



Bank of
Melbourne

Portfolio Loan.

Request to Vary Existing Structure.

This form is used for any of the following requests: Sub-account closure, change of primary sub-account, credit limit variation and/or change of interest rate option.

Borrower(s)

Mailing Address

Portfolio Loan Account No.

Primary Sub-account

Package Number

Important – the information in this variation is current as at (the variation disclosure date).

- This form is to be completed in conjunction with an authorised representative of Bank of Melbourne.
- Place a tick ✓ in the box for each requested option.
- The meaning of words printed *like this* is explained in the 'Meaning of words' clause of the Portfolio Loan Agreement General Terms and Conditions.
- All Portfolio Loan *borrowers* and guarantors must sign this form.

A. New sub-account.

I request the Bank to open the following new sub-account(s):

Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>
Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>
Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>	Sub-account number <input type="checkbox"/> <input type="text"/>

and redistribute the Portfolio credit limit as per section C. Credit limit variation.

Please add the new sub-accounts to existing Advantage Package number

The sub-account holders are to be:

Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>
Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>
Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>
Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>
Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>
Sub-account number <input type="text"/>	Name(s) of sub-account holder(s) <input type="text"/>

B. Sub-account closure.

I request the Bank to close the following sub-account(s). Please tick if you wish to retain the following sub-account(s) as a transaction account.

Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>
Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>
Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>	Sub-account number <input type="text"/> <input type="checkbox"/>

and

redistribute the Portfolio credit limit as per section C. Credit limit variation; or

reduce the Portfolio credit limit from \$ to \$

If the sub-account to be closed is the primary sub-account, Section D, Change of primary sub-account must be completed.

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C. Credit limit variation.

I request the Bank to reduce the *Portfolio credit limit* from \$ to \$ and redistribute the *sub-account credit limits* as follows:

I request the Bank to redistribute the *sub-account credit limits* as follows:

List all *sub-accounts*. Write 'N/C' in any box where there is to be no change

Sub-account number	Current sub-account credit limit	New sub-account credit limit
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

Sub-account number

is an *Asset Access sub-account*. Whenever a *sub-account* is an *Asset Access sub-account*, the *sub-account credit limit* is not available for drawing by the *sub-account holder(s)*. Please refer to the *Asset Access terms and conditions* for detailed information.

Should any variable *sub-account credit limit* be exceeded as a result of the redistribution of variable *sub-account credit limits*, as specified in the immediately preceding table, I authorise the Bank to transfer balances as follows:

Balance	from Sub-account number	to Sub-account number
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>
\$ <input type="text"/>	<input type="text"/>	<input type="text"/>

D. Change of primary sub-account.

I request that *sub-account number* becomes the *primary sub-account*.

A primary sub-account must be in the name of all Portfolio Loan borrowers and be at a variable rate

E. Change of interest rate or interest rate option.

I request the Bank to change the interest rate or interest rate option on the following *sub-accounts*:

to Portfolio Variable rate

Sub-account number		Current rate (% per annum)	New rate (% per annum)	Margin applied (% per annum)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Switching to variable rate.

If switching to available rate, the applicable *sub-account* above is under the variable rate option for the remainder of the term of the *sub-account*.

From the date the negotiated variable rate period commences on a *sub-account*, the *annual percentage rate* for that *sub-account* is at a margin below the Portfolio Loan variable rate at that time. That margin and the *annual percentage rate* on a *sub-account* at the variation disclosure date is specified above for that *sub-account*.

From the end of a negotiated variable rate period which is less than the term of the *sub-account*, the *annual percentage rate* is the Portfolio Loan variable rate which is % per annum at the variation disclosure date.

E. Change of interest rate or interest rate option (continued).

I request the Bank to change the interest rate or interest rate option on the following *sub-accounts*:

to Portfolio Fixed rate

<i>Sub-account number</i>	Current rate (% per annum)	New rate (% per annum)	Fixed rate margin (% per annum)	Fixed rate period (months)	<i>Locked rate applies to this sub-account (Yes/No)</i>	<i>Rate Lock period remaining from disclosure date (days)</i>

Switching to fixed rate.

If shown above that the *locked rate* option applies to the *sub-account(s)*, the annual *percentage rate* for the fixed rate period on that *sub-account* is the ‘fixed rate’ specified above. However, if:

- the fixed rate period commences after the end of the Rate Lock period shown above, or
- the Portfolio fixed rate specified above is greater than our advertised Portfolio fixed rate for the fixed rate period specified above, last published by us on or before the date the fixed rate period commences (‘the last published Portfolio fixed rate’), modified by any ‘fixed rate margin’ specified above for the *sub-account(s)*,

the last published Portfolio fixed rate modified by the ‘fixed rate margin’ specified above for the *sub-account(s)* will apply. The last published Portfolio fixed rate at the variation disclosure date is the ‘last published Portfolio fixed rate’ shown above. So, as at the variation disclosure date, the fixed interest rate (that is, if the *locked rate* does not apply) is the fixed rate specified above for the *sub-account(s)*.

If the *locked rate* option does not apply to the *sub-account(s)*, the fixed rate for the *sub-account(s)* is the last published Portfolio fixed rate modified by the ‘fixed rate margin’ specified above for the *sub-account(s)*. The last published fixed rate at the variation disclosure date is the ‘last published Portfolio fixed rate’ shown above.

So, at the variation disclosure date, the fixed interest rate (that is, if the *locked rate* does not apply) is the fixed rate specified above for the *sub-account(s)*.

From the end of the fixed rate period, the *sub-account(s)* is/are under the variable rate option, and the *annual percentage rate* is the Portfolio Loan variable rate, which is % per annum at the variation disclosure date.

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F. Fees and charges.

The following fees and charges **are payable** in connection with this request:

Fixed rate – Lock-in fee

Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Sub-account	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>

Fixed rate – Lock-in fee sub-total

Lender’s mortgage insurance fee

Property valuer fee

Break costs

Loan Account fee of \$200.00 per annum – the fee is first debited to the *primary sub-account* on the date the Bank processes the change then the fee is debited to the *primary sub-account* on each anniversary of when the fee is first debited.

Loan Account fee of \$14.00 per *sub-account* each month or part month in which the *sub-account* is held. The first fee is payable at the end of the month in which the Bank processes the change. This fee is then debited to each *sub-account* at the end of each following month or immediately before the *sub-account* is closed.

If the Portfolio loan is included in an Advantage Package the loan account fee will be \$0, whilst you continue to meet the Terms and Conditions of the Advantage Package.

TOTAL (to the extent ascertainable)

Break costs payable:

If a *sub-account* is under the fixed rate option and before the end of the fixed rate period, you:

- prepay the *sub-account total amount owing*; or
- make prepayments on that *sub-account* in excess of the *prepayment threshold*; or
- are in default so that the *sub-account total amount owing* becomes immediately due for payment; or
- when you change to another interest rate option (fixed or variable),

then you must pay us the break costs that we calculate.

Unascertainable. Calculated using the break costs method (see ‘Break costs’ section at the end of this form).

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G. Important information.

1. The Bank will consider this request only if it receives this form signed by me and each guarantor within 21 business days of the variation disclosure date.
2. The Bank debits all fees and charges relating to this request to the *sub-account* to which those fees and charges apply or, if they are *portfolio fees and charges*, to the *primary sub-account*.
3. If the Bank accepts this request, this request forms part of the Portfolio Loan Agreement. All other terms and conditions of my Portfolio Loan Agreement remain the same.
4. If the Bank accepts this request, I accept that any guarantee I provide to the Bank for the repayment of a *sub-account* extends to any new *sub-account*, of which I am not a *sub-account holder*, and to any increased limit on any *sub-account* of which I am not a *sub-account holder*.
5. I declare that:
 - (a) I have not dealt with any security connected with my Portfolio Loan without the Bank’s consent; and
 - (b) I am not relying on any statement or representation by the Bank, its employees or its agents relating to taxation matters.
6. A fixed rate period/negotiated variable rate period/a Repayment Pause period commences on a *sub-account* on the date the Bank tells me in writing.
7. Any annual percentage rate which is fixed will not be varied for the fixed rate period.
8. Whenever a *sub-account* has a fixed interest rate, I cannot redraw any repayments on the *sub-account*.
9. The entire *sub-account credit limit* (less any amount the Bank agrees may remain undrawn initially and be used for capitalisation purposes) must be fully drawn within 30 days from the settlement date. Any amount which is not drawn within that period cannot be drawn and is not available on that *sub-account* for that fixed rate period.

Acceptance by Portfolio Loan Borrowers.

I have received and understood 'Portfolio Loan Agreement – General Terms and Conditions' brochure.

Signature of borrower

X

Date

/ /

Signature of borrower

X

Date

/ /

Signature of borrower

X

Date

/ /

Signature of borrower

X

Date

/ /

Executed by

in accordance with section 127(1) of the *Corporations Act, 2001*:

Signature of authorised person

X

Signature of authorised person

X

Print name

Print name

Print position

Print position

and if only one person has signed, that person states that he/she signs in the capacity of sole director and sole secretary of the company.

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Acceptance by Portfolio Loan Guarantors.

I accept that my guarantee extends to any increase in the *borrowers'* obligations due to Bank of Melbourne accepting the *borrowers'* request.

I agree that any security I have given to Bank of Melbourne to support my guarantee of this Portfolio Loan (e.g. a mortgage, general security agreement or security over a deposit) secures my guarantee as extended or varied.

If you have given us more than one security and cannot recall what securities support your guarantee of this Portfolio Loan, please contact us.

Signature of Portfolio Loan Guarantor

Date

Name of Portfolio Loan Guarantor

Signature of Portfolio Loan Guarantor

Date

Name of Portfolio Loan Guarantor

Signature of Portfolio Loan Guarantor

Date

Name of Portfolio Loan Guarantor

Signature of Portfolio Loan Guarantor

Date

Name of Portfolio Loan Guarantor

For Company Portfolio Loan Guarantors.

I accept that my guarantee extends to any increase in the *borrowers'* obligations due to Bank of Melbourne accepting the *borrowers'* request.

I agree that any security I have given to Bank of Melbourne to support my guarantee of this Portfolio Loan (e.g. a mortgage, general security agreement or security over a deposit) secures my guarantee as extended or varied.

If you have given us more than one security and cannot recall what securities support your guarantee of this Portfolio Loan, please contact us.

Executed by

in accordance with section 127(1) of the *Corporations Act 2001*:

Signature of authorised person

Signature of authorised person

Print name

Print name

Print position

Print position

and if only one person has signed, that person states that he/she signs in the capacity of sole director and sole secretary of the company.

BANK USE ONLY.

- Complete the Form and have Customers sign
- Note Branch Name Branch Number
- Prepared By Employee Name Employee Number
- Fax form to 02 9055 1963 (Branch Must Keep The Original – To Refax in Need)
- **DO NOT SEND ORIGINAL or COPY TO LOANS ADMINISTRATION**

Break costs.

What is a Break cost?

A break cost is a fee that represents our loss if you repay your loan early or switch your product, interest rate or payment type during a fixed rate period.



WHY DO WE CHARGE BREAK COSTS?

When we agree to lend you money at a fixed interest rate, we obtain money from the money market at wholesale interest rates based on you making your payments as agreed until the end of the fixed rate period. If you don't, and wholesale interest rates change, we can make a loss.

When a break cost applies.

If a fixed rate applies to a sub-account and you prepay part of or your entire sub-account before the end of your fixed rate period, you must pay us the prepayment break cost we calculate, unless the amount you prepay doesn't exceed the prepayment threshold.

If a fixed rate applies to a sub-account and you switch to another product, interest rate or payment type before the end of your fixed rate period, you must pay us the switching break cost we calculate.

When you will incur prepayment break costs.

If a fixed rate applies to a sub-account, you may have to pay prepayment break costs, if before the fixed rate period expires:

1. you repay the total amount owing under the sub-account; or
2. you make one or more prepayments on that sub-account in excess of the prepayment threshold. The prepayment threshold is \$30,000 for the fixed rate period. A break cost may apply to any amount prepaid above that \$30,000 prepayment threshold in that period. For example, if your sub-account has a 2-year fixed rate period and you:
 - prepaid \$9,000 in month 3 of year 1; and
 - prepaid \$25,000 in month 8 of year 2,you would exceed the prepayment threshold by \$4,000 with the second prepayment and prepayment break costs could apply on the \$4,000.

We do not treat payments of overdue amounts as prepayments. For example, if the overdue amount of a fixed rate sub-account is \$2,000 and you pay \$7,000, only \$5,000 is counted towards the prepayment threshold.

A prepayment is an amount paid before it is due and payable under this Agreement; or
3. you are in default so that the total amount owing under that sub-account becomes immediately due for payment.

When you will incur switch break costs.

If a fixed rate applies to a sub account, you may have to pay switch break costs, if before the fixed rate period expires, you switch to a different interest rate option for that sub-account (i.e. to another fixed rate option or a variable rate).

How break costs are calculated.

Our break costs formula is complex. This is a simplified description. We will incur a loss and you will have to pay break costs if, on the day a prepayment or switch is made, the wholesale interest rate applicable for your remaining fixed rate term is less than the wholesale interest rate applicable when you began your fixed rate period. We refer to this as the 'difference in wholesale interest rates'.

To calculate the amount of the break costs, we multiply the difference in wholesale interest rates with the remaining term in your fixed rate period and the average loan account balance that would have applied during that time if you had not made any prepayments. The amount is then converted to its value in today's dollars.

Please contact us if you would like to see the formula used to work out the break costs.



BE CAREFUL WITH BREAK COSTS.

Break costs may be high – sometimes tens of thousands of dollars. Ask us for an estimate of the break costs and seek independent financial advice before you repay early or change your loan.

Business Purpose Declaration.

I/We declare that the credit to be provided to me/us by the credit provider in connection with this

Portfolio Loan account number

Portfolio sub-account number*

is to be applied wholly or predominantly for;

- business purposes; or
- investment purposes other than investment in residential property

Important.

You should **only** sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property

By signing this declaration you may **lose** your protection under the National Credit Code.

- Notes:
1. The declaration must be signed by all the account holders.
 2. This declaration must be signed before entering into the credit contract.
 3. It must be signed separately to any other loan application or documentation.

Signature of borrower

Date

*Name of borrower

Signature of borrower

Date

*Name of borrower

**Only the sub-account holders of this sub-account should sign this declaration.*

**New Privacy Laws protect your privacy. For more information, read our 'Protecting Your Privacy' brochure.
Phone 13 22 66 or ask at a branch to receive a copy.**