

# Residential Loan Agreement

General Terms and Conditions

Effective: 31 October 2018



## **Important Note**

This document does not contain all the terms of your loan agreement or all of the information we are required by law to give you before the agreement is made. Further terms and information are in the Residential Loan Agreement *Offer*.

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## About this loan agreement.

This loan agreement consists of two documents: the Residential Loan Agreement *Offer* and the Residential Loan Agreement General Terms and Conditions. They should be read together.

# Residential Loan Agreement General Terms and Conditions

The meaning of words printed *like this* and some other key words is explained in the section entitled "Meaning of words" at the end of these terms and conditions.

At the back of this booklet (in addition to the terms and conditions of this loan agreement) there is also a description of your major rights and obligations under the National Credit Code.

## 1 How we lend the *loan amount*

- 1.1 We lend the *loan amount* by one loan advance unless you have a building loan or we agree otherwise.
- 1.2 Except to the extent that the *Offer* indicates that the *loan amount* is to be paid to others or retained by us, we pay the *loan amount* to you or as directed by you or your agent.
- 1.3 If you have a building loan, we lend the *loan amount* in a series of loan advances as the building works progress and as indicated in the building loan schedule to the *Offer*.
- 1.4 You must use the *loan amount* only for the purpose for which the loan is approved.

## 2 Our requirements before we make a loan advance

We suggest you go through these requirements with your solicitor or conveyancer to find out if there is anything you personally need to do. You should also ask your solicitor or conveyancer to contact the person preparing the mortgage documentation (as indicated in the *Offer*) for further details of these and any other settlement requirements.

- 2.1 We only have to lend you the *loan amount* (or any part of it) if:
- (a) the title to each *security property* is satisfactory to us; and
  - (b) all searches, certificates, valuations, reports and consents we request relating to a *security property* have been provided and are satisfactory to us; and
  - (c) we have received evidence to our satisfaction that council, water and other rates, taxes or charges for each *security property* are paid up to date; and

You must ensure that rates, taxes, charges and other amounts in connection with each *security property* are paid promptly when due during the *Loan Term*. If they are not, we may take action under the security.

- (d) unless you have a building loan (see below), we have received or been shown a copy of an insurance policy or a certificate of currency satisfactory to us:
  - noting our interest as mortgagee;
  - which shows that each *security property* specified in the *Offer* under “Security” is insured (as required under each *security*) on a replacement and reinstatement basis;

- for at least the amount of cover specified in the *Offer* under “Security”; and

You must ensure that the insurance required under the security is maintained during the *Loan Term*. If it is not, we may take action under the security.

- (e) you are not in default under this loan agreement (for example, you are in default if you give us incorrect financial information when applying for the loan); and
- (f) nothing has happened since you applied for the loan which has led or could lead to a worsening in your financial circumstances which is material to our decision as to whether to provide or continue to provide the loan facility; and
- (g) we have received the *securities* detailed in the *Offer* under “Security” satisfactory to us, and no-one is in default under any of them and they have not been withdrawn; and
- (h) when a guarantee and indemnity *security* is being given:
  - our securities department or solicitors have confirmed that each guarantor has received a copy of the *Offer*, this booklet and the guarantee and indemnity have been sent to each guarantor; and
  - we have received:
    - a certificate of independent legal advice satisfactory to us for each guarantor from a solicitor who does not work for the firm of solicitors acting for you or the firm acting for us in relation to your loan; or
    - a statutory declaration satisfactory to us by each guarantor that the guarantor has received independent legal advice prior to signing the guarantee or indemnity; and

- (i) when you have a building loan, the additional requirements in clause 3 have been satisfied; and
  - (j) when your loan is to purchase a house and land package, a valuer nominated by us has certified that the home has been completed satisfactorily; and
  - (k) where you are not a resident of Australia, you have satisfied the Foreign Investment Review Board requirements in connection with your loan purpose; and
  - (l) each special settlement requirement (if any) detailed in the *Offer* has been satisfied; and
  - (m) we have received anything else we require and any other settlement requirement we specify has been complied with.
- 2.2 Even if the requirements in clause 2.1 are met, our obligation to lend you the *loan amount* ends if you do not borrow the first loan advance within the time limit specified in the *Offer*.
- 2.3 If you enter into this loan agreement as trustee of any trust or settlement, you warrant that this loan agreement is for the benefit of the trust, you have authority to enter into this loan agreement and you have the right to be fully indemnified out of trust assets for obligations incurred under this loan agreement.

### **3 Our additional requirements if you have a building loan**

**Remember** - We will not make a loan advance until all the settlement requirements are met to our satisfaction.

- 3.1 **Requirements before you begin building work**
- You must not begin building work until all our requirements for the first loan advance are satisfied (see clause 3.2 below) and we (or our solicitors) give you a letter stating that you may begin building work.



## 3.2 Requirements before first loan advance

We need not make the first loan advance unless the following requirements (in addition to those in clause 2) are all satisfied:

### (a) Your contribution

You have contributed any money you have agreed to contribute.

### (b) Building insurance

If the building loan is for a kit or transportable home, you must take out insurance cover for all risks during the period of manufacture, transportation to site and construction of the kit or transportable home.

You (if you are an owner/builder) or your builder must have builders' all risk insurance for the building work for its full insurable value on a replacement and reinstatement basis.

In each case:

- the insurance must cover the period until practical completion; and
- if you are an owner/builder, our interest as mortgagee must be noted on the policy; and
- if we request it, you must provide us with a copy of the insurance policy or a certificate of currency.

### (c) Builder's licence

You must obtain a certificate from the relevant authority showing that the builder is a licensed builder and if we request it, provide us with a copy, or, if you are an owner/builder, that you provide us with your current owner/builder's licence.

**(d) Builder's guarantee**

If we request, you must provide evidence from the relevant authority that a building guarantee is in force for the proposed building works.

**(e) Plans and specifications**

You must provide a set of council approved plans and specifications to the valuer or quantity surveyor nominated by us.

**(f) Survey**

If we request, you must provide a survey showing that the building works are sited correctly on the land and will conform with the relevant local government regulations.

**(g) Soil pest treatment**

If we request, you must ensure that you (if you are an owner/builder) or your builder provides a certificate from a licensed pest exterminator showing that the building site has been treated for pests in accordance with the appropriate Australian standard.

**3.3 Additional requirements for all loan advances if you are an owner/builder or you are having a kit or transportable home built**

We may require that the valuer or quantity surveyor nominated by us inspects the site and certifies that the building works have been satisfactorily completed to the agreed extent and in accordance with the approved plans and specifications provided to us. (You must provide to us any additional information or documentation reasonably required by the valuer or quantity surveyor). If we require this, we need not make any loan advance (including the first and the final loan advances) unless the valuer or quantity surveyor so certifies.

### 3.4 General conditions for building loans

#### (a) Insurance

You must ensure the insurance required under clauses 3.2(b) and 3.5(a) is maintained.

#### (b) Plans

You must not have any changes made to the council approved plans and specifications without our written consent, which we will not withhold unreasonably.

#### (c) Schedule of loan advances

We make the loan advances for building works to your builder, or to you if you are an owner/builder. The number of loan advances, the approximate amount of each loan advance and the building work which must be completed before each loan advance is set out in the schedule to the *Offer*.

#### (d) Additional inspections

We may require at any stage that the valuer or quantity surveyor nominated by us, inspects the site and certifies that the building works have been satisfactorily completed to the agreed extent and in accordance with the approved plans and specifications provided to us (you must provide any additional information or documentation reasonably required by the valuer or quantity surveyor). We need not make any loan advance (including the first and the final loan advances) unless the valuer or quantity surveyor so certifies.

#### (e) Completion date

Unless the building works are completed and the scheduled final loan advance is made within 6 months after the date of the first loan advance, we may refuse to make any further loan advances.

### 3.5 Requirements before final loan advance

We need not make the final loan advance unless the following additional requirements are all satisfied:

#### (a) Insurance

We must receive a copy of an insurance policy or a certificate of currency satisfactory to us noting our interest as mortgagee if required, which shows that the *security property* is insured on a replacement and reinstatement basis and for at least the amount of cover specified in the *Offer* under "Security".

#### (b) Inspections

The valuer or quantity surveyor nominated by us must inspect the site and certify that the building works have been satisfactorily completed in accordance with the council approved plans and specifications provided to us.

#### (c) Certificate of occupancy

If we request, you must provide a certificate of compliance or occupancy or similar certificate in relation to the completed building works.

## 4 Loan options

### 4.1 Options

The terms and conditions which apply to you depend on the options you select. The options available from time to time include:

#### Loan types

- established home loan
- building loan
- house and land package loan
- vacant land loan

## **Loan category**

- owner/occupier loan
- residential investment loan

## **Repayment types**

- *principal and interest repayments*
- *interest only repayments*
- *progressive drawdown period repayments*
- capitalised interest

## **Interest rate options**

- variable rate
- fixed rate
- discounted rate
- capped rate

### **4.2 Which apply?**

The terms and conditions for all of these options are described in this booklet but only the options you select as indicated in the *Offer* (or any other options which apply to you because we agree to vary this loan agreement) apply to you.

### **4.3 Loan types**

Your chosen loan type at the date of this loan agreement is shown in the *Offer*.

Here is a description of each loan type:

#### **(a) Established home loan**

This loan type applies to you if you borrow to purchase an established home or to refinance existing loans/debts.

#### **(b) Building loan**

This loan type applies to you if you borrow to cover:

- the cost of buying land and building a home on it;

- the cost of building a home on land you already own; or
- the cost of carrying out renovations to an existing building.

(c) **House and land package**

This loan type applies to you if we make a single advance to you to enable you to purchase a new home under a house and land package.

(d) **Vacant land**

This loan type applies to you if you borrow to cover the cost of buying land only.

#### 4.4 **Switching loan type**

You cannot switch to or from a building loan under this loan agreement. To do this, you must reapply for another loan and we will consider that application. We are not obliged to approve that application just because we approved the application for this loan.

#### 4.5 **Loan category**

Your chosen loan category at the date of this loan agreement (either owner/occupier or residential investment) is shown in the *Offer*.

Your loan category is either:

(a) **Owner/occupier loan**

If you have an owner/occupier loan:

- (i) the *annual percentage rate* applying to your loan is our owner/occupier rate for your chosen interest rate option; and
- (ii) unless the *security property* is vacant land, you must live in it as soon as practicable after the loan advance (if you have an established home loan or house and land package) or as soon as practicable after the final loan advance (if you have a building loan); and

- (iii) if you breach your obligation under paragraph (ii), we may treat your loan as a residential investment loan (which may result in you being charged a higher *annual percentage rate*);

or

#### (b) Residential investment

### 4.6 Switching loan category

You may switch between the loan categories at any time with a variable rate loan (including after the first loan advance) by notifying us in writing and paying the appropriate switching fee.

If you are under the fixed rate option, you may switch loan category at the end of the fixed rate period.

## 5 What you must pay

You must:

- repay all amounts you borrow from us, and you must also pay us:
- interest charges;
- any default interest charges;
- our fees and charges and government charges; and
- enforcement expenses under clause 27.

You authorise us to debit these amounts to your loan account. We may do so on or after the date we pay them or the date they become due or payable by you or us (whichever is earlier).

You must pay all amounts due under this loan agreement in full without setting off amounts you believe we owe you and without counterclaiming amounts from us.

## 6 Interest charges and default interest charges

### 6.1 Interest charges

Interest charges for each day are calculated by applying the daily percentage rate to the *balance owing on your loan account* at the end of that day. The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.

Interest charges accrue daily (this is similar to saying that we are entitled to the interest charges every day) from and including the date of the first loan advance.

If you are in default, the interest charges are higher (see clause 6.2). In such a case we exclude from the *balance owing on your loan account* for the purposes of this clause 6.1 any amount on which interest charges are payable at the *default rate* under clause 6.2 and charge interest instead on that amount under clause 6.2.

### 6.2 Default interest charges

**Under this loan agreement a *default rate* of interest may be charged on overdue amounts.**

We may charge interest at the *default rate* set out in the *Offer* on any overdue amount until it is paid. Default interest charges are calculated by applying the daily *default rate* to the overdue amount for the end of each day. The daily *default rate* for a day is the *default rate* applying to your loan for that day divided by 365. Default interest charges accrue daily.

### 6.3 When interest charges are debited to your loan account

Interest charges and any default interest charges are debited to your loan account each month beginning:

- one month after the date of the first loan advance; or



- on the 28th of the following month if the date of the first loan advance is the 29th, 30th or 31st of the month; or
- another date selected by you and agreed by us.
- For periods shorter than a month (for example when you pay out your loan), interest charges and any default interest charges up to but excluding the day of payment are debited to your loan account on the last day of the period.

## Interest rate options

### 7 Interest rate option

Information on our current *standard variable rate* and other current home loan interest rates is available from your nearest branch.

- 7.1 Your chosen interest rate option is shown in the *Offer*.
- 7.2 We call the interest rate (except the *default rate*) applying to your loan, the “*annual percentage rate*”. The *annual percentage rate* at the *disclosure date* for your chosen interest rate option is also shown in the *Offer*.

### 8 Variable rate option

If you are under the variable rate option:

- (a) we can change the *annual percentage rate* at any time;
- (b) the *annual percentage rate* shown in the *Offer* is only a guide. The actual *annual percentage rate* applying at the *settlement date* may have changed;
- (c) we will tell you of a change in the *annual percentage rate* no later than the day it takes effect by writing to you or by press advertisement; and

- (d) a change in the *annual percentage rate* is reflected in a change to your repayment amount under clause 13.

## 9 Fixed rate option

If you are under the fixed rate option:

- (a) we will not change your *annual percentage rate* for the agreed period that it is fixed (called the “fixed rate period”);
- (b) if you ask us, we may agree with you to hold a fixed interest rate available for up to 90 days from the date of your request (If we agree, this interest rate is referred to in the *Offer* as the “locked rate” and the *Offer* will show the number of days remaining before the *locked rate* is no longer available.);
- (c) if there is a *locked rate* and the *settlement date* occurs before the number of days shown in the *Offer* has expired, the interest rate for the fixed rate period is the lesser of:
  - (i) the *locked rate*; and
  - (ii) our fixed rate of the type specified in the *Offer* last published by us on or before the *settlement date* (modified by any margin, that we notify to you, applying during the fixed rate period);
- (d) if there is no *locked rate* or the *settlement date* does not occur until after the number of days shown in the *Offer* has expired, then the interest rate stated in the *Offer* is the interest rate as at the *disclosure date* and is only a guide. The actual rate may have changed by the *settlement date* and will be our fixed rate, described in the *Offer*, last published by us on or before the *settlement date* (modified by any margin that we notify to you applying during the fixed rate period);
- (e) your fixed rate period begins on the *settlement date*;

- (f) at the end of your fixed rate period, your loan automatically converts to the variable rate of the type specified in the *Offer*;
- (g) your repayment amount changes at the end of the fixed rate period to take account of the changed *annual percentage rate* (see clause 13). Your repayment date is not affected;
- (h) we confirm to you in writing:
  - (i) the date the *annual percentage rate* changes; and
  - (ii) the initial *variable rate* and changed repayment amount;
- (i) you may make extra repayments of up to \$10,000 for each 12 month period (as that period is described in clause 25.5) of the fixed rate period without incurring *break costs*. In each relevant 12 month period, any prepayments or part thereof, which are in excess of the *prepayment threshold*, may be subject to *break costs*, as determined by St. George (see clause 25).

## 10 Discounted rate option

If you are under the discounted rate option:

- (a) your *annual percentage rate* for an agreed period (called the “**discounted rate period**”) is an agreed percentage below the variable rate of the type specified in the *Offer*. The agreed percentage discount does not change during the discounted rate period. So, whenever the relevant variable rate changes, your *annual percentage rate* changes by the same amount;
- (b) the agreed percentage discount and your *annual percentage rate* at the *disclosure date* are shown in the *Offer* and the discounted rate period is shown under “Interest rate option” in the *Offer*;

- (c) at the end of the discounted rate period, your loan automatically converts to the variable rate option at no charge. Your *annual percentage rate* changes on the same day to the variable rate of the type specified in the *Offer*;
- (d) your repayment amount changes to take account of the changed *annual percentage rate* (see clause 13). Your repayment date is not affected.

## 11 Capped rate option

If you are under the capped rate option:

- (a) the *annual percentage rate* for any day during an agreed period (called the “**capped rate period**”) is the lower of:
  - the variable rate on that day that applies for loans with the same loan category and repayment type as yours;
  - the *annual percentage rate* cap shown in the *Offer*;
- (b) the capped rate period and your *annual percentage rate* as at the *disclosure date* are specified in the *Offer*;
- (c) at the end of the capped rate period, your loan automatically converts to the variable rate option at no charge. Your *annual percentage rate* changes on the same day to the variable rate of the type specified in the *Offer*;
- (d) your repayment amount changes to take account of the changed *annual percentage rate* (see clause 13). Your repayment date is not affected.

## 12 Interest Offset facility

### Eligibility and general provisions

- 12.1 An Interest Offset facility allows eligible transaction accounts nominated by you ("**linked accounts**") to be linked to your loan account. On your request, we will tell you whether an Interest Offset facility is available with your loan and the type of Interest Offset facility which is applicable.
- 12.2 The linked account(s) must be in the name(s) of one or more of the borrowers on the loan account. If any named holder of a transaction account is not a borrower on the loan account, the loan account cannot be linked to that transaction account through an Interest Offset facility.
- 12.3 The three types of Interest Offset facility we offer are "Partial Offset", "Mortgage Equaliser Offset" and "Repayment Offset". The type of Interest Offset facility available depends on the nature and terms of your loan and our eligibility criteria.
- 12.4 Each Interest Offset facility allows you to have one or more linked accounts for each loan account. However, each eligible account may only be linked under an Interest Offset facility to one loan account.
- 12.5 If you have an Interest Offset facility, you do not earn interest on any credit balance in the linked account (even if the credit balance is more than the *balance owing on your loan account*).
- 12.6 You may cancel an Interest Offset facility you have at any time by contacting us. If, at any time, you cease to be eligible for an Interest Offset facility you have, we will switch you to another Interest Offset facility for which you are eligible or cancel your Interest Offset facility if you are no longer eligible. We will advise you of this accordingly.

12.7 Notwithstanding clauses 12.8 to 12.19, if a *default rate* applies to an overdue amount, then, for the purposes of clauses 12.8 to 12.19, we exclude from the *balance owing on your loan account* any amount on which interest charges are payable at the *default rate* and charge interest on that overdue amount under clause 6.2.

## Partial Offset

12.8 If a Partial Offset facility applies to your loan, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* at the end of each day into the following 2 parts:

- (a) a part equal to the sum of the credit balances in each linked account at the end of that day. Interest charges on this part of the loan are calculated by applying the daily percentage rate less the daily partial offset rate;
- (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate.

12.9 The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365. The daily partial offset rate is the partial offset rate (which we determine to be applicable from time to time) for that day divided by 365. The current partial offset rate can be obtained on request from any of our branches or by telephoning us on 13 33 30.

12.10 If the partial offset rate would exceed the *annual percentage rate* payable on the loan, the partial offset rate applied will be the *annual percentage rate* and accordingly, there will be no interest charge on the part of the loan referred to in clause 12.8(a).

## Mortgage Equaliser Offset

12.11 If a Mortgage Equaliser Offset facility applies to your loan, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* at the end of each day into the following 2 parts:

- (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
- (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate.

12.12 The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.

## Repayment Offset

12.13 If a Repayment Offset facility applies to your loan, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* at the end of each day into the following 2 parts:

- (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
- (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate.

12.14 The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.

12.15A Repayment Offset facility will only be available if the repayments are made by an automatic transfer from your nominated St. George transaction account or by a direct debit from a nominated account. We may cancel the Repayment Offset facility if this requirement is not met.

### ***Interest offset benefit***

12.16 The *interest offset benefit* accumulates daily and is available for each day on which you have a credit balance in any linked account.

12.17 We calculate the amount of *interest offset benefit* in the following manner:

- for a Partial Offset facility – by applying the daily partial offset rate to the sum of the credit balances in each linked account at the end of each day;
- for a Mortgage Equaliser Offset or a Repayment Offset facility – by applying the daily percentage rate to the sum of the credit balances in each linked account at the end of each day.

12.18 The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365. The daily partial offset rate is the partial offset rate (which we determine to be applicable from time to time) for that day divided by 365.

12.19 If the sum of the credit balances in each linked account is greater than the *balance owing on your loan account* on any day, no *interest offset benefit* will be obtained for that day for the excess. Further, for any period that the *balance owing on your loan account* is reduced to nil, there is no *interest offset benefit*.



## Repayments

### 13 Amount and frequency of repayments

- 13.1 During your *Loan Term*, you must make regular monthly repayments unless we agree otherwise.
- 13.2 The *Offer* explains when your first repayment is due. From then on repayments are due on the same day as the first repayment in each following month. If a repayment is due on a *non-banking day*, we suggest that you pay on the preceding *banking day*.
- 13.3 Any monthly repayment amount set out in the *Offer* is calculated using the *annual percentage rates* at the *disclosure date* and other assumptions.
- 13.4 Your actual repayments will vary up or down to take account of any changes to the *annual percentage rate*. Your repayments may also change if the amount or frequency of any fee or charge changes or a new one is introduced. You will also have to pay extra if you are charged default interest on overdue amounts.
- 13.5 We will tell you in writing about any increase in your repayment amount before it takes effect.

### 14 Repayment types

There are four repayment types under this loan agreement:

- *principal and interest repayments*;
- *interest only repayments*;
- *progressive drawdown period repayments*; and
- *capitalised interest*.

Your repayment type or types is or are as indicated in the *Offer* unless we have agreed in writing to allow you to switch your repayment type.

If you have a capitalised interest repayment type, it is explained in the *Offer*.

## 15 **Principal and interest repayments**

15.1 We calculate *principal and interest repayments* so that, during the period they are payable, the:

- *balance owing on your loan account* at the start of the period; and
- all:
  - interest charges; and
  - any fees; and
  - any government fees and charges, which accrue or become payable during the period, are repaid during the period.

Under this method, the part of each repayment which repays the *balance owing on your loan account* at the start of the period gradually increases throughout the period but repayments are equal as long as:

- the interest rate; and
- any other fee or amount we notify you as being included in the repayment amount, remain constant.

However, the last repayment may be different as it equals the *total amount owing* on the last day of the *Loan Term*.

*Principal and interest repayments* are rounded up to the nearest dollar.

15.2 After the first monthly *principal and interest repayment*, we may allow you to pay half your monthly repayment every fortnight or one quarter of your monthly repayment every week. This means that over a year you would make one extra monthly repayment and your *Loan Term* would shorten.

If you want to change the frequency of your loan repayments, you must apply to us in writing.

## **16 Interest only repayments**

16.1 We calculate each *interest only repayment* so that all:

- interest charges; and
- any fees; and
- any government fees and charges, which accrue or become payable during the period, are repaid during that period.

The *interest only repayment* amount will vary according to the number of days in that relevant month.

16.2 If a Repayment Offset facility applies to your loan, then the interest charges payable on your loan are calculated in accordance with clause 12.13. Furthermore, we calculate your monthly repayment amount as follows:

- we take the *interest only repayment* for that month; and
- we subtract the *interest offset benefit* for that month.

## **17 Progressive drawdown period repayments**

If your loan is progressively drawdown, you must pay the *progressive drawdown period repayments* until the final drawdown date.

We calculate each *progressive drawdown period repayment* so that all:

- interest charges; and
- any fees; and
- any government fees and charges, which accrue or become payable during the period, are repaid during that period.

The *progressive drawdown period repayment* amount will vary according to the number of days in that relevant month.

## Transactions

### 18 Debits and credits to your loan account

We may assign any date we consider appropriate to a debit or credit to your loan account (except that, in the case of a debit, the date must not be earlier than the date on which the relevant transaction occurs). However, we credit payments to your loan account as soon as practicable after we receive them. This is not necessarily the same day that you pay.

We may subsequently adjust debits and credits to your loan account, and the *balance owing on your loan account*, so as to accurately reflect the legal obligations of you and us (for example, because of an error or because a cheque or a direct entry payment is dishonoured). If we do this, we may make consequential changes (including to the interest charges).

We may apply any payment we receive from you in any order we choose.

If you register to do so, you may use *internet and phone banking* to debit (redraw) or credit (funds transfers) your loan account. Other services are available for other accounts with *internet and phone banking* access.

We apply a \$1M limit on funds transfers by *internet and phone banking* to your loan account.

#### **Please note: when your loan has a credit balance**

If you have not made any debits (redraws) or credits (repayments) for seven years, we may be required by law to close your account, and transfer any prescribed money in your account to the government. We will usually notify you before we close your account, but there may be circumstances where we are not able to (such as where our record of your address is out of date). You can contact us to find out how to recover unclaimed money (although it may

take three months or more to recover money that has been transferred to the government).

## 19 Payment methods

Regular repayments should be made by automatic transfer from your nominated St.George transaction account.

## Repaying early and redrawing

### 20 Additional repayments

You may repay your loan in full at any time. Also, you may repay as much as you choose at any time, except during any period indicated in the *Offer*.

If your loan has a fixed rate, we may charge *break costs* if you repay any amount over the *prepayment threshold* in any of the applicable 12 month periods or repay in full (see clause 25).

You may make early repayments in a lump sum or by paying weekly or fortnightly instead of monthly.

Please note, principal and interest repayments are calculated on the assumption that you will not make any additional repayments. When you make additional repayments, you will build available funds which may be available for redraw subject to the limitations above. If you do not redraw, your loan will be repaid sooner and your available funds may reduce.

**Note:** See clause 25 and the fees and charges in the *Offer*.

## 21 Redrawing amounts

Redraw is not available for:

- Superfund Home Loans
- Seniors Access Home Loans
- Seniors Access Plus Home Loans
- Money For Living Home Loans.

For other loans, and subject to the terms in this clause 21, you may be eligible to redraw amounts which you have prepaid under the agreement (for example, if you have made lump sum payments or repayments more frequently than required or regular repayments of a greater amount than required).

For loans with a variable rate option, amounts which you have prepaid under your agreement up to month before a monthly repayment date cannot be redrawn until after that monthly repayment date has passed. For example, a customer has a loan with a variable rate option and their monthly repayment is the 28th of each month. If the customer makes a prepayment on 2 May they will be unable to redraw that amount until 29 May.

However, you may not redraw an amount if it would result in the *balance owing on your loan account* exceeding the amount which would be owing if you had paid all scheduled repayments on time.

During a fixed rate period you can only redraw your additional repayments up to the value of the *prepayment threshold*, which is the amount we allow you to prepay during the fixed rate period without incurring break costs. Amounts prepaid in excess of the *prepayment threshold* are not permitted to be redrawn. This is the case even though your statement may show these amounts as advance repayments. Any amounts which you have prepaid up to a month before a monthly repayment date that can be redrawn during the fixed rate period, are only available after that monthly repayment date

has passed. Any amounts paid prior to the loan being fixed cannot be redrawn.

You must request redraws:

- (a) by completing a redraw request form (available at any branch). You must submit the completed form to us. If we consent to your request, the redraw amount is available by way of credit to another St. George bank account; or
- (b) by *internet and phone banking*, if you are both registered for *internet and phone banking* and registered to redraw on your loan account by *internet and phone banking*. If we consent to your request, the redraw amount is available by way of credit to another St. George account to which you have *internet and phone banking* access.

Subject to the amount you have prepaid under this agreement, the daily maximum limit on *internet and phone banking* redraws is \$30,000. This is not applicable to redraw on fixed rate loans.

Your liability for unauthorised *internet and phone banking* redraws is determined in the St. George Internet Banking and Phone Banking Terms and Conditions and Important Information.

You must tell us as soon as possible if you suspect any unauthorised use of your *internet and phone banking* redraw facility. You may notify us by telephoning us on **1300 555 203**, 24 hours a day, seven days.

It is a condition of completing a redraw request form that you have not dealt with any *security* without our consent.

You should seek your own tax advice on the taxation effects (if any) of making redraws.

Fees and charges in connection with redrawing amounts are set out in the *Offer*.

You can find out how much you have prepaid by:

- using internet and phone banking, if you are registered; or
- calling us; or
- asking at any branch.

## Fees and charges

### 22 General

- 22.1 Fees and charges payable or which may become payable under this loan agreement, and when they are payable, are set out in the *Offer* under “Fees and charges”.
- 22.2 Unless you have already paid them, you authorise us to debit these fees and charges to your loan account. We may do so on or after the date we pay them or the date they become due or payable by you or us (whichever is earlier). We need not notify you first.
- 22.3 You must also pay us an amount equal to any government charges and duties on receipts or withdrawals under this loan agreement, calculated in accordance with the relevant legislation. These are payable whether or not you are primarily liable for such charges and duties. We debit these amounts to your loan account.
- 22.4 You must pay for anything that you must do under this loan agreement.

### 23 Early Termination Fee and Early Repayment Fee

These fees are applicable to selected loans approved before 03 June 2011. Where applicable, the fee will be disclosed in the *Offer*. We have agreed to lend you money for the *Loan Term*. We calculate the *annual percentage rate* (or, if there is more than one rate referred to in the *Offer*, the *annual*



percentage rates) and the fees and charges on your loan so that, over the *Loan Term*, we will recover our costs of making and administering the loan. For example, we incur a significant part of the administrative costs associated with your loan when the loan is established and we recover these costs from the interest and other amounts, which you then pay during the *Loan Term*.

If you repay your loan early, we may suffer a loss on the loan because we may not recover our costs of establishing and continuing to provide the loan.

If we do suffer such a loss, the law entitles us to charge an early termination fee to recover the amount of that loss from you.

## **24 Lender's mortgage insurance**

If you default under this loan agreement or any mortgage *security* resulting in a need to sell the *security property* and the sale proceeds are insufficient to fully repay your loan, we may incur a loss.

We may recover this loss under the lender's mortgage insurance policy. However, you are still legally responsible for paying to the insurer any amount outstanding under this loan agreement or under any mortgage *security*.

**Any lender's mortgage insurance protects us as lender and not you as the borrower.**

## **25 Break costs**

25.1 When St.George lends you money at a fixed rate for a set term, the risk associated with movements in interest rates is accepted by St.George. We then manage this risk based on the understanding that all the required repayments due over the whole of the fixed rate period will be made in full and on time. We obtain funding on this basis through

transactions at wholesale interest rates. If you make a prepayment (that is, you repay ahead of the due date or you pay an extra or higher amount) or change to another interest rate or product or another repayment type, that will change our funding position. If wholesale market interest rates have dropped, this causes a loss to the bank. The estimated amount of this loss is passed on to you as *break costs* (subject to the *prepayment threshold* described below).

25.2 If you are under the fixed rate option and before the end of the fixed rate period, you:

- (a) prepay the *total amount owing*; or
- (b) make prepayments in excess of the *prepayment threshold*; or
- (c) are in default so that the *total amount owing* becomes immediately due for payment,

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

25.3 If you are under the fixed rate option and before the end of the fixed rate period, you:

- (a) change to another interest rate option (fixed or variable); or
- (b) change the repayment type,

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

25.4 Each of the events referred to in clauses 25.2 and 25.3 is a "break".

25.5 This clause applies if you prepay less than the *total amount owing*.

The *prepayment threshold* is the maximum amount we allow you to prepay in each 12 month period without charging you *prepayment break costs*. Your *prepayment threshold* is \$10,000 in each 12 month period. You will reach your *prepayment threshold* for a 12 month period once the total

prepayments during that 12 month period, after taking into account any amounts you have already redrawn during that 12 month period, reach \$10,000 or more on a day during that 12 month period. After that, each prepayment during that 12 month period will trigger a *prepayment break costs* calculation unless the prepayment is less than or equal to the aggregate amount redrawn since the last *prepayment break costs* calculation. A prepayment is any regular or lump sum payment of any amount in excess of your contractual obligation.

For this purpose a “12 month period” is the period from the date the fixed rate period starts to the first anniversary of that date and each consecutive 12 month period after that during the fixed rate period. For example, say you had a 3 year fixed rate period and in year 1 you:

- prepaid \$9,000 in month 3;
- redrew \$8,000 in month 6;
- prepaid \$5,000 in month 8.

You will not exceed your *prepayment threshold* during year 1 because, while you have prepaid a total of \$14,000, at no time have the prepayments, taking into account any redraws made, reached the threshold of \$10,000.

If in year 2, you:

- prepaid \$8,000 in month 3;
- redrew \$5,000 in month 6;
- prepaid \$9,000 in month 8;

you would exceed your *prepayment threshold* by \$2,000 in month 8, thus a *prepayment break costs* calculation would be done then.

If in year 3, you:

- prepaid \$15,000 in month 3;
- redrew \$8,000 in month 6,

you would exceed your *prepayment threshold* by \$5,000 in month 3 and a *prepayment break costs* calculation would be done then,

notwithstanding that your later redrawing of \$8,000 brought the net prepayments during year 3 down to \$7,000.

If in year 3 you had instead:

- prepaid \$15,000 in month 3;
- redrawn \$6,000 in month 6;
- prepaid \$9,000 in month 8,

you would exceed your *prepayment threshold* by \$5,000 in month 3 and a *prepayment break costs* calculation would be done then. When you made the further prepayment of \$9,000 in month 8 another *prepayment break costs* calculation would be done because the prepayment was more than the amount redrawn in month 6.

We do not treat payments of overdue amounts as prepayments. For example if the overdue amount is \$2,000 and you pay \$7,000, then only \$5,000 is counted towards your *prepayment threshold*.

25.6 Both *prepayment break costs* and *switch break costs* are *break costs* and calculated using the *break costs method* described in clause 25.7.

25.7 In general terms you will need to pay us *break costs* if our current Wholesale Market Interest Rates for the part of the fixed rate period remaining after the break are lower than the Wholesale Market Interest Rates for the original fixed rate period (that is, the Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility).

The “Wholesale Market Interest Rates” are the rates at which we determine we can get fixed rate funds from the wholesale markets on the relevant day.

To work out *break costs*, we take into account:

- (i) the relevant Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility (the “original Wholesale Market Interest Rates”);
- (ii) the Wholesale Market Interest Rates for the part of the fixed rate period remaining on the date of the break (the “current Wholesale Market Interest Rates”);
- (iii) the difference between your *annual percentage rate* for the fixed rate period and the original Wholesale Market Interest Rates;
- (iv) the outstanding balance on the loan and, in the case of partial prepayments, the *prepayment threshold* we allow you to prepay before we impose *break costs*;
- (v) the number of days remaining until the end of the fixed rate period;
- (vi) the timing, frequency and dollar amount of payments required under the Loan Contract; and
- (vii) any amount of any unpaid interest, fees and charges and any default interest which was debited.

Our *break costs* formula is complex.  
A simplified version of it is:

$$\begin{aligned} & \text{Interest Rate Differential} \\ & \quad \times \text{(Multiplied by)} \\ & \text{Average Outstanding Balance} \\ & \quad \times \text{(Multiplied by)} \\ & \text{Number of Years Remaining in Fixed Term} \\ & \quad \times \text{(Multiplied by)} \\ & \text{Net Present Value Discount Factor} \end{aligned}$$

Our formula estimates our loss but may not necessarily reflect any actual transaction that we may enter into (either before or at the time of the break).

Some examples of the amount of *break costs* are set out under Fixed Rate Breaks Costs Examples below.

## Fixed Rate Break Costs Examples

The following examples will help you understand how the *break costs* formula generally works.

Say you take out a home loan of \$100,000 (with interest only payments for 5 years) with a loan term of 25 years in April 2009. Your customer fixed interest rate is 7.00%p.a. for five years (no *locked rate* was requested).

You don't make any prepayments or redraws. The Wholesale Market Interest Rates on the *settlement date* for your fixed rate period were effectively 6.00%p.a.

You then prepay the loan in full after one year on a repayment date in April 2010, (i.e. four years still remain in your fixed rate period).

If the four year Wholesale Market Interest Rates in April 2010 are effectively 5.00%p.a. you will need to pay us *break costs* of approximately \$3,600.

Examples after the 1st, 2nd, 3rd and 4th years as follows:

Loan amount	Years remaining (in fixed rate period)	Effective Wholesale Market Interest Rates p.a. on date of settlement	Effective Wholesale Market Interest Rates p.a. at the time of break	Estimated <i>break costs</i> (using simplified formula)
\$100,000	4	6.00%	5.00%	\$3,600
\$100,000	3	6.00%	5.00%	\$2,775
\$100,000	2	6.00%	5.00%	\$1,900
\$100,000	1	6.00%	5.00%	\$975
\$100,000	0			

This table and formulas provided are to be used as a guide only.

This *break costs* example is based on:

Loan term	25 years(interest only for the first 5 years)
Fixed rate period	5 years
Loan amount	\$100,000
Customer rate	7.00% p.a. (no locked rate was requested)

An explanation of the terms used in our *break costs* formula is outlined below. Examples of these terms (based on the information contained in the table) have also been provided.

**Average outstanding balance:** The average of the loan balance between the time of break and what the balance would have been at the expiry of the fixed rate period (assuming no prepayment).

In this example, since the repayment type is interest only, the average outstanding balance is \$100,000.

**Interest Rate Differential:** The difference between the original Wholesale Market Interest Rates for the applicable fixed rate period and the current Wholesale Market Interest Rates for the remainder of the fixed rate period.

For example, say you prepay the loan after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The Interest Rate Differential would be 1.00% (6.00% less 5.00%).

**Number of Years Remaining in the Fixed Term:** If you prepay the loan after one year on a repayment date in April 2010, there are still 4 years remaining in your fixed rate period.

**Net Present Value Discount Factor:** The factor which discounts the cost incurred to the Bank spread over the remaining fixed rate period, to today's value. The formula for calculating the Net Present Value Discount Factor is as follows:

$$\frac{100.00\% - (\text{Current Wholesale Market Interest Rates} \times \text{Number of Years Remaining in Fixed Term})}{2}$$

For example, say you prepay the loan after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The Net Present Value Discount Factor would be 90.00%.

**WARNING:** The examples in the table above, and the simplified version of our *break costs* formula, are a general guide only. If you do have to pay *break costs*, the actual amount may be different from the amount you calculate yourself using the simplified version of our formula.

25.8 *Break costs* can be quite high. We suggest you ask us for an estimate of the *break costs* and seek independent financial advice before you repay early during a fixed rate period.

Our *break costs* formula is complex. If you would like to see a more detailed description of the formula used to work out the *break costs*, you can obtain from any St. George Bank branch a booklet called *Things you should know about Break Costs*.

Please also note that we will not pay you a benefit if the current Wholesale Market Interest Rates are higher than the original Wholesale Market Interest Rates. This is because we allow you to make prepayments up to the *prepayment threshold* without charging *break costs*.

## 26 Changes to fees and charges

26.1 The fees and charges current at the *disclosure date* are shown in the *Offer*.

26.2 We may change the amount, or frequency of payment, of any fee or charge, or introduce a new one. We will tell you of the introduction or change to a fee or charge before it takes effect. We will do this by writing to you or by press advertisement. However, we need not notify you in advance in relation to certain government fees and charges, if they are published by the government itself except where we detail a government charge as an indicative amount, and you have agreed to pay the actual amount at the time the fee is due to be paid.



Information on current fees and charges is available on request – you may pick up from any branch a copy of a booklet “Loan Accounts – Charges for specific services and accounts” which is regularly updated and contains details of our fees and charges for loans.

## 27 Enforcement expenses

Enforcement expenses may become payable under this loan agreement and under any security in the event of a breach.

You must pay us, when we ask, any reasonable expenses we reasonably incur in enforcing this loan agreement or a security after you are in default (including in the case of a mortgage security, expenses incurred in preserving and maintaining the property such as by paying insurance, rates and taxes for the property). We may debit these expenses to your loan account so that they are included in the *balance owing on your loan account*. We do not have to tell you first.

## Default

### 28 When are you in default?

You are in default if:

- you do not pay on time all amounts due under this loan agreement or any security; or
- you do something you agree not to do, or don't do something you agree to do under this loan agreement; or
- you give, or another person acting on your behalf gives, us materially incorrect or misleading information in connection with this loan agreement or a security; or
- we reasonably believe that you or another person has acted fraudulently in connection with this loan agreement or a security; or

- you are, or a person other than you who provides a *security* is, in default under a *security* or withdraws from it; or
- you become, or a person other than you who provides a *security* becomes, bankrupt or insolvent or steps are taken to make you or them so.

## 29 What can happen then?

- 29.1 If you are in default, we may give you a notice stating that you are in default.
- 29.2 If you do not, or cannot, correct the default within any grace period given in the notice (or if you are in default again for a similar reason at the end of that period), then, at the end of that period and without further notice to you, the *total amount owing* becomes immediately due for payment (to the extent it is not already due for payment).

We may then take action to recover that amount, or enforce any *security*, or do both.

- 29.3 If the National Credit Code does not apply to this loan agreement, we need not give any notice or wait until the end of any grace period given in a notice. If you are in default and:
- we believe on reasonable grounds that we were induced to enter into the credit contract or a *security* by fraud on the part of any borrower or a person who provides a *security*;
  - we have made reasonable attempts to locate you without success;
  - a Court authorises us to begin enforcement proceedings; or
  - we believe on reasonable grounds that a borrower or a person who provides a *security* has removed or disposed of mortgaged goods or intends to do so, without our permission or that urgent action is necessary to protect the mortgaged

property, the *total amount owing* becomes immediately due for payment without notice. We may then immediately take action to recover that amount, or enforce any *security*, or do both.

- 29.4 Unless the amount owing is genuinely in dispute, if you are in default, we may use any money you have in another account with us towards repaying the *total amount owing* (this is known as “combining accounts”).

We may combine accounts without giving you any notice but we will tell you afterwards.

## **General matters**

### **30 *Internet and phone banking***

- 30.1 The *internet and phone banking* conditions apply each time you use *internet and phone banking*

- 30.2 You must register before you use *internet and phone banking* for the first time.

You may ask us to register you by visiting any of our branches or by phoning 1300 555 203, 24 hours a day, seven days. When you ask us, we will register you for *internet and phone banking*. You may be automatically registered for *internet and phone banking*. If so, we will give you notice.

### **31 *Loan Term***

- 31.1 Your *Loan Term* is stated in the *Offer*. Unless otherwise indicated in the *Offer* it begins on the *settlement date* or, in the case of a loan on which *progressive drawdown period repayments* are being made, on the repayment date immediately following the final progressive drawdown.

- 31.2 We may agree to lengthen or shorten your *Loan Term* by varying the amount of each repayment.

## **32 Substituting a security**

You may ask us to accept a new mortgage over other land as a substitute for any mortgage which is *security* for your loan.

We may agree to this if you satisfy any reasonable requirements that we have, such as repaying part of the *loan amount*. We will require the new mortgage to be provided at the same time that the existing mortgage is discharged. We charge a fee for substituting a mortgage or other *security*.

## **33 Statements of account**

We will send you a statement of your loan account at least every six months.

If you want additional statements contact one of our branches or phone our **Lending Service Centre** on 13 33 30. A fee may apply.

## **34 Valuers and quantity surveyors**

34.1 Any valuer or quantity surveyor we may use to value or cost a *security property* is an independent contractor and is not our agent or employee. We are not responsible for any representation, action or inaction by the valuer or quantity surveyor.

34.2 Any valuation or costing report we obtain is for our use only. Even if we give you a copy of the report, you cannot rely on it. You cannot take action against us, the valuer or quantity surveyor if the report is wrong. You must obtain your own report if you wish to rely on it.

## **35 How we may exercise our rights**

We may exercise a right or remedy or give or refuse our consent in any way we reasonably consider appropriate including by imposing conditions.

If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.

Our rights and remedies under this loan agreement are in addition to other rights and remedies provided by law independently of it.

## **36 Dealing with your rights**

Your rights are personal to you and may not be assigned without our written consent.

## **37 Variations and waivers**

### **Unilateral Changes**

We may introduce new fees and charges and vary any provision of this agreement relating to:

- annual percentage rate including by;
  - changing the value of the base rate or reference rate;
  - changing the value of a margin;
  - substituting a new base rate or reference rate;
  - substituting a new margin; and/or
  - adding a new margin;
- default rate;
- loan amount;
- loan Term;
- amount, frequency and number of repayments, and time for repayments or the method of calculation of repayments;
- existing fees and charges and their times for payment; and
- Account number.

We may also vary any other term or condition of this loan agreement.

We will notify you of, or advertise, any changes to this agreement before they are made, as follows:

- Any change in the *annual percentage rate* – we will notify you, or advertise, on or before the day the change happens.

- Any change in the amount of fees and charges – we will notify you, or advertise, at least 20 days before the change will take effect except where we detail a government charge as an indicative amount, and you have agreed to pay the actual amount at the time the fee is due to be paid.
- The introduction of any new fee or charges – we will notify you at least 30 days before the change takes effect (if your loan is regulated by the National Credit Code we may advertise the change instead of writing to you).
- In relation to the variation or introduction of a government charge payable directly or indirectly by you – we will notify you of, or advertise, the change at least 20 days before the changes take effect. However, if your loan is not regulated by the National Credit Code and the change is published by a government, government agency or representative body, we may not notify you of, or advertise, the change.
- Any other change – we will notify you at least 20 days before the change takes effect. However if your loan is not regulated by the National Credit Code and the change is to the method of how interest is calculated or frequency interest is debited then we will notify you at least 30 days before the change takes effect.

However, where the change reduces your obligations or extends the time for payment, we will generally only give you details of the change when we send you the next statement of account after the change takes effect.

Unless the *Offer* says otherwise, any advertisements of changes will appear in *The Australian*. If we advertise a variation, we will give the details when we send you the next statement of account.

A right created under this loan agreement may not be waived except in writing signed by the party or parties to be bound.

## **Verbal Agreements**

We may accept a verbal agreement or confirmation from any one of you relating to this loan agreement that is binding on you. This includes any agreement or confirmation from any one of you over the telephone.

We may confirm to you in writing any verbal agreement or confirmation made by any one of you. However, our omission to do this does not affect the binding nature of your verbal agreement or confirmation.

## **38 Problems, errors and complaints**

If you believe an error has been made, please notify your nearest St. George branch. We will correct any error that is found to be ours as soon as possible.

If you have a problem or complaint about your loan account, you should speak to our Customer Service personnel. The relevant details are set out on the back of this booklet.

To assist us in resolving your problem or complaint, you should:

- report it promptly;
- state clearly the nature of the problem or your particular grievance; and
- have available all documents and background information.

## **39 National Credit Code**

This clause applies to the extent that the National Credit Code applies to this loan agreement.

If:

- (a) that Code would otherwise make a provision of this loan agreement illegal, void or unenforceable; or
- (b) a provision of this loan agreement would otherwise contravene a requirement of that

Code or impose an obligation or liability which is prohibited by that Code,  
this loan agreement is to be read as if that provision were varied to the extent necessary to comply with that Code or, if necessary, omitted.

## 40 GST

You must increase the amount ("**original amount**") or any payment due by you at any time under this loan agreement by an additional amount sufficient to cover any GST payable by us on your payment, if not already included in the calculation of that original amount.

The total amount received by us, after discounting for the amount of any GST payable by us on that total, must equal the original amount.

We will tell you of any additional GST amount, if it has not been set out in this loan agreement.

You must pay, as requested by us, any additional amount necessary to compensate us for any direct or indirect increase resulting from any GST in the cost to us of:

- carrying on the business connected with making, funding, maintaining or administering this agreement; or
- any possession, repair or sale of, or other dealing or action relating to, any property connected with this loan agreement or any *security*.

## 41 Assignment

We may assign or otherwise deal with our rights under this loan agreement in any way we consider appropriate. You agree that we may disclose any information or documents we consider desirable to help us exercise this right. You also agree that we may disclose information or documents at any time to a person to whom we assign our rights under this loan agreement.



## **42 Applicable law**

This loan agreement is governed by the law in force in the State or Territory of our contact details given in the *Offer*. You and we submit to the non-exclusive jurisdiction of the courts of that place.

## **43 Appropriate use of our services**

You must not use the services we provide for any illegal purpose.

Where we consider it necessary for us to meet our regulatory and compliance obligations:

- you must provide us with any information we reasonably request;
- we will disclose information we hold to regulatory and law enforcement agencies, other financial institutions, third parties and members of the Westpac Group; and
- we may delay, block or refuse to provide any of our services.

## **44 Our Reporting Obligations**

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer\* of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone 1300 663 738 at the time of accepting these Terms and Conditions. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which these Terms and Conditions relate.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, accepting these Terms and Conditions constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after account opening, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

\*Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative.

## 45 Meaning of words

**annual percentage rate** means the per annum rate of interest applying to the loan facility.

**balance owing on your loan account** means, at any time, the difference between all amounts credited and all amounts debited to your loan account under this loan agreement at that time. When this amount is to be calculated for the end of a day, it includes all debits and credits assigned to that day.

**banking day** means a day other than a Saturday or Sunday, or public, special or bank holiday in the State or Territory of the law governing this loan agreement.

**break costs** means *prepayment break costs* or *switch break costs*.

**break costs method** means the method for calculating *break costs* described in clause 25.7.

**default rate** means a per annum rate of interest payable under clause 6.2.

the **disclosure date** is stated in the *Offer*.

**GST** means a tax imposed on the supply of any goods, services, real or personal property or other things or similar tax.

**including** or **such as** or **for example** when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

**interest only repayment** has the meaning specified in clause 16.

**interest offset benefit** has the meaning specified in clause 12.

**internet and phone banking** means any service we offer from time to time through a communication network (including telephone and the Internet) to enable you to receive information from us and to transmit instructions to us electronically, in relation to a loan account or other matters we specify.

the **loan amount** is set out in the *Offer*.

the **Loan Term** is described in clause 31 and is stated in the *Offer* under "Repayments".

**locked rate** has the meaning described in clause 9(b).

**Offer** means the loan offer which is part of this loan agreement.

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

**prepayment break costs** are described in the *Offer* and in clause 25.

**prepayment threshold** has the meaning specified in clause 25.5.

**principal and interest repayment** has the meaning specified in clause 15.

**progressive drawdown period repayment** has the meaning specified in clause 17.

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

The property the subject of the mortgage contained in any authority to set off deposits referred to in the *Offer* under “Security” comprises your rights to deposits described in the authority.

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

**security property** means property over which a *security interest* is held.

**settlement date** means the first date we lend you any part of the *loan amount*.

**small business** means a business employing:

- (a) less than 100 full-time (or equivalent employees) if the business is or includes the manufacture of goods; or
- (b) in any other case, less than 20 full-time (or equivalent) employees,

unless you enter into this loan agreement to obtain a facility for use in connection with a business that does not meet the elements in (a) or (b) of this definition.

**switch break costs** are described in the *Offer* and in clause 25.

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

**we or us or St.George or St.George Bank or the Bank** means St.George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian Credit Licence 233714 and its successors and assigns.

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

The singular includes the plural and vice versa.

A reference to:

- a document includes any variation or replacement of it;
- law means common law, principles of equity and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them);
- any thing (including the *loan amount*) includes the whole and each part of it.

From 20 March 2013, we will comply with the ePayments Code where it applies. Prior to 20 March 2013 we will comply with the Electronic Funds Transfer Code of Conduct where it applies.

The relevant provisions of the Code of Banking Practice apply to this loan agreement if you are an individual or a *small business*.

## More information about banking

There is a booklet called "St. George Transaction, Savings and Investment Accounts – Terms and Conditions and General Information" which is available on request from any St. George branch. This booklet contains all types of information which you may find helpful about banking services and the Code of Banking Practice, such as account opening procedures, confidentiality and complaint handling procedures, combining accounts, bank cheques, cheque and cheque clearing, the importance of reading the terms and conditions applying to the banking services you obtain from us and the advisability of you notifying us if you are in financial difficulty.

The following information only applies to you if you are an individual or a strata corporation and, at the time you sign the *Offer*, you intend to use the *loan amount* wholly or predominantly for:

- personal, domestic or household purposes; or
- to purchase, renovate or improve residential property for investment purposes; or
- to refinance credit that has been provided wholly or predominantly to purchase, renovate or improve residential property for investment purposes.

# Information Statement

## Things you should know about your proposed credit contract

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

If you have any concerns about your contract, contact your credit provider and, if you still have concerns, your credit provider's external dispute resolution 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 pre-contractual statement containing certain information about your contract. The pre-contractual 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 to keep.

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

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

### **3 Can I terminate the contract?**

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

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by your credit provider has not been used to acquire goods or services for which credit is to be provided under the contract.
- However, you will still have to pay any fees or charges incurred before you terminated the contract.

### **4 Can I pay my credit contract out early?**

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

### **5 How can I find out the pay out figure?**

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up.

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

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

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



## **7 Can my contract be changed by my credit provider?**

Yes, but only if your contract says so.

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

That depends on the type of change.

For example:

- You get at least same day notice for a change to an *annual percentage rate*. That notice may be a written notice to you or a notice published in a newspaper.
- You get 20 days' advance written notice for:
  - a change in the way in which interest is calculated;
  - 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 your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your credit provider's external dispute resolution providers can be contacted at:

- if your complaint is lodged **before 1 November 2018**, the Financial Ombudsman Service Australia:  
 Online: [www.fos.org.au](http://www.fos.org.au)  
 Email: [info@fos.org.au](mailto:info@fos.org.au)  
 Phone: 1800 367 287  
 Mail: Financial Ombudsman  
 Service Limited  
 GPO Box 3 Melbourne VIC 3001
- if your complaint is lodged **on or after 1 November 2018**, the Australian Financial Complaints Authority:  
 Online: [www.afca.org.au](http://www.afca.org.au)  
 Email: [info@afca.org.au](mailto:info@afca.org.au)  
 Phone: 1800 931 678  
 Mail: Australian Financial  
 Complaints Authority  
 GPO Box 3 Melbourne VIC 3001

Alternatively, you can go to court. You may wish to get legal advice 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 [www.asic.gov.au](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 cannot 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 cannot 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 cannot do with the property.

### **18 What can I do if I find that I cannot afford my repayments and there is a mortgage over property?**

See 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 contact their external dispute resolution 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 cannot 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 cannot 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 external dispute resolution scheme that your credit provider belongs to. 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 cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution 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 YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE.

EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDERS CONTACT DETAILS ARE:



- IF YOUR COMPLAINT IS LODGED BEFORE 1 NOVEMBER 2018, THE FINANCIAL OMBUDSMAN SERVICE AUSTRALIA:  
ONLINE: [WWW.FOS.ORG.AU](http://WWW.FOS.ORG.AU)  
EMAIL: [INFO@FOS.ORG.AU](mailto:INFO@FOS.ORG.AU)  
PHONE: 1800 367 287  
MAIL: FINANCIAL OMBUDSMAN SERVICE LIMITED  
GPO BOX 3 MELBOURNE VIC 3001
- IF YOUR COMPLAINT IS LODGED ON OR AFTER 1 NOVEMBER 2018, THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY:  
ONLINE: [WWW.AFCA.ORG.AU](http://WWW.AFCA.ORG.AU)  
EMAIL: [INFO@AFCA.ORG.AU](mailto:INFO@AFCA.ORG.AU)  
PHONE: 1800 931 678  
MAIL: AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY  
GPO BOX 3 MELBOURNE VIC 3001

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



# Disputes

If your complaint is not immediately resolved to your satisfaction, you should:

## Speak to us by:

-  contacting the branch where the problem arose; or
-  phoning Customer Relations between 9am and 5pm, 7 days a week on **1800 804 728** (outside the metro area) or **(02) 9553 5173** (metro), or

## Write to us and:

-  send it to the Senior Manager, Customer Relations, Locked Bag 1, Kogarah NSW 1485; or
-  fax it to Customer Relations on **(02) 9952 1080**.

If you are not satisfied with our response, you may be able to lodge a complaint:

- with the Financial Ombudsman Service Australia **if lodged before 1 November 2018:**  
Online: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Phone: 1800 367 287  
Mail: Financial Ombudsman Service Limited  
GPO Box 3 Melbourne VIC 3001; or
- with the Australian Financial Complaints Authority **if lodged on or after 1 November 2018:**  
Online: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678  
Mail: Australian Financial Complaints Authority  
GPO Box 3 Melbourne VIC 3001

