rate period.

30. Construction Loans

The following provisions apply if your Loan is a Construction Loan

(a) Before you can drawdown your Construction Loan

In addition to the requirements applicable to all Loans, you must also provide us with the following additional documents (which must be satisfactory to us, acting reasonably) before you can drawdown your Construction Loan.

a. the contract with the builder signed by all Borrowers and including:

- the builder's licence number(s);
- a schedule of the proposed payments; and
- estimated completion date;

OR

if we have approved you as an 'owner builder', or if you are completing the building works using a number of sub-contractors managed by you, a written report from a recognised independent professional (eg Building Advisory services) showing that each of the following are satisfactory:

- the costings for the building works;
- all council approvals and permits required for the building works;
- the required insurance for 'owner builders'; and
- the estimated timetable (including a schedule of the proposed payments and completion date).

b. a schedule of the specifications and proposed finishes;

c. a copy of the plans approved by Council, including the site plan, floor plans and elevations;

- d. a copy of Council's approval of your plans;
- e. a copy of the builder's risk insurance policy covering the property until the construction is completed; and
- f. copy of a report from the Quantity Surveyor who is a member of the Australian Institute of Quantity Surveyors (if we ask you to).

(b) Before we will make a further advance

We may require you to spend your contribution (the difference between the total price of the building works and the amount we agree to lend you) before we make any further advances.

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

We will only make further advances to a builder or home improvement organisation.

Before you can draw down a further advance, we may require you to provide the following documents, which must be satisfactory to us, acting reasonably:

- a. an invoice for payment from the builder;
- b. a progress inspection by a licensed valuer;
- c. a copy of a report from a Quantity Surveyor who is a member of the Australian Institute of Quantity Surveyors; and
- d. anything else we may reasonably require.

(c) The final advance

Before we make the final advance at the completion of the building works, we may require a final inspection to be carried out by a licensed valuer.

(d) The term of the Construction Loan

Construction Loans may be progressively drawn down over a 12 month period (or such other period in the Loan Agreement), commencing on the Settlement Date. If your Construction Loan is not fully drawn by this time, we may cancel the undrawn Amount of Credit.

31. Equity Maximiser Loans

The following provisions apply if your Loan is an Equity Maximiser Loan

(a) Drawing down your Equity Maximiser Loan

If your Loan is an Equity Maximiser Loan, you may withdraw any amount from your Loan at any time, provided the Outstanding Balance does not exceed the Amount of Credit.

If there is more than one Borrower named in your Loan Agreement, any one of you may make drawings from your Equity Maximiser Loan. Drawings may be made by debit card, cheque book or both.

It is your responsibility to ensure that the Outstanding Balance does not exceed the Amount of Credit at any time. You can find out the Outstanding Balance on your Equity Maximiser Loan, by our on-line banking system or by contacting us.

(b) Repayments

You must not use amounts which you have withdrawn from your Equity Maximiser Loan to pay interest, fees or charges on any loan or credit facility you may have.

(c) Exceeding the Amount of Credit

a. Exceeding the Amount of Credit without our consent

You must not allow the Outstanding Balance on your Equity Maximiser Loan to exceed the Amount of Credit without our written consent (such consent may be reasonably withheld);

Unless we have provided our specific consent, if the Outstanding Balance of your Equity Maximiser Loan exceeds the Amount of Credit you will be in default of your payment obligations under the Loan and default provisions set out in this Agreement may apply.

b. Exceeding the Amount of Credit with our Consent

If we consent to you exceeding the Amount of Credit on your Equity Maximiser Loan, interest will be charged at the Default Rate shown in your Loan Agreement on the amount by which the Outstanding Balance exceeds the Amount of Credit.

Acting reasonably, we may also impose one or more of the following conditions:

- setting a time by which the amount by which the Outstanding Balance which exceeds the Amount of Credit must be repaid; and/or
- requiring that payments made to your Equity Maximiser Loan are first applied by us to reduce any interest charged on your Equity Maximiser Loan before such amounts are applied to reduce the amount by which Outstanding Balance on your Equity Maximiser Loan exceeds the Amount of Credit.

If you fail to comply with any conditions we impose, you will be in default of your payment obligations under the Loan and the default provisions set out in this Agreement may apply.

(d) Cancellation or variation of your Equity Maximiser Loan

Acting reasonably, we may suspend, cancel or vary your Equity Maximiser at any time, by giving you written notice. Variations may include the imposition of minimum monthly principal and interest payments or the limitation of your right to make further withdrawals from your Equity Maximiser Loan.

If we give you a notice demanding full repayment of your Equity Maximiser Loan or imposing minimum monthly principal and interest repayments, we may prohibit any further drawings under the Loan.

Unless:

- a. the Amount of Credit is exceeded without our prior agreement;
- b. there is another default under the Loan; or
- c. we are required to close your Equity Maximiser Loan by law;

we will not give a repayment notice earlier than 12 months from the Settlement Date.

(e) What if there is a credit balance in your Equity Maximiser Loan Account?

You may conduct your Equity Maximiser Loan with a credit account balance. When this occurs, the terms and conditions regarding our savings transaction accounts will apply.

32. Expect More Loan Packages

The following provisions apply if your Loan is an Expect More Loan Package

(a) Linking an Offset Account to your Loan

If you have an Expect More Loan Package, you may link one Bank of Sydney transaction account (**Offset Account**) to any variable rate Loan, excluding Equity Maximiser Loans. You may not link an Offset Account to a Fixed Rate Loan.

(b) Redraw

You may redraw funds from your Loan Account in accordance with the section of these T&Cs headed '*Redraw*'.

(c) Calculation of Interest

Interest will not be paid on credit balances in your Offset Account, even if that amount exceeds the Outstanding Balance.

Interest on your Loan will be calculated by subtracting the credit balance in your Offset Account from the Outstanding Balance and multiplying that amount by the Daily Annual Percentage Rate.

(d) Default

The benefits available under your Expect More Loan Package cease to apply if you are in default under your Loan.

In addition, if you fail to make any required payment in respect of your Loan by the due date, we may debit your Offset Account to recover any such overdue payments.

(e) Unlinking an Offset Account to your Loan

Your Offset Account will cease to be linked to your Loan if:

- a. you close your Offset Account;
- b. you ask us to unlink the accounts;
- c. you repay your Loan in full; or
- d. you switch your Loan to another Loan type.

If your Offset Account is delinked from your Loan because of items (b), (c) or (d) above, you will need to contact us in order to close your Offset Account and re-establish a new Bank of Sydney transaction account. Otherwise your Offset Account will not attract interest in accordance with the standard terms applicable to Bank of Sydney transaction accounts.

If you delink your Offset Account for any reason, we will not refund any part of the annual Package Fee.

33. Bridging Loans

The following provisions apply if your Loan is a Bridging Loan

(a) When will we make a Bridging Loan?

Acting reasonably, we may approve a short-term loan pending settlement of the sale of an identified Property (**Bridging Loan**). Generally, we will only offer a Bridging Loan once you have sold the

relevant Property. The Bridging Loan will therefore cover the period between the sale contract being entered into and the settlement of the sale.

(b) What is the maximum Term of a Bridging Loan?

The maximum Term of any Bridging Loan is six months and the Expiry Date must align with the expected settlement of the Property sale.

(c) What repayments must I make during the Term of a Bridging Loan?

During your Bridging Loan, you must make interest only payments unless we agree that interest may be capitalised (at our discretion, acting reasonably). See additional terms below if we agree that interest may be capitalised. Interest only payments must be made in accordance with the section of these T&Cs headed '*Interest*'.

At the end of the Bridging Loan you must repay the Outstanding Balance.

(d) What repayments must I make during the Term of a Bridging Loan if we allow you to capitalise interest?

If we agree to allow you to capitalise interest on your Bridging Loan, you will not be required to make any repayments of principal or interest during the Term of your Bridging Loan.

However, interest will continue to accrue on your Loan and will be debited to your Loan Account as set out in the section of these T&Cs headed '*Interest*'.

If we agree that interest may be capitalised on your Bridging Loan, you may still make additional repayments of principal or interest at any time.

WARNING

Because you are not required to make interest payments if we agree that interest may be capitalised on your Bridging Loan, interest will be added to the Loan Account. This means that if you do not make repayments during the Term of your Bridging Loan, interest will be charged on the interest already accrued. As a result, the total amount of interest that you will pay at the end of the Bridging Loan will be substantially more than you would pay if you make monthly payments of interest only. *If you have any questions about whether a Bridging Loan is right for you, ask us.*

We will not agree that you may capitalise interest on your Bridging Loan unless you can demonstrate a capacity to make such payments during the term of the Bridging Loan.

ANTI-MONEY LAUNDERING / COUNTER TERRORISM FINANCING ACT

34. How we comply with our obligations under the Anti-Money Laundering / Counter Terrorism Financing Act

You must from time to time promptly comply with any of our requirements regarding our verification of identity procedures. You must produce any documents or other evidence reasonably requested by us to ensure that we can comply with our obligations under the *Anti-Money Laundering / Counter-Terrorism Act (AML / CTF Act)* or such other legislation.

You acknowledge and understand that in order to comply with our obligation under the AML / CTF Act:

- (a) your transactions may be monitored by us;
- (b) we may delay or block a transaction if we reasonably believe that the transaction will breach any law of Australia or any other country (we will not be liable for any loss you suffer as a result of such block or delay); and
- (c) we may disclose information about you, any guarantor and your account to our service providers and related bodies corporate. Some of these entities may be located overseas.

You undertake that the purpose of your Loan is not to undertake money-laundering or facilitate counter-terrorism financing activities. You indemnify us against any losses arising as a result of a breach of the above undertakings.

BANKING CODE OF PRACTICE

35. Banking Code of Practice

We are committed to upholding the principles set out in the Banking Code of Practice. Every relevant provision of the Code of Banking Practice will apply to your Loan from the date we adopt that provision of the Banking Code of Practice.

A copy of the Banking Code of Practice is available from us upon request.

GENERAL PROVISIONS

36. Dealing with this Agreement

- (a) Acting reasonably, we may transfer, assign, novate or otherwise dispose of (a **Dealing**) of our rights and obligations under this Agreement (including any Security) in any way we determine and without reference to you.
- (b) We may disclose personal and credit information that we hold about you in connection with any such Dealing. You consent to such disclosure and agree to promptly sign anything and do anything we reasonably require you to do in relation to such Dealing.
- (c) However, any Dealing by us does not change or affect in any way your obligations to us under this Agreement.
- (d) Your rights under this Agreement are personal to you and you cannot transfer, assign, novate or otherwise dispose of or deal with them in any way.

37. Notices

We may give a notice to you by:

- (a) giving it personally to you;
- (b) leaving it at your last known residential or business address;
- (c) posting it by ordinary mail in a prepaid envelope to your last known residential or business address;
- (d) transmitting it by computer to your last known electronic mail box or address;
- (e) where permitted by law, by notice in a newspaper circulating throughout Australia; or
- (f) by any other means permitted by law.

You must give us notice by:

- (a) giving it personally to us or one of our employees;
- (b) posting it by ordinary mail in a prepaid envelope to our office at our address set out in the Loan Agreement; or
- (c) any other means permitted by law.

A notice is taken to be given:

- (a) if given personally, when it is received;

- (b) if left at an address, when left;
- (c) if posted, when it would be delivered in the ordinary course of post, but no later than 4 Business Days after it is posted;
- (d) if transmitted by electronic mail, when the internet service provider confirms that the mail message has been sent to the addressee's e-mail box; or
- (e) if given in a newspaper, at the date of the newspaper.

38. Statements

We will provide you with a Statement as required by law, and at a minimum:

- (a) if your Loan is an Equity Maximiser – every three months; or
- (b) for all other Loans — every six months.

If you are in default, we may give you a Statement (or a transaction history) if you ask us for it.

Even if you are not in default, you may also request that we provide you with a Statement more frequently and you may request a copy of your Statement at any time.

You should check all entries on your Statement and advise us of any error or unauthorised transaction promptly.

39. Instructions

You agree that a verbal instruction, agreement or confirmation by any one or more of you pursuant to this Loan Agreement is binding on all of you. This includes any instruction, agreement or confirmation by any one or more of you over the telephone.

40. Waivers

Any failure or delay by us in exercising any of our rights under this Agreement does not operate as a waiver and the single or partial exercise of any right by us does not prevent any further exercise by us of that right or any other right.

41. Severability

Any provision of this Agreement which is invalid in any jurisdiction will be ineffective in that jurisdiction to that extent, but this will not invalidate or otherwise impact the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

42. Governing law

This Agreement is governed by the laws in the Australian State or Territory in which the Property is located. You and we submit to the non-exclusive jurisdiction of the courts of that jurisdiction.

43. Updated details

You must promptly tell us if you change your residential, postal or email address, or if there is any information that we need to know about your ability to comply with this Agreement.

44. Consents

Any consent that we may give under this Agreement may be given with conditions and may be refused in our discretion, acting reasonably. Any such consent will not be an effective consent unless we give it in writing.

45. Our Certificates

We may give you a certificate or formal statement about a matter or an amount payable in connection with this Agreement. This is sufficient evidence of that matter or amount, unless proven incorrect.

46. Blanks

You authorise us to complete any blanks in any document related to this Agreement (including the Securities).

47. Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same document.

48. Electronic Execution

If you sign this Agreement by use of electronic signature(s) (including by signing on an electronic device or by digital signature), then the Borrower and Guarantor jointly and separately:

- (a) agree that we may rely on the electronic signature(s) as having the same force and effect as handwritten signature(s); and
- (b) unconditionally consent to any method used by us (at our discretion, acting reasonably) to identify the signatories and to confirm your intention to enter into a binding legal agreement.

49. National Credit Code

If we approve your Loan, you can obtain our assessment about whether it is not unsuitable for you. If you are a guarantor, you can also request a copy free of charge.

This Agreement does not:

- (a) exclude, modify or restrict any rights or duty given to, or imposed on, us or you under the National Credit Code (**NCC**) or any other credit legislation (**Credit Legislation**);
- (b) require you to perform an obligation that is prohibited by the NCC or any Credit Legislation;
- (c) give us any right which is prohibited by the NCC or any Credit Legislation.

However, if a provision has this effect, then the provision is varied to the extent necessary to comply with the NCC or any Credit Legislation or, if necessary, limited or omitted to the extent it has that effect.

50. If you are in financial difficulty

If you are in financial difficulty, you may have rights under the National Consumer Credit Protection Act. Therefore, you should tell us of your financial difficulty as soon as possible. We will work with you to try and help you overcome your difficulties. For example, we may help you to design a repayment plan.

You should consult our website at www.bankofsydney.com.au to find details of accessing our hardship arrangements.

51. If you are joint Borrowers

This clause applies if there is more than one of you

- (a) If there is more than one Borrower, each of you will be individually liable for the full amount of the Loan. This means that we can claim the whole Outstanding Balance from any one of you;

- (b) If redraw is available on your Loan, either of you may exercise that right, without notice to any other Borrower, unless you ask us to change the account authority so that each Borrower is required to approve any future withdrawals.
- (c) Any one of you may terminate your liability in respect of:
 - a. the Loan – if no part of the Loan has been drawn down; or
 - b. any future drawing – if the Loan has been partially drawn down (unless the Loan is a Construction Loan);by providing us with written notice, however, in each of the above cases, if you do, our obligation to provide the Loan or any future drawdowns will automatically terminate.
- (d) If your Loan is a Construction Loan, once we have partially drawn down the Loan, you cannot terminate your liability until we have issued a certificate stating that the construction has been completed to our satisfaction.

52. If you are a Trustee

This clause applies if you are a Trustee of a Trust

In addition to any other provision of these T&Cs, if you or any guarantor are a trustee of a Trust, you must provide us with a copy of the Trust deed prior to drawing down your Loan.

You and any guarantor that is trustee of a Trust also makes the following representations and warranties before your Loan is drawn down and at all times before you repay the Outstanding Balance in full:

- (a) you have exclusive power to enter this Agreement and provide the Security, and you are not in breach of the trust by doing these things;
- (b) you must ensure that there is no change of trustee, no termination of the Trust, and no other change to the terms of the Trust without our prior written consent (such consent will not unreasonably be withheld);
- (c) the Trust has not ended and no event has occurred that may allow the vesting of the Trust assets or the bringing forward of the vesting date;
- (d) the Trust complies with all laws and is a valid trust;
- (e) you have the right to be indemnified out of trust assets [before any trust beneficiary] for all liabilities you incur under this Agreement;
- (f) you have complied with all obligations and duties under the Trust; and
- (g) you enter into this Agreement for a proper purpose of the Trust.

You and any guarantor that is trustee of a Trust acknowledge that you are liable under this Agreement in your own right and as trustee of the Trust. Accordingly, you acknowledge that we can recover against the Trust assets as well as you personally to satisfy your liabilities under this Agreement.

If you are a trustee of a Trust and another person is appointed as trustee with you or to replace you, you must ensure that person signs all documents and does all other things we require to be bound by this Agreement.

DEFINITIONS AND INTERPRETATION

53. Definitions

Agreement means the agreement between you and us constituted by:

- (a) the Loan Agreement;
- (b) these T&Cs; and
- (c) any Security.

Amount of Credit means the amount of credit specified in your Loan Agreement.

Annual Percentage Rate means any annual percentage rate specified in the Loan Agreement.

Borrower means the person or persons named in the Loan Agreement as '*Borrower(s)*'

Bridging Loan means a Loan with a variable Annual Percentage Rate that may be used to provide short-term access to finance pending sale of an asset.

Business Day means a day other than a Saturday or Sunday, or a public or special holiday in New South Wales, Australia.

Construction Loan means a Loan used to finance construction or renovation.

Daily Annual Percentage Rate means the Annual Percentage Rate divided by 365, including in a leap year.

Daily Default Rate means the Default Rate divided by 365, including in a leap year.

Default Rate means the default rate calculated in accordance with the Loan Agreement.

Disclosure Date means the Disclosure Date specified as such in the Loan Agreement.

Equity Maximiser Loan means a Loan that gives you access to extra money up to the pre-agreed Amount of Credit whenever you need it. This means that you can access (drawdown) funds and repay some or all of the Outstanding Balance when you need it.

Expiry Date means the last day of the term of the Loan.

Fixed Rate Loan means a Loan with a fixed Annual Percentage Rate. This means that your Annual Percentage Rate will not change for the period indicated in your Loan Agreement.

Loan means the financial accommodation that we propose to advance to or at your direction, in accordance with this Agreement.

Loan Account means the loan account established in your name in connection with this Agreement.

Loan Agreement means the document titled '*Loan Agreement*' from us to you setting out the specific details of your proposed Loan.

Loan Application Fee means the fee described in your Loan Agreement as the '*Loan Application Fee*'.

Outstanding Balance means, at any time, the balance of the Amount of Credit owing at that time, plus all accrued interest charges, default interest charges and other amounts (including fees and charges) which you must pay us under this Agreement (even if such amounts have not been debited by us to your Loan Account at that time).

Package Fee means the fee described in your Loan Agreement as the 'Package Fee' for an Expect More Loan Package.

Property means any real property specified as a Security in the Loan Agreement.

Rate Lock Agreement means an agreement entered into between you and us before you drawdown your Loan which sets your guaranteed maximum Fixed Rate for the specified fixed rate period of this Loan.

Rate Lock Fee means the fee described in your Loan Agreement as the 'Rate Lock Fee'.

Security or Securities means any security (including any mortgage, charge or guarantee and indemnity) we require from you or from any other person as a condition of making the Loan as described in your Loan Agreement as a 'Security'.

Settlement Date means the date you first tell us to advance funds under this Agreement (even though the actual date we first advance funds to you under your Loan may be a later date).

Statement means a notice detailing all transactions relating to your Loan over a certain period.

T&Cs means these Bank of Sydney Consumer Loan Terms & Conditions as varied from time to time.

Term means the period of the Loan specified in the Loan Agreement.

Trust means any trust mentioned in the Loan Agreement.

Valuation Fee means the fee described in your Loan Agreement as the 'Valuation Fees'.

Variable Rate Loan means a Loan with a variable Annual Percentage Rate. This means that we may change your Annual Percentage Rate at any time during the Term upon notice to you.

We and **us** and **our** means the person named in this Loan Agreement as 'Lender'.

You means the person or persons named in the Loan Agreement as 'Borrower(s)' and each of them separately and jointly. If there is more than one Borrower, any one Borrower can bind any other.

54. Interpretation

The following rules apply to this Agreement, unless the context otherwise requires:

- (a) headings and subheadings are for convenience only and do not affect the interpretation of this Agreement;
- (b) a reference to a person includes all entities recognised at law;
- (c) the singular includes the plural and vice versa;
- (d) any gender includes all other genders;
- (e) where a party consists of more than one person, all obligations and undertakings of that party are joint and several;
- (f) other grammatical forms of defined words or expressions have corresponding meanings;
- (g) a reference to a party in any agreement or document (including you and us) includes that party's successors, executors and permitted assigns, transferees and dispossess;
- (h) a reference to an agreement or document includes that agreement or document as modified or replaced from time to time;
- (i) the use of the word include or any form of that word is not limiting;

- (j) a reference to a thing includes part of a thing; and
- (k) the expression at any time includes reference to past, present and future time and the performance of any action from time to time and any liability at all times during any specified period.

These T&Cs are varied to the extent set out in the “Special Conditions” set out in the Loan Agreement. The “Special Conditions” will prevail over these T&Cs to the extent of any inconsistency.

This part of the Agreement only applies to you if your Loan is regulated by the National Credit Code.

INFORMATION STATEMENT

Things you should know about your proposed credit contract.

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

The contract

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

Your credit provider must give you a 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.
- you get 20 days advance written notice for—
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9 Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted at EMAIL: info@afca.org.au, PHONE: 1800 931 678 MAIL: 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 can not 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; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

23 What if my credit provider and I can not agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25.

24 Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you 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 EMAIL: info@afca.org.au, PHONE: 1800 931 678 MAIL: GPO BOX 3, MELBOURNE VIC 3001.

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



Call us on 13 95 00
Visit our website www.banksyd.com.au
Email us at info@banksyd.com.au

Bank of Sydney Ltd
ABN 44 093 488 629 AFSL 243 444