**\ReadConfirmation1\**

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**Source Funding Pty Ltd (ABN 95 622 815 294)**

Australian Financial Services License 510226

Australian Credit License 510226

**Home and Investment Property Loan**

**Terms and Conditions**

(version 1.4: January 2025)

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**PART A – GENERAL LOAN TERMS**

1. **Other documents that apply to you**

**Note**: We recommend you discuss these requirements with your solicitor or conveyancer. They may also contact our representative who prepared these documents for further information.

* 1. In addition to complying with the *loan agreement* (which includes the *offer* *details* and these *Loan Terms and Conditions*), you must comply with the terms of any *security* (for example the mortgage you are a party to). You should read the *security* conditions carefully. If you grant a mortgage, your obligations under the *security* include (among other obligations included in the mortgage):

**Warning**: It is an important requirement that you maintain insurance over the mortgaged property.

* + 1. to pay all rates, taxes, and other expenses in relation to the mortgaged property (see clause 3.3(e) of the mortgage);
    2. you must not do anything, or allow anything to happen, which could materially reduce the value of the mortgage property (for example, by partially or wholly demolishing any structure on the mortgaged property, by carrying out illegal or unauthorised improvements or renovations to the mortgaged property or by leaving the property in a material state of disrepair) (see clause 3.4(a) of the mortgage);
    3. you must not change the use of the property from the use at the date you first sign this *loan agreement* or the mortgage. For example, if the property is residential property using it for a non-residential purpose (our consent is not to be unreasonably withheld). You do not require our consent to use residential property as your home / home office provided that this is permitted by the relevant public authority (see clause 3.4(e) of the mortgage); and
    4. you must not sell, assign or otherwise deal with the property without our consent (not to be unreasonably withheld). We will consent if you provide a replacement property satisfactory to the us (see clause 3.4(g) of the mortgage);
    5. you must insure the property in accordance with our requirements (see clause 4.1 of the mortgage);
    6. you must obtain our prior written consent before any building work (excluding minor non-structural work such as painting and decorating and the upgrading or replacement of existing fittings and fixtures) is carried out on the mortgaged property (see clause 5.3 of the mortgage);

If you do not observe all the terms of the mortgage, you may be in default and we may, subject to the mortgage terms, have rights against you and the mortgaged property. Enforcement expenses may become payable under this *loan agreement* or a *security* if an *event of default* occurs.

1. **Pre-conditions of the *loan agreement***

**Note**: We will not make a loan advance until all the settlement requirements are satisfied.

* 1. There is no binding agreement between us and you until the *settlement date* or any earlier date that we determine. Until the *settlement date*:
     1. you do not have to go ahead with the *loan agreement*;
     2. we can change your *loan agreement* terms including withdrawing from it altogether (in the circumstances described in the *offer* *details*). In those circumstances we can decline to advance any money to you.
  2. We will not advance funds unless and until we are satisfied that all required conditions are fulfilled. Any conditions we specify are for our benefit only although we may in our absolute discretion waive any of the conditions.
  3. We can also withdraw from the *loan agreement* if any *security* (to be granted by you or any other party in relation to the *loan agreement*) specified in the *offer details* and / or the certificate(s) of title (if they are in paper form) in relation to the *security* is not delivered to us (or our solicitors).

1. **Things you need to do before we advance any funds**

**Note**: We suggest you discuss these requirements with your solicitor or conveyancer to check what you need to do. They can contact our representative that prepared these documents for further information.

* 1. We can only lend the *loan amount* if:

* + 1. we receive:
       1. all *securities* and related documents (for example, certificate(s) of title in physical or electronic form, certificates of independent advice for guarantors);
       2. evidence of any required insurance;
       3. any other document, information, acknowledgement, confirmation or acceptance (in physical or electronic form) we require,

in form and substance satisfactory to us; and

* + 1. all of the items set out in clause 3.1(a) continue to be in form and substance satisfactory to us at the *settlement date*; and
    2. nothing has happened since the time you applied for the loan (and obtained the loan approval) that has or might cause a deterioration in your financial position, which could impact our decision to make the loan; and
    3. you are not in default under the *loan agreement* (for example, you have paid all relevant fees and interest charges and have not given us any financial or any other information that is or is likely to be misleading in a material respect) and no-one providing any *security* in connection with the *loan agreement* is in default under that *security* or has withdrawn from giving the *security*.

1. **The loan we make to you**
   1. We agree to lend you the *loan amount* in accordance with the *loan agreement* provided the conditions of this *loan agreement* are satisfied. You must not use the loan or any part of the loan for business purposes.
   2. If your loan is not a *construction loan*, then unless we otherwise approve in writing the entire *loan amount* must be fully drawn down by you on the *settlement date*.
   3. If after we advance the loan to you, there is any event which causes you to experience difficulty in complying with your *loan agreement* including your ability to repay your loan then you should tell us as soon as possible.
2. **You agree to grant a mortgage** 
   1. You agree to:
      1. mortgage to us any property described under your name in the *offer details* under *security* (or any other property acceptable to us); and
      2. deposit with us the certificate(s) of title (if there is a paper certificate of title) to that property as soon as you receive it / them.
3. **The loan account**
   1. We can debit your loan account with any amounts lent to you or due to us under the *loan agreement*. This includes any money paid to you or at your direction. We, our agents or lawyers may need to make enquiries in order to be satisfied as to the reason for any third party payments that you request that we draw on your behalf at settlement. If we, our agents or lawyers make any request then you must promptly provide us, our agents or our lawyers with all information reasonably requested.
   2. If a third party makes a payment to you on our behalf, we may credit your account on the date that money is made available to you.
   3. You cannot keep funds that you receive in error. You may also be directly liable to the sender of the money for any loss. If we are reasonably satisfied that funds have been paid into your account due to a mistaken payment, we may (provided there are sufficient funds in your account) debit your account with the amount of the mistaken payment and return the funds to the payer or their financial institution:
      1. where a claim for a mistaken payment is made within 10 business days after the payment was made we may debit your account without giving notice to you.
      2. where a claim for a mistaken payment is made 11 or more business days after payment was made we will notify you if we propose to debit your account with the amount of the mistaken payment and allow you 10 business days to prove that you are entitled to the funds before we return the funds.

We may prevent you from withdrawing the amount of the claimed mistaken payment while we investigate the claim, including while we wait on and consider your response to any notification we send you.

* 1. You may, but subject to our prior approval, split a loan account into two or more loan accounts including switching between account types (including converting a loan account from interest only to principal and interest repayments (or the other way around) or by adding or removing a *mortgage loan offset facility* (if permitted by these terms and conditions)). Fees and charges may apply and you should discuss your requirements with us at the appropriate time. If a loan account is a fixed rate loan account, there may be break costs and other fees and charges payable in relation to the splitting or switching of a fixed rate loan account (refer to clause(s) 9.2 and 38 for further requirements in relation to fixed rate loans).

**Note**: You should always discuss these changes to your account first with us before you make any changes to your loan.

1. **Payments you need to make**
   1. You must pay all payments and credit fees and charges as specified in your *loan agreement* (which includes those fees and charges specified in the *offer details*). Payments will be credited to your loan account only when actually received by us. All payments must be made when they fall due in full without set off, counter-claim, deduction or withholding of any amounts you believe we owe you.
   2. In addition to making any repayments specified in your *loan agreement* (which includes those fees and charges specified in the *offer details*), on the date on which your *loan agreement* ends, you must pay us the amount you owe us together with any fees or other costs arising on repayment. The date on which your loan ends is set out in your *loan agreement* or such other date as we agree with you in writing. The amount you owe us means, in respect of each loan account, the total amount outstanding from time to time and includes all interest, fees and charges.
   3. You may, subject to our prior written approval, make fortnightly or weekly repayments (Instead of monthly repayments) of an amount we approve. Please let us know if you wish to change your repayment arrangements. For the sake of clarity, fortnightly or weekly repayments are not available for an interest only loan.
   4. Unless we otherwise approve, all payments are required to be made by direct debit. Until your loan is repaid in full you must give us a direct debit authority that allows us to debit an account from which repayments will be made and you must keep that account open. You authorise us to obtain any amount due under your *loan agreement* by using the direct debit authority. We can try on more than one occasion to debit your account for amounts due under your *loan agreement*. The amount of each payment will include any applicable direct debit fees, taxes or charges. If the interest rate changes, we may change the repayments due by you under these arrangements.
   5. If any payment is due on a day which is the 29th, 30th or 31st of a month with no such date, the payment must be made on the last day of that month. If any payment is due on a day which is not a business day, the payment must be made on the next following business day. A business day is a day that is not a Saturday or Sunday, or a day on which banks are not generally open to conduct business in the capital city located within the relevant State or Territory in which the main *security* is located.
   6. If any direct credit, direct debit or cheque used for repayment is dishonoured, the repayment will be treated as not having been made, and (for the sake of clarity) interest will continue to accrue on the unpaid daily balance until actual payment is received by us.
   7. Acting reasonably, we can apply any payment or other credit to any amount you owe us in any order we determine. If you have more than one loan account with us and one or more of those accounts is in arrears, we can apply funds from one loan account to cover the amount in arrears in the other loan account(s).
2. **How interest is calculated**
   1. Interest charges are debited to your loan account monthly in arrears on the same day of each month as the *settlement date*. However, if the *settlement date* is the 29th 30th or 31st day of a month with no such date, interest will be debited on the last day of that month.
   2. Subject to clause 11 (if a *mortgage loan offset facility* applies) interest charges are calculated by applying the interest rate to the unpaid loan balance owing to us at the end of each day. The end of each day for calculating interest charges is 5.00 pm Eastern Standard Time. The interest rate applied each day is equal to the annual percentage rate applicable to the loan at the time divided by 365 or 366 days (as applicable). In addition to debiting interest to your loan account on the monthly payment date, we may debit interest whenever the loan is in default, there is any repayment of the loan, there is any principal increase or variation in your *loan agreement*, or any change to the loan terms. We do not pay interest to you on any credit balance (if any) in any loan account.
   3. Interest accrues on a daily basis from the day we draw cheques or otherwise allocate money at your request to make the first advance. This applies whether or not any real estate transaction to which the advance relates (for example, refinance or purchase) occurs on that day.
   4. Interest may also be debited on the date of any change to your loan account, principal reduction, or repayment in full.
   5. If a fixed rate period or interest only period ends on a day which is not a business day your fixed rate or interest only period will end on the day immediately before the next business day, subject to the business day rule above.
   6. The charging of interest on arrears of interest and fees and charges does not mean that they are part of the principal sum or the loan amount. These amounts only become part of the principal sum or loan amount if we elect to convert them to principal.
   7. If you become liable by a court order to pay any money due under the *loan agreement*, you must pay interest at the higher of the rate ordered by the court or the rate payable under your *loan agreement*.
3. **When you can make early repayments**
   1. While a variable interest rate applies to a loan account, you may make additional payments in relation to a variable rate loan account at any time.
   2. Whilst you may also make additional payments while a fixed interest rate applies to a loan account, early repayment costs will be payable by you under the *loan agreement* (see clause 38 for further information about fixed interest rates and your early repayment cost implications).
   3. If you have a fixed rate loan account and you split that account into two or more fixed rate loan account(s), early repayment costs will be payable by you under the *loan agreement* (see clause 38 for further information about fixed interest rates and your early repayment cost implications).
   4. Early repayment costs can be substantial and you should talk to us before you take any steps to make any additional payments into or split an existing fixed interest rate loan account (see clause 38 for further information about fixed interest rates and your early repayment cost implications).

**Warning**: Early repayment costs can be substantial. Before making any changes to your fixed rate loan, including early repayments, requesting a change to a fixed interest rate or anything else, you should ask us to give you an estimate of the likely cost. The amount of any actual early repayment cost that becomes payable will be determined on the day that the early repayment event occurs.

* 1. If you have a split loan account (that is, more than one loan account) additional payments are applied proportionately, unless you otherwise direct in writing prior to payment being made. You need to be careful to ensure that you do not make an early repayment in relation to a fixed interest rate loan account before the expiration of the fixed term.

1. **Redraw facility (if available)**

**Warning**: If there is more than one of you, any one of you can access the redraw facility. You must specifically advise us if you wish to cancel this feature or if you wish to only allow redraw on the joint instructions of all of you. We will need to receive and confirm your request before any changes can be processed.

* 1. Subject to clause 10.3, if you have repaid early we may allow you to re-borrow any amount for any purpose approved by us provided you re-borrow not more than the total amount you have repaid early. Any re-borrowing is subject to our approval and conditions may apply. Acting reasonably, we may review, change, suspend or cancel the redraw facility at any time.
  2. The approved redraw funds will be made available by direct credit to your nominated bank account or such other account or in such other way as we agree from time to time.
  3. No redraw is available for any fixed rate loan account or SMSF loan. Subject to clause 10.1, where you have one or more variable rate loan accounts, any re-borrowing will be made from the loan account specified by you, or if no variable rate loan account is specified by you, then the variable rate loan account may be determined by us at our discretion or we may not process the redraw until we obtain the required information from you.
  4. No redraw is permitted for so long as any *event of default* has occurred and is continuing (refer to clause 14, for the meaning of an *event of default*). Each time you make a redraw request, you represent and warrant to us that no *event of default* has occurred or is continuing.

1. **Mortgage loan offset facility (if available)**

The *mortgage loan offset facility* described in this clause 11 only applies if your loan has a *mortgage loan offset facility* linked to a specified loan account.

**Warning**: The *mortgage loan offset facility* is not a bank deposit account. The *mortgage loan offset facility* is not covered by the government’s financial claims guarantee scheme should we (the credit provider) fail.

* 1. Subject to clause 11.5, we give you access to a *mortgage loan offset facility*:
     1. that can only be linked to one (1) eligible variable rate loan account. If your loan is eligible for and we have approved the use of a *mortgage loan offset facility* linked to your loan account we will tell you (which may include notification in the offer details);
     2. if the *mortgage loan offset facility* is not, or is no longer, linked to the your loan account you acknowledge and agree that we may close the *mortgage loan offset facility* and either apply the total amount in the *mortgage loan offset facility* into your linked loan account (or any other loan account you have with us) to reduce the principal amount owing under your loan account or return these amounts in that account to you (or any combination of these);
     3. the amounts available to you under the *mortgage loan offset facility* will be made available by direct credit to your nominated bank account or in such other way as we agree from time to time.

**Warning:** If there is more than one of you, any one of you can access the *mortgage loan offset facility*. You must tell us if you wish to cancel this feature or if you only want to allow access to the mortgage loan offset facility on the joint instructions of all of you. We need to receive and to confirm your request before any changes can be made. Also refer to Part F, in regards to use of an electronic platform to access your *account*.

* 1. If you have a *mortgage loan offset facility* linked to your loan account, we calculate interest on the difference between the daily loan balance of the linked loan account and the amount in the *mortgage loan offset facility.*
  2. You must ensure that the amount in your *mortgage loan offset facility* can never be greater than the amount in your linked loan account. If at any time the amount in your *mortgage loan offset facility* is greater than the amount in the linked loan account we will not pay you any interest on the difference and we may return excess funds to you / your bank account or apply them towards another loan account you have with us (or any combination of these).
  3. We may from time to time (acting reasonably) review, change, suspend or cancel the *mortgage loan offset facility*. Payments from your *mortgage loan offset facility* will be processed in our discretion and the payments will be made available by direct credit to your nominated bank account or such other account or in such other way as we agree (acting reasonably) from time to time.
  4. A *mortgage loan offset facility* is not available for use in relation to a fixed rate loan account.
  5. We make no representation and give no assurance regarding the tax effectiveness of a *mortgage loan offset facility*. If this is an SMSF loan you should obtain appropriate advice when using the *mortgage loan offset facility,* to ensure you are compliant with the laws that regulate the SMSF loan.

1. **Changes we can make to the *loan agreement***

**Note**: If we make a change which you do not like, you can cancel this loan agreement by repaying the loan, but depending on your loan agreement, fees and charges may be payable.

* 1. Acting reasonably and to the extent reasonably necessary to protect our legitimate business interests, we may change from time to time the terms of your *loan agreement* (by varying existing provisions or adding new provisions). The changes we may make are as follows:
     1. the credit fees or charges (by adding, changing or removing fees or charges or the frequency of fees or charges) resulting from changes to our cost base or in relation to our providing new products and services;
     2. introducing or changing any government charge or tax (as a result of a change or the introduction of a new government charge or tax);
     3. the repayments (either or both the amount and frequency of those repayments);
     4. changes required to correct for errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
     5. changes required to adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator;
     6. changes required to reflect changes in technology or our processes including our computer systems;
     7. changes necessary to make the terms of your *loan agreement* clearer.

We will give you notice of the change as required by all applicable law (not less than 30 days prior written notice unless required by law or if the change is not adverse to you). We can provide the notice to you by electronic communication methods including by email. We do not need to notify you of changes to the *loan agreement* which has the effect of reducing your obligations. If we make a change which you do not like, you can cancel this loan agreement by repaying the loan, but depending on your loan agreement, fees and charges may be payable.

* 1. The interest rates and repayments referred to in your *loan agreement* (including the *offer details*) are correct at the *disclosure date* but may change prior to the *settlement date* if the interest rate changes. If the interest rate changes, we may change the amount of repayments.
  2. Acting reasonably and to the extent reasonably necessary to protect our legitimate business interests we may change, from time to time, the interest rate and the default rate (by increasing or decreasing the applicable interest rate).
     1. Some factors that impact our decision with respect to the interest rate and / or the default rate changes include our cost of providing funds, the margin or discount applicable to your loan, the loan amount / outstanding balance of your loan at the relevant time as well as the operation of the capital and wholesale lending market including the financial institutions we access to fund our lending business.
     2. Provided you are not in default under your *loan agreement* including any *security* (including the mortgaged property) we will not change the fixed interest rate applicable on a fixed rate loan account during the fixed term for that loan (see clause 38 for further information about fixed interest rates).
     3. Subject to giving you notice in accordance with all applicable laws, you will be notified of the interest rate change on or before the day the change takes effect. We can provide the notice to you in writing or by electronic communication methods including email. We do not need to notify you of changes to the *loan agreement* which has the effect of reducing your obligations.
  3. Loan account statements will be sent to you at least once every six months or more frequently if required by law. You agree that we may send the loan statement to you either by post or electronically including by email.

# PART B – DEFAULT UNDER YOUR *LOAN AGREEMENT*

1. **How is default interest calculated**
   1. If any amount due by you is not paid on the due date, you must pay default interest on the amount until it is paid (if for any reason the entire loan amount becomes due then you may become liable to pay default interest on the entire unpaid balance of your loan). You may also be liable for default fees and charges as specified in your *loan agreement* (which includes the *offer details*) as may be amended by us from time to time in accordance with your *loan agreement*.
   2. Default interest charges are calculated by applying the default interest rate to the amount in default at the end of each day a default continues. The end of each day for calculating default interest charges is 5.00 pm Eastern Standard Time. The default rate applied each day is equal to the default interest rate applicable at the time divided by 365 or 366 days (as applicable).
2. **What is an *event of default***

**Warning**: There are different types of *events of default*. Some are monetary defaults and others are non-monetary defaults. Some non-monetary defaults are treated differently – see clause 15.5 for consequences of non-monetary defaults.

* 1. An event of default occurs if any one or more of the following happens (each being an ‘*event of default*’):

* + 1. there is default of any term or condition of your *loan agreement*;
    2. there is default under any *security* (including any mortgaged property) given under your *loan agreement* which includes where any creditor of yours commences any proceedings against you in relation to any *security* (including any mortgaged property);
    3. you fail to pay us any money by the due date;

* + 1. any representation made by you to us, our contractors or our agents proves to be incorrect, incomplete, untrue or misleading in a material respect;
    2. you die, become insolvent, bankrupt, enter into any kind of bankruptcy administration or are gaoled;

* + 1. you do not maintain (including as a result of the cancelation of) appropriate property insurance over any *security*;

* + 1. you breach any material undertaking you have given to us;
    2. we are not reasonably satisfied with the title to any *security* or our interests in any such *security* or there is any adverse change in the effectiveness or priority of any *security* granted by you or a guarantor in relation to this *loan agreement*;
    3. a power of sale arises under any *security* or under any other any other security interest over, or which attaches to the *security*. For example, you have given another party a second mortgage over your home, you are in default under that mortgage and have not complied with a statutory notice served by that party to rectify the default, so that the other party has the right as mortgagee to sell your property;
    4. we are not reasonably satisfied that the value of any *security* (including the mortgaged property) is sufficient security for the *loan amount*;
    5. you or any *security* provider (such as a guarantor) wilfully damage any *security* (including the mortgaged property);
    6. youact fraudulently in respect of or in connection with this *loan agreement* or any *security* (even if you are not a party to the *security*);
    7. if you are acting as a trustee (other than a Superannuation Trustee) of any trust any of the following events occur:
       1. you stop acting in that capacity or allow anyone else to be appointed in your place (whether alone or jointly);
       2. there is a change in the terms of the *governing documents* (without our prior written consent, not to be unreasonably withheld);
       3. you acquire any asset other than in your name (without our prior written consent, not to be unreasonably withheld);
       4. you give up possession or use of any asset (without our prior written consent, not to be unreasonably withheld);
       5. do or fail to do anything which is a breach of the *governing documents* or could lead to your removal or termination;
       6. the trust terminates or you do anything which could cause it to terminate before the time stated in the *governing documents*;
       7. there is any *change* *of control* (without our prior written consent);
       8. there is any distribution of capital; or
       9. there is any distribution of any income if doing so negatively affects your ability to comply with this *loan agreement* (including to pay any money owed) or any *security*.

For the purposes of this clause 14.1(m) *governing documents* means a document (such as a trust deed or similar document) that sets out the power, authority, duty, responsibility or function of the trustee.

For the purposes of clause 14.1(m)(vii) *change of* *control* means a change (from that prevailing at the earliest date of this *loan* agreement and any *security*) in the person/s who control any of the following: (i) the right to appoint or remove the trustee; or (ii) the right to appoint or remove the appointor (if there is one under the governing documents) of a trust; or (iii) an interest of more than 50% in any category of income or capital distribution.

* + 1. if you are a company any of the following events occur:
       1. an application or order is made or a resolution is passed for your winding up, or you become subject to external administration;
       2. there is any *change of control* in you or any company of which you are a subsidiary (including any ultimate subsidiary) (without our prior written consent);
       3. a receiver, manager, receiver and manager, administrator, controller, provisional liquidator, or liquidator is appointed to any part of your assets;
       4. any application or action is commenced in to deregister you;
       5. you reduces or propose to reduce your authorised capital (without our prior written consent); or
       6. you merge or consolidate or propose to merge or consolidate with another entity (without our prior written consent).

For the purposes of this clause 14.1(n)(ii) *change of* *control* means a change (from that prevailing at the earliest date of this *loan* agreement and any *security*) in the person/s who control any of the following: (a) more than 50% of the votes eligible to be cast in the election of directors or any similar matter; or (b) the right to appoint or remove directors (or members of a governing body having functions similar to a board of directors) representing more than 50% of the votes exercisable by the directors (or persons having similar functions); or (c) an interest of more than 50% in any category of the profits, distributions or net liquidation proceeds.

1. **What happens if there is an *event of default***

**Warning**: You should read this section so that you understand what can happen if an *event of default* occurs. There are different consequences depending on the nature of the default. Some non-monetary defaults are treated differently – see clause 15.5 for consequences of non-monetary defaults. Enforcement expenses may become payable under this *loan agreement* or a *security* if an *event of default* occurs.

* 1. If an *event of default* occurs and:
     1. you do not fix the *event of default* in the time allowed in the notice under clause 15.2; or
     2. the *event of default* cannot be fixed, and the time stated in the notice under clause 15.2 elapses; or
     3. we do not have to give you a notice under clause 15.2,

then provided in the notice (if any) we give you we have told you the amount required to pay out the *loan agreement* and that we can exercise our rights under this clause 15.1 if you do not remedy the *event of default,* we can at any time thereafter take any of the following action:

* + 1. demand and require immediate payment of any money due under your *loan agreement* (this would apply regardless whether you have any fixed rate loan accounts and the term of the fixed rate loan accounts have not yet expired); or
    2. call up the entire loan and require payment of the entire balance owing under your *loan agreement* including all fees, charges and other amounts payable by you under the *loan agreement*; or
    3. exercise any right, power, or privilege conferred by any law, your *loan agreement*, or any *security*; or
    4. use any money of yours in any loan account including (if you have one), in the *mortgage loan offset facility,* to reduce the amount you owe us.
  1. In most circumstances we will give you a notice of an *event of default*. Our notice will tell you what the *event of default* is and ask you to fix the *event of default*, if it can be fixed. The notice will give you a period of time to remedy the *event of default* andif the National Credit Code applies then we will give you a notice that complies with the National Credit Code. However, we do not have to give you notice if:
     1. we believe, on reasonable grounds, that we were induced by fraud on your part to enter into this *loan agreement* or any *security*; or
     2. we have made reasonable attempts to locate you, but without success; or
     3. a court authorises us to require immediate repayment without giving such a notice; or
     4. we believe on reasonable grounds that urgent action is necessary to protect property that is mortgaged as *security* in connection with this *loan agreement*.
  2. We can take action even if we do not do so promptly after the *event of default* occurs.
  3. We can exercise these rights with or without taking possession of any *security* (including 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.
  4. Notwithstanding clause 15.1, we will only take enforcement action in relation to a non-monetary *event of default* (that is an *event of default* that does not involve the non-payment of any money) if the *event of default* by its nature is material, or we reasonably consider that the event has had, or is likely to have, a material impact on:
     1. *yours* or a guarantor’s ability to meet *your* or their financial obligations to us; or
     2. our credit or security risk (including our ability to assess these risks); or
     3. our legal or reputational risk including where any event in clauses 14.1(d), 14.1(f) or 14.1(g) occurs.
  5. Our rights and remedies under the *loan agreement* may be exercised by any of our employees or any other person we authorise.
  6. Where we act reasonably, 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.

1. **Your liability for enforcement expenses**
   1. You must pay on demand and we may debit your loan account with the costs and expenses that we reasonably incur in connection with any exercise or non exercise of rights arising from any *event of default*. These costs will not exceed our reasonable enforcement costs including internal costs.

**PART C – CONSTRUCTION LOANS**

This part only applies to loans made to assist in the construction of residential building works, if a construction loan is approved by us (in addition to all other parts of the *loan agreement*). An SMSF loan does not qualify for a construction loan.

1. **What is a construction loan**
   1. A construction loanis a type of loan that is used by those who wish to (*“construction loan”*):
      1. borrow to cover the cost of buying land and building a home on it; or
      2. borrow to cover the cost of buying a home and carrying out major renovations to it; or
      3. borrow to cover the cost of building a home on land you already own; or
      4. borrow to repay an existing loan owed by you and cover the cost of building a home on land you already own; or
      5. borrow to repay an existing loan on a home you already own and cover the cost of carrying out major renovations to it; or
      6. borrow to cover the cost of carrying out major renovations to a home you already own.
2. **Construction loan advances**
   1. Provided no *event of default* occurs (or if an *event of default* has occurred you have addressed it in accordance with the *loan agreement* terms), the *loan amount* will be advanced progressively in accordance with these terms and otherwise as and when we reasonably see fit to assist in the purchase of the home (if applicable) and the construction of building works (building a new home or carrying out renovation works).
3. **Your obligations**

**Note**: We recommend you discuss these requirements with your solicitor or conveyancer and builder.

* 1. Before we advance any amount under your *loan agreement* in relation to a *construction loan*, we may (for our benefit) require you to give us the following:
     1. a copy of the builder’s tender price / bill of quantities;
     2. a copy of the fixed price (inclusive of GST) building contract (approved by us) including all variations, between you and the licensed builder in relation to construction, having a commencement date of not more than 6 months from the *settlement date* and a completion date of not more than 12 months from the *settlement date*;
     3. evidence that the builder is licensed by the relevant government agency;
     4. a copy of the council’s development and building approval and conditions;
     5. a copy of the stamped plans including the engineer detail approved by the relevant authority in relation to construction works (including any approved variations or modifications to these plans and detail);
     6. a copy of the specifications for the proposed building works;
     7. a copy of the construction certificate issued by the relevant authority or such equivalent certificate issued by a permitted private certifier to confirm that the building works may commence;
     8. confirmation of payments of bonds or other performance securities payable to the relevant authorities in relation to the proposed building works;
     9. a copy of any applicable home owners warranty insurance or its equivalent such as without limitation, insurance under a statutory home building insurance scheme (where applicable);
     10. the builders all risk policy with a minimum cover of such amount as we specify in writing;
     11. identification survey report for the property completed by a licensed and registered land surveyor;
     12. a copy of your general property insurance policy and certificate of currency (a cover note is not acceptable) noting our interest as mortgagee for the full completion value of the property and the improvements being constructed on it or the renovation being carried out on it. The policy must include cover for fire and damage;
     13. written acknowledgement by the builder of our interest in the property and that progress advances under the *loan contract* in relation to any progress payment under the building contract will only be made by us if all of our requirements are met; and
     14. progress payment authority signed by you.
  2. Subject to clause 18.1 and all other provisions of your *loan agreement*, progressive advances (including to fund progress payments under your building contract) under this *construction loan* will only be made if:
     1. the funds you are contributing towards the purchase (if applicable) and construction of the building works (a new home or carrying out renovation works) are or have been used to meet these costs; and
     2. in relation to your building contract:
        1. a progress payment is due and payable under your building contract; and
        2. your request for a progress advance to assist you to meet a progress payment under your building contract is accompanied by a completed *progress payment instruction form*.
  3. You must:
     1. in relation to building works consisting of renovations inform the issuer of your property insurance that the property will be vacant for a period of time;
     2. as soon as the building work is complete provide us with the final certificate from the local council or other responsible certifying authority confirming that building works have been completed in accordance with all relevant requirements;
     3. ensure that the agreed drawdown schedule is observed and that there is always sufficient undrawn amount under your *construction loan* (when combined with the funds that you have agreed to contribute towards the construction works) to complete the construction works;
     4. promptly comply with any reasonable condition imposed by us in relation to any progressive advance or the construction works;
     5. not vary or terminate the building contract without our prior written consent; and
     6. commence construction within 6 months of the *settlement date* of this loan and complete construction within 12 months from the *settlement date* of this loan.
  4. You are still liable under your *loan agreement* if we make any progress advance without requiring any of the things be done in clauses 19.1, 19.2 and 19.3 and despite anything in relation to the construction works. We do not accept responsibility for anything relating to the building works under your building contract.
  5. We may (acting reasonably) require a valuation, quantity surveyor, survey report or other building or related report to be issued to us in relation to the property or the construction works before we make any progress advance in relation to a progress payment under your building contract. If any such report is required you must pay for the cost of each report.

**PART D – SELF MANAGED SUPER LOANS**

This part only applies to property loans made to a Self-Managed Super Fund (in addition to all other parts of the *loan agreement*).

1. **Interpretation**
   1. The following terms have specific meaning:

‘Authorised Investment’means the mortgaged property that is the subject of the *security*.

‘Constituent Documents’means the documentation constituting the Superannuation Fund and the Holding Trust (including all variations and amendments to these documents).

‘Guarantor’ is defined in the *offer details.*

‘Holding Trustee’ is defined in the *offer details.*

**‘**Holding Trust**’** is defined in the *offer details.*

‘PPSA’means the *Personal Property Securities Act* 2009 (Cth).

‘Regulated Fund’ means a ‘regulated superannuation fund’ within the meaning of section 19 of the SIS Act and a 'complying superannuation fund' within the meaning of Part 5 of SIS Act.

‘Security Interest’ means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any "security interest" as defined in sections 12(1), (2) or (3) of the PPSA.

‘SIS Act’ means*Superannuation Industry (Supervision) Act 1993 (Cth).*

‘Superannuation Fund’ is defined in the *offer details.*

‘Superannuation Trustee’ is the Borrower defined in the *offer details.*

‘Superannuation Laws’means the SIS Act and the *Superannuation Industry (Supervision) Regulations* 1994 (Cth).

* 1. If there is any inconsistency or ambiguity between the provisions of this Part D and other terms of the *loan agreement,* the provisions of this Part D will prevail to the extent of the inconstancy or ambiguity (as the case may be).
  2. The Superannuation Trustee is a borrower under the *loan agreement*.

1. **Context under the SIS Act**
   1. If you are a Superannuation Trustee then we provide the loan to you in your capacity as trustee of the Superannuation Fund on the basis that the loan complies with the provisions of section 67A of the SIS Act, which permits a regulated Superannuation Fund to borrow money provided:
      1. the *security* property mortgaged is held by the Holding Trustee on trust for the Superannuation Trustee as trustee of the Superannuation Fund;
      2. the Superannuation Trustee has the right to acquire from the Holding Trustee legal ownership of the *security* property mortgaged on behalf of the Superannuation Fund; and
      3. our recourse against the Superannuation Trustee and the Superannuation Fund for default on the borrowing are limited to the *security* property mortgaged (see clause, 28 below).
2. **Constructions loans are not permitted**
   1. Despite any other provision in the *loan agreement* to the contrary the Superannuation Trustee cannot obtain and has no entitlement to a construction loan under this *loan agreement.* The Superannuation Trustee undertakes to observe the restriction.
3. **Use of loan proceeds**
   1. Despite any other provision in the *loan agreement* the Superannuation Trustee may not use the loan for any purpose other than for the direct acquisition or the refinance of a single Authorised Investment. For example the Superannuation Trustee must not use the loan as consideration for any separate purchase of an Authorised Investment other than on the *settlement date*.
4. **Granting a charge over your beneficial interest in property**
   1. For valuable consideration received (receipt of which the Superannuation Trustee acknowledges), the Superannuation Trustee charges (as a Security Interest) in our favour its full beneficial interest in the mortgaged property that is the subject of the *security* (granted by the Holding Trustee to secure its obligations under a guarantee in relation to this *loan agreement*) as security for the performance of all of its obligations under this *loan agreement* including with respect to the full repayment of all amounts owing under this *loan agreement*. This charge constitutes a fixed and specific charge over the *security* (mortgaged property) and all the terms of the *security* (mortgaged property) over the legal title held by the Holding Trustee apply to this charge as though it were set out in full in this Part D and as if the Superannuation Trustee was the mortgagor and we are the mortgagee.
   2. The Superannuation Trustee must sign anything and do anything we reasonably require to further or more effectively secure and perfect our rights over the Superannuation Trustee’s interests in the mortgaged property that is the subject of the *security*. The Superannuation Trustee authorises us and our representatives to complete and date any document that it is incomplete.
   3. The Superannuation Trustee agrees that to the extent the law permits them to be excluded by agreement:
      1. sections 142 and 143 of the PPSA are excluded and we need not comply with the following provisions of the PPSA: sections 95, 118, 121(4), 125, 130, 132(3)(d), 132(4) and any other provision of the PPSA notified to the Superannuation Trustee after the date of this *loan agreement*; and
      2. neither we nor any receiver or receiver and manager need give any notice required under the PPSA (including a notice of a verification statement).
5. **Security Trustee needs to supply information and documents before settlement**
   1. In addition to the other requirements contained in this *loan agreement*, the Superannuation Trustee must provide and/or procure on or before the *settlement date*:
      1. any *security* (such as, for example, guarantee and indemnity from the Holding Trustee and personal guarantees from each member of the Superannuation Fund in their personal capacities) in a form acceptable to us (unless we waive this requirement in writing before we lend the Superannuation Trustee any funds) that we specify in the *offer details*;
      2. from the Holding Trustee any *security* over the mortgaged property in a form acceptable to us that we specify in the *offer details*;
      3. any other document we specify in the *offer details* or that is required by our lawyers, including any custody deed and declarations by the Superannuation Trustee and the Holding Trustee as we require;
      4. evidence to our satisfaction that the Holding Trustee has (under the custody deed) taken title to the authorised investments free from all Security Interests other than the *security*.
   2. The Constituent Documents must be in form and substance satisfactory to us and our lawyers. The provisions of this clause is for our sole benefit only and neither the Superannuation Trustee, the Holding Trustee or any guarantor may rely upon, assume or claim or assert any right, benefit or privilege or draw any inference because we or our lawyers have reviewed the Constituent Documents under these provisions.
6. **Security Trustee representations and warranties**
   1. The Superannuation Trustee represents and warrants to us that:
      1. the Superannuation Fund is a Regulated Fund and upon its entry into and performance of its obligations under this *loan agreement* it will continue to be a Regulated Fund;
      2. the Superannuation Fund has a written investment strategy which complies in all respects with the Superannuation Law;
      3. the Superannuation Fund trust documents comply with all laws, including the Superannuation Law;
      4. the Superannuation Trustee is the sole trustee of the Superannuation Fund;
      5. the Superannuation Trustee has the power and authority to purchase the Authorised Investment;
      6. the Superannuation Trustee has taken all steps to authorise the purchase of the Authorised Investment;
      7. this *loan agreement* constitutes the Superannuation Trustee’s legally binding obligations and is enforceable against the Superannuation Trustee;
      8. it has made its own enquiries and investigations into the suitability, appropriateness and legality of its structure and the Constituent Documents;
      9. it has made its own enquiries and investigations into any tax implications arising from its structure and the Constituent Documents;
      10. it has made its own enquiries and investigations into the suitability and appropriateness of the mortgaged property that is the subject of the *security* as an investment for the Superannuation Fund;
      11. the Holding Trustee will, hold the *security* (mortgaged property) for the sole benefit of the Superannuation Trustee as trustee of the Superannuation Fund.
   2. The Superannuation Trustee repeats each representation and warranty in clause 26.1 on the date of its entry into this *loan agreement*, the *settlement date* and on each other day while there is any amount owing to us.
   3. The Superannuation Trustee acknowledges that:
      1. we have not made and we make no representation or warranty that the Constituent Documents comply with the SIS Act, despite any review of the Constituent Documents contemplated under clause 25.2;
      2. we have given no advice and take no responsibility in respect of the suitability or appropriateness of the mortgaged property that is the subject of the *security* as an investment for the Superannuation Fund.
7. **Additional events of default that apply to self managed super loans**
   1. Each of the following is an *event of default* (in addition to the *events of default* specified in clause 14.1):
      1. the Superannuation Fund ceases to be a Regulated Fund;
      2. any representation or warranty in clause 26.1 is untrue or misleading (whether by omission or otherwise) in any material respect when made or repeated;
      3. a receiver (or receiver and manager), administrator, provisional liquidator or liquidator is appointed to the Superannuation Trustee, the Holding Trustee or any property of the Superannuation Trustee or the Holding Trustee (including the property of the Superannuation Fund);
      4. a resolution is passed or proceedings are commenced to wind up the Superannuation Trustee, the Holding Trustee or the Superannuation Fund;
      5. any composition or arrangement is made with the creditors of the Superannuation Trustee, the Holding Trustee or the Superannuation Fund;
      6. any other loan or debt of the Superannuation Trustee, including in respect of the Superannuation Fund, becomes repayable before its due date than solely at the option of the Superannuation Trustee;
      7. the Superannuation Trustee or the Holding Trustee creates any Security Interest, or permits any Security Interest to exist, or agree to create or give a Security Interest over any of its or their property (including the property of the Superannuation Fund) including the *security* including over the mortgaged property other than a Security Interest that we consent to in writing (acting reasonably);
      8. any government agency compulsorily acquired any part of the *security* or the Superannuation Trustee (whether or not as trustee of the Superannuation Fund) or the Holding Trustee sells or divests itself of any part of the *security* under a binding order from a government agency and the Superannuation Fund does not receive compensation for the acquisition, sale or disposal which is acceptable to, and on terms which are acceptable to, us in our discretion;
      9. the Superannuation Trustee ceases to be the trustee of the Superannuation Fund;
      10. the Superannuation Trustee ceases to be the sole trustee of the Superannuation Fund;
      11. the Holding Trustee ceases to hold the *security* (mortgaged property);
      12. the Holding Trustee ceases to hold the *security* (mortgaged property)for the sole benefit of the Superannuation Trustee as trustee of the Superannuation Fund;
      13. the Superannuation Trustee ceases to be the sole holder of the beneficial interest in the *security* (mortgaged property);
      14. the Holding Trustee ceases to comply with or is otherwise in default of any *security* (mortgaged property); or
      15. there is any change (either by variation, addition or otherwise) to the SIS Act or any other law that would (in our reasonable opinion) cause or make this *loan agreement* or any *security* (including the mortgaged property) given or provided under or in connection with this *loan agreement,* to be prohibited or illegal.
8. **Limited recourse obligations under self managed super loans**
   1. Despite any other condition in the *loan agreement* or any other document between us:
      1. this *loan agreement* relates solely to money (including interest and all costs and charges associated with that loan) payable by the Superannuation Trustee in respect of our loan to the Superannuation Trusteein its capacity as trustee of the Superannuation Fund but does not impose on the Superannuation Trustee an obligation to pay any other money;
      2. our rights under this *loan agreement* against the Superannuation Fund, on default by the Superannuation Trustee and in the absence of fraud or misrepresentation by the Superannuation Trustee, are limited in recourse to the *security* (mortgaged property);
      3. If we exercise any of our rights under this *loan agreement* or any other document between us and the Superannuation Trustee, against the Superannuation Trustee we will comply with the Superannuation Laws.

* 1. Subject to clause 28.3, we will not take any step pursuant to the rights conferred by this *loan agreement* to:
     1. have an administrator appointed to the Superannuation Trustee;
     2. have a receiver, receiver and manager, trustee, other controller (as defined in the Corporations Act), liquidator, provisional liquidator or similar official appointed to the Superannuation Trustee other than a receiver of the *security* (mortgaged property) only;
     3. have the Superannuation Trustee wound up, or prove in any winding up of the Superannuation Trustee;
     4. carry out any distress or execution on any property of the Superannuation Fund other than the *security* (mortgaged property);
     5. exercise any:
        1. right of set-off;
        2. right to combine or consolidate accounts; or
        3. lien,

against the Superannuation Trustee, other than in respect of the *security* (mortgaged property);

* + 1. make any other claim or institute proceedings of any kind as against any property or assets of the Superannuation Trustee other than the *security* (mortgaged property).
  1. Clause 28.2 does not:
     1. prohibit or restrict us from obtaining, or undertaking proceedings to obtain, an injunction or other court order to restrain any breach of this *loan agreement*  by the Superannuation Trustee; or
     2. prohibit or restrict us from obtaining, or taking proceedings to obtain, declaratory or other such relief in relation to any provision of this *loan agreement* with regards to the Superannuation Trustee; or
     3. affect our rights:
        1. to enforce this *loan agreement* over the *security interest* (mortgaged property) in accordance with the terms of this *loan agreement* and the *security interest*; or
        2. for the purpose of enforcing our rights against the *security interest* (mortgaged property), to proceed against the Holding Trustee or the Superannuation Trustee to the extent necessary to enforce our rights against the *security interest* (mortgaged property) or to obtain the benefit of the recourse to the Holding Trustee or the Superannuation Trustee permitted by this clause; or
        3. to enforce any rights we have under any other document; or
        4. to enforce any rights we have against the Superannuation Trustee for fraud or misrepresentation; or
        5. to enforce any rights we have under the National Consumer Credit Protection Act 2009 (Cth) including the National Credit Code.

**Part E – Other important provisions**

1. **Liability for government charges**
   1. You must pay us on request any government duties, taxes and other charges on receipts, debits or withdrawals that apply to your loan including:
      1. stamp and other duties;
      2. income tax payable by you (including if we are required by any government authority to deduct this from your loan account);
      3. withholding tax (including if we are required by any government authority to deduct this from your loan account); and
      4. goods and services tax.

You must pay these duties, taxes and charges whether or not someone else is liable to pay them. Wemay debit these duties, taxes and charges to any loan account and wewill give you any notice required by law.

1. **Disclosing information to guarantors**
   1. You agree to allow us to disclose the following documents and information to each guarantor named in the *offer details*:
      1. a copy of any notice, including correspondence, to us or to you; and
      2. any credit report received in relation to you; and
      3. any financial statements you have given us; and
      4. any notice of demand, or information regarding a dishonour, on any loan with us; and
      5. information on any excess or overdrawing; and
      6. a copy of your loan account statement; and
      7. any other information about you and your loan.
2. **Anti-Money Laundering and Counter-Terrorism Financing** 
   1. We, like other credit providers, are required to comply with Australian anti-money laundering and counter-terrorism financing laws, sanctions implementation laws, and the regulations, requests and directives and policies. We must comply with financial and suspicious matter and reporting requirements under these laws that:
      1. may prohibit us from entering, conducting or concluding transactions or parts of transactions involving certain persons, entities or services; or
      2. may require us to report transactions of a certain amount or of a suspicious nature, or a suspicious matter to a local or overseas regulatory authority.

Transactions impacted include those that may:

* + 1. involve the provision of finance to any person or entity involved or suspected of involvement in terrorism, money laundering or any terrorist or money laundering act; or
    2. be relevant to the investigation of an actual or attempted evasion of a taxation law, investigation of or prosecution of a person for a money laundering or terrorist financing offence or an offence against the Commonwealth, State or a Territory, or the enforcement of the Proceeds of Crime Act 2002 (Commonwealth), its State or Territory equivalent; or
    3. involve persons, or entities or services which may be the subject of sanctions.
  1. We are required to appropriately verify the identity of any authorised signatory or other party that you are associated with in the transaction that we deem appropriate in accordance with our anti-money laundering risk assessment criteria. You must from time to time promptly comply with any request we make regarding your identity or the identity of any authorised signatory or other party that you are associated with in the transaction. This is a continuing obligation and applies even after you have repaid the loan in full.
  2. We may intercept and investigate any payment messages, information or communications sent to or by you or on your behalf via our systems and may delay, block, withhold all or part, or refuse to do any transaction. Transaction screening may cause delay in processing certain information.
  3. We will not be liable for any loss (whether direct or consequential and including without limitation loss of profit or interest) or damage suffered by any party, arising out of any action taken or any delay or failure by us, our contractors or agents, in performing any of our duties or other obligations, caused in whole or in part by any steps taken as set out under clause 31.
  4. To help improve our services, and in the interests of security, we may monitor and/or record any telephone calls between us (including our contractors and agents) and you or any authorised signatory. Any recording may be used as evidence.

1. **Supply us with financial information**
   1. Within 14 days of our request, you must provide to us any information we reasonably require relating to your financial affairs (including any business or assets that you own). For example, we may need a copy of your taxation return or an assets and liability statement. In relation to a company, we might require a balance sheet, a profit and loss account, or both. If you are acting as trustee of any trust (including a Superannuation Fund), then we may also require a copy of the financial accounts and statements for the trust.
2. **Account with a credit balance**
   1. If you repay us more than the total amount outstanding your loan account will have a credit balance. We may place the excess funds into a suspense account, deposit it with a bank or pay it to you.
3. **Valuation of *security* property**
   1. We may, from time to time acting reasonably, obtain at your cost independent valuations or other reports concerning any *security* property. Any valuation or other report is for our use only. If the contents of any of these documents become known to you, we accept no responsibility if you rely on them.
4. **Laws that apply** 
   1. Your *loan agreement* is governed by and construed in accordance with the laws for the time being in force in the place where the main *security* (the mortgaged property) is located.
5. **Securitisation and other dealings** 
   1. You consent to and agree that we may at any time assign, novate or otherwise deal with all or any part of our rights and obligations (including with respect to securitisation) under your *loan agreement* including any *security*. You must sign anything and do anything we reasonably require to enable us to deal with your *loan agreement* including any *security*. Any dealing by us under this clause will not change your obligations under the *loan agreement* or any *security*.
   2. You may not assign or transfer or purport to assign or transfer any of your rights and/or obligations under your *loan agreement* or any *security*.
   3. We may, for the purpose of or in connection with clause 36.1, disclose information about you, your *loan agreement*, any *security* or a guarantor, to a party involved in or connected with such arrangements.
6. **Consumer legislation** 
   1. To the extent that your *loan agreement* is regulated under consumer legislation (for example, the National Consumer Credit Protection Act 2009 (Cth) including the National Credit Code) or any other law, any provision in the *loan agreement* that is prohibited by those laws has no effect, and to the extent necessary, the *loan agreement* is to be read so it does not impose obligations otherwise prohibited by those laws.
   2. There may be some laws, whether statutory or otherwise intended to limit a lender's rights. None of those statutes or other laws will operate to limit our rights under the *loan agreement* unless by law those statutes or laws cannot reasonably be excluded. If any provision of the *loan agreement* is illegal or becomes illegal at any time, the affected provision will cease to have effect, but the remaining provisions of your *loan agreement* will remain in full force and effect.
7. **How fixed interest rates work – what are early repayment costs**

**Example***:* You want to borrow money at a fixed rate for three years. We (and / or entities connected with the assignment / securitisation of your loan) (“relevant parties”) have or will enter into contracts to ensure we can offer a fixed rate loan to you during the fixed rate term. Later, you decide to repay the fixed rate loan early. The relevant parties may incur a cost in cancelling the effect of the contracts the relevant parties entered into in order to provide you with the fixed rate loan. This is an example to try to explain early repayment costs.

* 1. An early repayment event in relation to a fixed interest rate loan occurs if before the end of a fixed interest rate period (each being an “*early repayment event*”):
     1. you make an early repayment of the whole of the unpaid balance of your loan (or you are required to make such a payment, because for example, you are in default and we have demanded repayment of the outstanding loan amount); and/or
     2. you make an early repayment of some of the unpaid balance of your fixed rate loan amount; and/or
     3. at your request, we change the current fixed interest rate to a new fixed interest rate, or to a variable interest rate; and/or
     4. you split a current fixed rate account into further fixed rate account(s).
  2. In order to provide you with a fixed interest rate for a fixed rate term, we (and / or entities connected with the assignment / securitisation of your loan) (“**relevant parties**”) enter into external finance and hedging arrangements with third parties (including banks) to ‘lock in’ the funding costs for providing the fixed interest rate loans. Without these arrangements in place we are not able to provide you with a fixed interest rate loan during a fixed rate term.  We will incur a cost if there is any change (such as an *early repayment event*) to those arrangements before the expiry of the fixed interest rate term. These costs are not a penalty or a fee and neither is it intended as profit. It is simply an adjustment to recoup costs and losses as a result of you breaking the fixed interest rate loan early. With that being said, these costs can potentially be large and we will likely pass on those costs to you together with any administrative or other costs (disclosed in the *offer details*) that we incur as a result of the *early repayment event*.

**Warning**: Early repayment costs can be large. Before making an early repayment during a fixed interest rate period or requesting a change to a fixed interest rate or there is any other early repayment event, you should talk to us and obtain an estimate of the likely cost. The amount of any actual early repayment cost will be determined on the day that the *early repayment event* occurs.

* 1. Factors that can impact on the amount of any early repayment cost from an *early repayment event* may include:
     1. the size of your early repayment (if any);
     2. the remaining term of the current fixed interest period of your fixed rate loan;
     3. the amount of the unpaid loan balance of your fixed rate loan at the time of the early repayment event; and
     4. the difference between the original market interest rate when you obtained the fixed interest rate and the market rate at the time of the relevant *early repayment event*.
  2. The actual method used to calculate the amount of any early repayment cost is subject to agreement with the relevant third party (or bank) from time to time. Accordingly early repayment costs are not ascertainable.
  3. One possible way of calculating the early repayment costs arising from an *early repayment event* involves referencing the inter-bank swap rates otherwise known as ‘wholesale market swap rates’. This is done because the wholesale market swap rates equalises the difference in the cost of funds between fixed interest rate loans and variable rate loans and also between fixed interest rate loans from time to time and from term to term.
  4. If the above referred method were applied the early repayment costs (adjusted for any scheduled principal repayments) is multiplied by the difference between the wholesale market swap rate (at the time the loan was fixed) and the wholesale market swap rate (at the time of the *early repayment event*) by the remaining fixed rate term (had the *early repayment event* not occurred). Any additional charges for breaking a fixed rate loan is disclosed in the *offer details*.

* 1. You should always ask us for an indication of your likely early repayment costs before any *early repayment event* occurs. Any early repayment costs we quote is only an indication of the cost and the actual early repayment costs will be determined on the day the *early repayment event* occurs.
  2. If early repayment costs are payable, you must pay us (or you authorise us to debit your *account* for) the amount of the early repayment costs at the same time as the *early repayment event* or at the same time as the total amount owing under your *loan agreement* becomes payable because you are in default (whichever is earlier).

1. **If the borrower is a trustee**
   1. If you enter into this *loan agreement* as a trustee (other than a Superannuation Trustee) of any trust, you are liable under your *loan agreement* in your own right and as trustee of the trust. This means that we can recover against you personally as well as out of the trust assets.
   2. When you sign the *loan agreement* as trustee of any trust (other than a Superannuation Fund), you agree to:
      1. at our request, exercise or hold for us your right of indemnity from the trust fund and the beneficiaries in order to pay us any money owed under the *loan agreement*;
      2. observe and perform your obligations as trustee of the trust;
      3. cause any permitted successor of the trustee to abide by the terms of the *loan agreement* and any *security* (including any property mortgage);
      4. not limit your right of indemnity from the trust fund for obligations under the *loan agreement* and any *security* (including any property mortgage).
2. **Changes to your information**
   1. You must promptly notify us in writing if you change your residential, postal or any other contact information. You must also promptly tell us in writing if you think there is any other information that we should be aware of regarding your ability to comply with either your *loan agreement* or any *security*.
3. **Notices and communications**
   1. We may give you a notice or any other communication electronically including by email, by personal delivery, prepaid ordinary post sent to your address shown on your *loan agreement*, sent to your registered office (if you are a company), or sent to your last address known to us. We may also give a notice in any other way authorised by law.
   2. The notice (including for the sake of clarity any demand) we give you may be signed by any employee, solicitor, agent or officer on our behalf.
4. **Lender’s mortgage insurance**

**Note**: Lender’s mortgage insurance is for our protection and may be a condition of your loan.

* 1. If your *loan agreement* requires you to pay for lender’s mortgage insurance, this insurance protects us and not you. The amount paid by you for the lender’s mortgage insurance is not refundable if you repay your loan early.
  2. If you default under your mortgage, resulting in the sale of the *security* property and the sale proceeds are insufficient to fully repay your loan, we may incur loss. We may recover this loss under our lender’s mortgage insurance policy. However, you are still legally responsible for repaying the amount outstanding under the mortgage because you are not protected by the lender’s mortgage insurance policy.

1. **Introduction or referral of your loan by a third party**
   1. If your loan was introduced to us by an introducer or mortgage originator, then the introducer or mortgage originator may assist you with your enquiries and with other administrative matters relating to this *loan agreement* that we allow from time to time. If you have any queries relating to your *loan agreement* (for example, regarding repayments, statements etc) please contact your introducer or mortgage originator first. However, nothing prevents you from also contacting us about your *loan agreement*. In certain circumstances we may decide to change your introducer or mortgage originator (with respect to management of any ongoing enquiries and other administrative matters). We will inform you if your introducer or mortgage originatorchanges.
2. **If there is more than one borrower**

**Warning**: If there is more than one borrower, each borrower can be required to pay the whole amount under the loan agreement even if they may have some other arrangement between them or they do not benefit equally from the loan. Also refer to Part F, in regards to use of an electronic platform to access your account.

* 1. If there are two or more of you, each of you is individually liable, and all of you are jointly liable. A reference to "you" means each of you separately and together. This means we may sue any one of you for the entire amount outstanding. References to a person include companies and trusts and any other kind of body. Singular words include plural words and vice versa.
  2. You agree that each of you can bind each other. For example, any one of you can (where available and in accordance with the *loan agreement*) authorise a redraw, a split into one or more sub-loan accounts, withdraw or transfer funds from an *account* including via an electronic platform (refer to Part F for more information) including a mortgage loan offset facility or any other activity in respect of your account. Each of you and any Guarantor will be liable even though they did not know about or did not agree to the transaction.
  3. If a borrower dies, we may require the loan to be repaid in full. Alternatively, where there is more than one borrower, if one borrower dies or is released, we may in our absolute discretion allow the remaining borrower(s) to continue under the *loan agreement*. If we do not agree to permit the remaining borrower(s) to continue under the *loan agreement*, we may call up the loan even though further advances have been made after the death or release of a borrower.

1. **Personal information and the Privacy Act**
   1. This clause 45 supplements the Privacy Policy we (or our representatives) gave you in relation to your loan / loan application. In this clause 45, the following terms are defined to mean:
      1. ‘*personal information*’ means information or an opinion about an identified individual, or an individual who is reasonably identifiable: (i) whether the information or opinion is true or not; and (ii) whether the information or opinion is recorded in a material form or not.
      2. ‘*credit information*’ means credit eligibility information that credit providers are allowed to give or receive from each other, or to provide to or receive from credit reporting bodies pursuant to the Privacy Act 1988 (Cth) about an individual’s commercial or consumer credit, and may include: information that may identify you such as your name, address and date of birth; the name of the credit provider providing such credit; credit limit amounts; repayment information and whether or not your repayments are made on time; information about defaults under a credit contract; payments relating to such defaults; payments made under a variation to a defaulted loan or a new contract entered into as a result of your default; serious credit infringements arising from deception or attempted deception committed by the individual or on the individual’s behalf; credit worthiness, credit standing, credit history, credit capacity and information derived from certain credit information.
      3. ‘credit reporting body’ means any of the organisations (or their successor) referred to below and any other credit reporting body we may enter into contractual arrangements with from time to time:

Illion

Tel: 13 23 33 / +61 3 9828 3200

<https://www.illion.com.au/>

Experian

Tel: 1300 783 684 / +61 2 8907 7200

[www.experian.com.au](http://www.experian.com.au)

Equifax

Tel: 13 83 32

[www.equifax.com.au](http://www.equifax.com.au)

* 1. In order to provide or to consider providing credit to you, we are required (and you give your consent to us) to collect, use, disclose and share your personal information including credit information, in accordance with our Privacy Policy (previously supplied to you) and the Privacy Act 1988 (Cth). In connection with your loan application / loan we are also required to collect and verify information that may identify you under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), which is a law that applies to us. We will also need to review and update your identification records from time to time and you will need to provide us with any information and documents we request in order to comply with these laws.
  2. We may, after we have made a loan to you, also conduct periodic reviews of our credit arrangements. To do this, we will give your credit information to, and obtain a credit report from, a credit reporting body. You authorize us to obtain a consumer credit report, together with any other reports as to your credit worthiness for this purpose.
  3. You can request credit reporting bodies to not use information they hold about you for pre-screening of direct marketing by credit providers. You can also request these credit reporting bodies not to use or disclose information they hold about you where you believe on reasonable grounds that you have been or are likely to be a victim of identity theft or fraud.

1. **Interpretation**
   1. In this document:
      1. a reference to the singular includes the plural;
      2. reference to a document includes any variation or replacement of it;
      3. headings in this agreement are for ease of reference only and do not assist in the interpretation of the provisions; and
      4. use of examples is illustrative of the context only and does not limit the natural meaning of the terms of the *loan agreement*.

**Part F – Electronic platform**

**Note**: This part applies to your use of any electronic platform we make available (from time to time) for your account including any *mortgage loan offset facility*, if any.

Electronic access will allow you to transact using your electronic equipment and access code. Accessing your loan account electronically creates special risks, which you need to accept. For example, if someone else has your access code, they can transact on your account as if they were you and you may be liable for the transactions entered into.

1. **Electronic platform access**
   1. We may, from time to time, allow access to your account(including any applicable mortgage loan offset facility) electronicallyincluding (the ‘**electronic platforms**’):
      1. access via the internet;
      2. access via a mobile phone and tablet application; and
      3. access via any other electronic method we make available by notification to you from time to time.
   2. You may, subject to the *loan agreement*, use the electronic platform to obtain account information, to transfer money between accounts with us as well as to third party accounts and any other service we may specify from time to time.
   3. The electronic platform (including any services usually available from the electronic platform) may not always be available or accessible. The availability or accessibility may be affected by, among other things, the internet, power outages and other electronic or electro—magnetic disruption or interruption as well as system, software and infrastructure maintenance and upgrades that we or our service providers need to carry out from time to time. Where we can help it, we generally try to procure system, software and infrastructure maintenance and upgrades outside of business hours, but this will not always be possible. We are not responsible or liable to you for the availability, unavailability, loss of, interruption or disruption to the electronic platform for any of the reasons stated in these provisions.
   4. Access to the electronic platform may be suspended if we (or our service providers) detect or suspect unusual activity to your account (this may include repeated unsuccessful attempts to access the electronic platform). We reserve the right to withhold your access to the electronic platform where we continue to detect or suspect unusual activity to your accountor you refuse to follow our (or our service provider’s) directions or recommendations in relation to your electronic platform access.
   5. You may not use the electronic platform to engage in conduct that is unlawful; interferes with any other person's access to the electronic platform; is defamatory, harassing or threatening to any person; promotes or encourages physical or mental harm of any person; promotes violence against any person; or threatens or promotes terrorism. If you do not comply with our terms of use of the electronic platform we may without notice and immediately or at any time: (a) refuse to process or complete any transaction or dealing of yours and/or (b) suspend or discontinue your access to the electronic platform.
   6. Some third parties provide account aggregation or account scraping services, which allow you to view account information from different institutions on the one platform or webpage or to download your account information. These third parties usually require you to supply your access code. We do not endorse, promote, or authorise the use of these services with your account. If despite this you disclose any access code to any person (including the third parties described above) you will be liable for any transactions on your account made by that person or made possible because you supplied the access code.
   7. If there are two or more of you, you must specifically advise us in writing if:
      1. you do not want access to your account via the electronic platform; or
      2. you only want viewing of the account via the electronic platform and not transactional access other than transactions jointly authorised by all of you.

In either case, we will need to receive and to confirm your request before any changes can be made to the electronic platform.

* 1. Your access to the electronic platform may be subject to:
     1. transaction and other limits (daily or otherwise); and
     2. fees, subject to the *loan agreement* including those set out in the *offer details*.
  2. We can, at our discretion (and you consent to allow us to) make electronic copies (including recordings) of or monitor any transaction conducted via the electronic platform or telephone access for the purpose of training and coaching, accuracy and security purposes.

1. **Notification under this Part**

If any provision on this Part requires you to notify us (for example, the loss or theft of your access code or a mistaken payment) then you must notify us using the following contact details (or any other contact details we may notify you of from time to time) working hours (Monday to Friday, 9am to 5pm) excluding public holidays:

Tel: (02) 9157 1100 or 1800 399 768

Email: [enquiries@sourcefunding.com.au](mailto:enquiries@sourcefunding.com.au)

1. **Security**

**Warning**: You need to take special care to keep your access code secret and not disclose it to anyone including family, friends and other institutions. Ignore any email or other message (such as SMS) that might appear to come from us requesting you to supply or input your access code or other information - we will never email or send any other message requesting this information. These messages may be coming from third parties attempting to obtain information about you including electronic access to your account. Be careful about using any services which claims or offers to interface electronic access of your account with any other service, because when you do this you may in fact be giving that other party your access code and other information. You have an important role to play in protecting your account and other information.

* 1. You must do everything reasonably necessary to ensure that your access code is not misused, lost or stolen. If your access code is misused, lost or stolen then you must tell us as soon as possible. If you do not comply with this condition you may be liable for the resulting transaction entered.
  2. You must keep your access code secret and secure. Memorise your access code but never write it down. Destroy any correspondence notifying you of an access code. You must not:
     1. disclose voluntarily to anyone (including family or friends) your access code; or
     2. record any access code on a device such as a mobile phone or tablet that could be used to access the electronic platform or perform a transaction on the electronic platform, unless you make a reasonable attempt to protect the security of the access code on that device; or
     3. otherwise keep a written record of the access code used to access the electronic platform or perform a transaction on the electronic platform.
  3. If we allow you to set an access code we may specify, from time to time, the minimum requirements of the access code. You must not select numbers or words which represent your date of birth, your name, or any other combination of numbers or letters which can be readily identified with you.
  4. If you access the electronic platform from the internet, you must always log off from the internet access and close your browser after you have finished an internet access session. You should not access the electronic platform over the internet from a publicly accessible computer (for example, an internet café).
  5. You must (at your cost) take reasonable steps to secure any device or equipment you use to access the electronic platform, which includes the use and maintenance of up-to-date anti-virus and anti-phishing software. You should avoid accessing the electronic platform over the internet from a publicly available internet access point (such as, for example airport, bus and train terminals or shopping centres). However, if you have no other choice then you should (at your cost) use and maintain up-to-date virtual private network encryption software so as to encrypt the data your device sends and receives over the internet with our systems.

1. **Transactions and payments**
   1. When you use the electronic platform to access your account, we may give access to your account and process any transaction (permitted by the *loan agreement*) made by any person supplying the relevant information and access code. We can debit your account and you are liable for all transactions conducted by anyone you've given your access codes to (even if that transaction is not authorised by you). You shouldn’t give anyone else your user name and access code:
      1. you must carefully check the details (including BSB and account number) of any transaction you enter via the electronic platform as once you provide your instructions we may not be able to stop the transaction you have authorised. You are responsible for ensuring that the instructions are correct;
      2. we may postpone the processing of a transaction if we need more information from you or a third party;
      3. we can provide a transaction receipt for any transaction entered via the electronic platform;
      4. any request for an account balance or information in relation to any account regulated by the National Credit Code is not a request under section 36 of that Code.
2. **Liability for unauthorised transactions**
   1. If an error, inaccuracy or omission occurs and you advise us in writing, we will endeavour to correct the problem within three (3) business days of notification. If we cannot meet this time frame we will tell you when we expect to correct the problem.
   2. If a transaction not authorised by you is processed on your account, you must tell us as soon as you become aware. You will not be liable for an unauthorised transaction:
      1. if it is clear that you have not contributed to the loss; or
      2. if it is caused by the same transaction being incorrectly debited more than once to the same account; or
      3. which took place before you received the relevant access code (including a re-issued access code); or
      4. that is caused by the fraudulent or negligent conduct of our employees or agents, a third party supplier company involved in our networking arrangements or by merchants, or their employees or agents; or
      5. caused by an access code which is forged, faulty, expired or cancelled; or
      6. that occurs after you inform us that your access code has been lost or stolen or the security of the access code has been breached.
   3. If we can prove (on the balance of probabilities) that you have contributed to the loss by:
      1. acting fraudulently; or
      2. unreasonably delaying notification to us that the security of your device or your access code was compromised after you become aware (or should reasonably have become aware) of the loss, theft or breach; or
      3. breaching any other provisions of this Part F including the security provisions in clause 51,

then your liability will extend to the loss suffered before you report the loss, theft or misuse of a device or breach of access code security to us.

* 1. If we can prove (on the balance of probabilities) that you have contributed to a loss caused by an unauthorised transaction by unreasonably delaying notification that the security of your access codes has been compromised after you become aware of the loss, theft or breach, you will be liable to us for the actual losses incurred between:
     1. the time you first became aware (or should reasonably have become aware) of any of these events; and
     2. the time we are actually notified of the relevant event;

however, you will not be liable for any loss on any one day, or in any period which exceeds any applicable transaction limit for that day or period, and you will not be liable for loss in excess of the credit limit (if any) of your account.

* 1. You are not responsible for any loss caused by the failure of a system or equipment provided by anybody to a shared electronic network to complete a transaction accepted by the system or equipment in accordance with your instructions. If you incur a loss as a result of a shared electronic network being unavailable or malfunctioning and you should reasonably have been aware of the unavailability or malfunction, our liability is limited to:
     1. correcting any errors; and
     2. reducing any fees or charges imposed on you.
  2. You will not be liable for any portion of the losses incurred:
     1. on any one day that exceed any relevant daily transaction limit; or
     2. in a period that exceeds any other applicable periodic transaction limit applicable to the relevant period; or
     3. that exceeds the credit limit (if any) applying to your account during the period; or
     4. on any account that you and we agree could not be accessed via the electronic platform.
  3. Where more than one access code is required to perform a transaction and we prove (on the balance of probabilities):
     1. that the security of at least one access code has been breached, but not all of the required codes; and
     2. we can prove (on the balance of probability) that a breach of security of the access code(s) was more than 50% responsible for the losses when assessed together with all the contributing causes,

then you are liable for the losses which occur before we are actually notified of the loss, theft or misuse of your access code or a breach of the access code security requirements.

1. **Mistaken electronic platform payments**
   1. A mistaken payment occurs when you make a transfer of money via the electronic platform, and that money is sent to an unintended recipient because:
      1. you entered the destination account details incorrectly; or
      2. you were not given the correct destination account details.

You must report a mistaken payment to us as soon as you become aware of it.

* 1. If you report the suspected mistaken payment within 10 business days of the payment:
     1. we will contact the financial institution that received the payment:
        1. if there are sufficient funds available in the destination account and both we and the destination financial institution are satisfied that a mistaken payment has occurred, we will request the money back;
        2. the other financial institution should return the funds to us within 5 to 10 business days of receiving our request; and
        3. only upon receipt of the funds by us, we will return the funds to your account as soon as practicable.
  2. If you report the suspected mistaken payment between 10 business days and 7 months of making the payment;
     1. we will contact the financial institution that received the payment to find out if there is sufficient money in the destination account to refund the payment:
        1. if we are satisfied that a mistaken payment has occurred, we will ask the destination financial institution investigate;
        2. the destination financial institution should complete their investigation within 10 business days;
        3. if the destination financial institution is satisfied that a mistaken payment has occurred, they should prevent the holder of the destination account from withdrawing the amount of the mistaken internet payment for 10 business days;
        4. the destination financial institution should then notify the recipient that the funds representing the mistaken payment will be withdrawn from their account unless they can prove that they are entitled to the funds within 10 business days; and
        5. if the recipient cannot prove this, the money will be returned to us within two business days, and we will then return the money to your account as soon as practicable.
  3. If you report the suspected mistaken internet payment after 7 months of making the payment:
     1. we will contact the financial institution that received the payment to find out if there is sufficient money to refund the payment in the destination account:
        1. if we and the destination financial institution are satisfied that a mistaken internet payment has occurred, the destination financial institution must seek the consent of the recipient to have the funds returned;
        2. if the recipient consents, the destination financial institution must return the funds to us; and
        3. upon receipt of the money to us, we will return the funds to you as soon as practicable.
  4. If you report the suspected mistaken payment to us, and there is sufficient funds in the destination account to refund the payment, but the destination financial institution is not satisfied that a mistaken payment has occurred then:
     1. the destination financial institution may seek the consent of the recipient to return the funds;
     2. if the recipient consents, the destination financial institution must return the funds to us; and
     3. when we receive the funds, we will return the funds to your account as soon as practicable.
  5. If you report a suspected mistaken payment to us, and we and the destination financial institution are satisfied that a mistaken payment has occurred, but there is insufficient funds to return the payment to you then the destination financial institution should use reasonable endeavours to retrieve the funds.
  6. If you report a suspected mistaken payment to us, but we are not satisfied that a mistaken payment has occurred, we are not required to take any further action. We may ask the destination financial institution to investigate. You will be liable for any loss arising from such a payment.
  7. We will tell you the outcome of a reported mistaken payment in writing within 30 business days of the report being made.

**Form 5—Information statement**

**paragraph 16(1)(b) of the Code**

**regulation 70 of the Regulations**

**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 by your credit provider.
* 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:

Australian Financial Complaints Authority

Visit: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: 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 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**

Telephone: 1800 931 678

GPO Box 3

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[www.afca.org.au](http://www.afca.org.au)

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