

Mortgage Loans

Terms & Conditions

Version 6

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1. Things You Must Do

1.1 Keep Us Informed

You must notify us immediately if at any time:

- there is a material change in your personal circumstances (including if you separate, divorce or remarry) or in your financial condition or affairs from those which you have told us about;
- anything happens which makes any of the statements made by you in your Loan Agreement or in any application for this Loan be untrue or misleading;
- anything happens which reduces the value of the Security Property or which has, or might have, a material adverse effect on the Security Property; or
- after you enter into your Loan Agreement, the Security Property is no longer your principal place of residence.

You must notify us by giving us a notice in writing (such as by sending us a letter).

1.2 Securities

You must:

- make all repairs necessary to keep the Security Property in good repair;
- punctually pay all rates, taxes, charges, outgoings, assessments and other expenses in connection with the Security Property;
- not alter the Security Property or change its use without our prior written consent; and
- otherwise comply with your obligations in respect of the Security Property.

1.3 Security Property Inspections and Valuations

You authorise us to enter the Security Property to conduct an inspection and/or valuation of the Security Property:

- at any time we suspect that the Security Property is being, or has been, wilfully neglected; or
- at any time upon giving you prior notice.

We may ask you to pay for any inspection or valuation and will give you reasonable notice of any inspection

or valuation unless we reasonably believe that urgent action is necessary to protect the Security Property. You authorise us to debit the cost of that valuation to your Loan Account.

1.4 Selling Security Property

1.4.1 You must notify us as soon as practicable after you decide to sell, and in any event, before you sell any Security Property.

1.4.2 If the price for which you propose to sell the Security Property is less than the aggregate of the balance of your Loan Accounts and all other amounts payable by you under your Loan Agreement:

- you must, before you sell the Security Property, obtain our written consent to the sale. We will not unreasonably withhold our consent. However we may attach conditions to our consent; and
- you consent to us entering the Security Property to obtain a current valuation and authorise Security to debit the cost of that valuation to your Loan Account.

1.4.3 If we have given our written consent to the sale of the Security Property in accordance with, and for the purpose of clause 1.4.1, 1.4.2 and 1.4.3, if there is more than one of you, none of you can sell or authorise transfer of your interest in any Security Property without first obtaining our written consent. We may withhold our consent in our absolute discretion and may attach conditions to our consent.

2. Interest

2.1 Payment of Interest

You must pay interest as set out in the Loan Agreement and this clause 2, as varied from time to time in accordance with your Loan Agreement.

2.2 Calculation of Interest

Interest accrues daily on the unpaid balance in your Loan Account at the applicable Daily Percentage Rate.

We calculate the Daily Percentage Rate by dividing the applicable Interest Rate by 365 which is then rounded to four (4) decimal places.

2.3 Converting to a Fixed Interest Rate

Unless your Loan Account is a Line of Credit or a Construction Loan Account during the Construction Period you may apply to convert your Interest Rate to a fixed rate.

If you convert to a different fixed rate during a fixed rate period you will need to pay break costs (see clause 8.2).

It is in our discretion whether we agree to the conversion. To apply, you must give us at least 5 Business Days notice in writing:

- that you want to convert; and
- in the form required by us, nominating your chosen fixed rate period.

Once we agree, you may not change your mind.

If you convert, your repayments may change to reflect the changed Interest Rate but your repayments remain due at the same intervals as before unless we tell you otherwise.

The conversion becomes effective on the Business Day we specify when we agree to the conversion.

We will confirm to you in writing shortly after the date the conversion takes effect:

- the date the Interest Rate changed;
- the new Interest Rate; and
- the term of the fixed rate period.

We will also notify you of your new repayments and when they are first due.

2.4 No Interest on Credit Balances

We will not pay interest on any credit balance in a Loan Account. If your Loan Account has a credit balance on any day we will calculate the interest charges payable by you as if the Loan Account had a zero balance on that day.

2.5 Debiting of Interest

Interest will be debited to your Loan Account on each interest charge date and:

- if your Loan Account is a Line of Credit, on the last day of the Revolving Credit Period; and
- if your Loan Account is a Term Loan Account (except if you pay interest in advance), on the date on which your Loan is repaid in full.

Interest debited to your Loan Account forms part of your Loan balance upon which interest is calculated and debited, i.e. that interest will itself bear interest.

Interest debited will be all interest calculated up to and including the day before the date on which the debit is made (excluding interest which has already been debited).

2.6 Default Interest

We may charge you interest at the default Interest Rate:

- on the excess amount referred to in clause 4.3 from the day you exceed the Credit Limit or Scheduled Limit (as applicable) until the excess is repaid. We will not charge you interest on any excess amount in respect of a Line of Credit Loan Account (during the Revolving Credit Period) which represents interest debited to that Loan Account which is not yet due for payment; and
- if you do not make a payment when due, on the overdue amount from the day it was due until it is paid.

You will also have to pay any applicable Over the Limit Fee or Arrears Fee.

If your Loan is an Unregulated Loan then, while any amount is due but not paid we may also charge interest at the default rate on the entire balance in your Loan Account, not just the overdue amount.

Default interest will be calculated daily at the Default Daily Percentage Rate. We calculate the Default Daily Percentage Rate by dividing the Default Interest Rate by 365 which is then rounded to four decimal places. The Default Interest Rate will be the Interest Rate applicable plus the Default Margin. That interest accrues before and after any judgment.

We may debit your Loan Account with accrued interest under this clause on any day. Unless we do so more often, we will be taken to have done so on the relevant day specified in clause 2.5. That interest will then itself bear interest. If we do not debit your Loan Account with accrued interest under this clause 2.6, that does not mean we are giving up that right and cannot do it later.

You must pay the interest debited to your Loan Account under this clause 2.6 on demand or, if your Loan Account is over the Credit Limit or Scheduled Limit, as required under clause 4.5.

3. Interest Offset

3.1 How This Clause Applies

This clause applies if an Offset Facility is available and is linked to your Loan Account.

3.2 Offset Amount

Whilst you maintain a Credit Offset Balance we will reduce interest charges payable on your Loan balance by the Offset Amount calculated pursuant to clause 3.3. No credit interest will be paid on the Offset Balance even if this balance exceeds the amount owing on your Loan balance.

3.3 How We Calculate Your Offset Amount

We calculate the Offset Amount each day by applying the Daily Percentage Rate to the Offset Balance. No benefit will apply to part of the daily Offset Balance that exceeds the amount owing on your Loan balance.

We deduct the Offset Amount for the relevant period from interest charges that would otherwise be debited to your Loan balance pursuant to clause 2.5.

We may change the Interest Rate at which the Offset Amount is calculated, the method of calculation of the Offset Amount and the frequency with which we deduct the Offset Amount. We will give you written notice of any change no later than 30 days before that change takes effect.

3.4 Independent Advice

We make no representations about the tax effectiveness of your Offset Account. You should seek independent taxation advice in respect of this Account.

4. Repayments

4.1 Repayments and Prepayments

You must repay the amount of the Loan Account on each Payment Due Date or as set out in this clause 4, or as varied from time to time in accordance with your Loan Agreement.

You may prepay all or part of the amount lent at any time. Partial prepayments can be for any amount. If you prepay a Term Loan Account which has a fixed Interest Rate, break costs may be payable (see clause 8.2). If you prepay your Loan in full a discharge administration fee or a deferred establishment fee may be payable. Other fees and charges may also be payable if you make a prepayment. If your Loan Account is a Term Loan with principal and interest payments applicable, while the outstanding balance in your Loan Account is less than its Scheduled Limit, you may be able to reduce your repayments to a lower minimum repayment amount based on the outstanding balance in that Loan Account. This will reduce your amount of Available Funds over time.

4.2 Method of Payment

4.2.1 For Term Loans (excluding Easypay Loan Accounts) and Line of Credit Loan Accounts, you can make payments by:

- direct debit; or
- direct salary credit; or
- other types of direct credit payments, for example rent, dividend and 'Pay Anyone' arrangements (offered by some financial institutions); or
- any other payment method approved by us from time to time.

If you have an Easypay Loan Account you must make your payments by direct salary credit, direct debit or direct credit.

If you have an Easypay Plus Package your minimum monthly repayment must be made by auto transfer of direct debit from your Easypay Plus Access Account. Additional repayments can be made from any other source.

Whichever way you choose to repay, you will need to arrange to have the funds credited to your Loan Account on or before your Payment Due Date.

4.3 Method of Payment – Offset Account

4.3.1 you have an Offset Account linked to your Loan Account;

- you must maintain electronic salary credit to your Offset Account for the Offset Amount to apply.

- repayments to your Loan Account must be made by transferring funds from your Offset Balance. You authorise us to debit your Offset Balance with your required repayments and credit that amount to your Loan balance on each Payment Due Date. You may not cancel this authority whilst this Loan Agreement continues.
- If there is a change in the repayment amount we will automatically change the amount to be debited to your Offset Account. This amount will be calculated by us to equal the new repayment amount for the required repayment period.

4.3.2 If you have an Easypay Plus Mortgage Breaker Account (Offset Account) linked to your Easypay Plus Home Loan Account, if direct repayments cease or your Easypay Plus Package is not maintained by you, your Offset Account will be changed to the Easypay Mortgage Breaker Account and fees and charges applicable to that account will then apply.

4.4 Continuation of Offset Facility

- If you cease to maintain electronic payroll credits to your Offset Account, no Offset Amount will be credited to your Loan Account.
- You must ensure that there are sufficient clear funds available in your Offset Account on the Banking Day immediately preceding a Transfer Day to allow each repayment to be processed.
- If you have insufficient clear funds available to your Offset Account to make a repayment you will be in default under this Loan Agreement.
- If you recommence and maintain electronic payroll credits for a period nominated by us we may, upon receipt of a request in writing to do so, and at our absolute discretion, elect to reinstate your Offset Facility from a date nominated by us.

4.5 Over the Limit Amounts

If at any time the balance of your Loan Account (which includes any interest and any fees and charges) exceeds the Credit Limit (where you have

a Line of Credit Loan Account during the Revolving Credit Period) or Scheduled Limit (where you have a Term Loan Account) you must immediately pay the excess amount to us (unless, in respect of a Line of Credit Loan Account during the Revolving Credit Period, we tell you otherwise, for example, in a Statement of Account).

4.6 Line of Credit

At any time during the Revolving Credit Period we may convert the Loan Account from a Line of Credit Loan Account to a variable rate Term Loan Account on which principal and interest payments are required.

If we do this, as at the date of the notice we give you:

- the outstanding balance in your Loan Account will become your Scheduled Limit provided the balance is at or below the Credit Limit. If the balance is higher than the Credit Limit, the Credit Limit will be your Scheduled Limit and the amount which exceeds the Credit Limit must be paid to us immediately; and
- no further redraw from your Loan Account will be permitted unless we tell you otherwise.

The following terms will apply after the date of the notice:

- if we tell you that the redraw facility is available, you will only be able to redraw the Available Redraw Funds in your Loan Account (subject to clause 4);
- the Interest Rate applicable to your Loan Account may change; and
- your Payment Due Date will change.

We will give you not less than 20 days notice in writing of the new Interest Rate, Payment Due Date and repayment amount. Once that notice becomes effective your Loan Account will cease to be a Line of Credit Loan Account.

4.7 Payment in Australian Dollars

Payments must be in cleared funds and free of any set-off or deduction, except for taxes where required by law. This means you will need to pay any money you are required to pay under this Loan

Agreement without deducting amounts you claim are owing to you by us or any other person.

All payments must be made in Australian dollars.

4.8 Time of Payment

Unless otherwise specified in this Loan Agreement or unless we tell you otherwise, your payments on a Loan Account are due on each Anniversary Date for that Loan Account. All payments must be made before the end of a Business Day in the place of payment. Payments made after the end of a Business Day may not be treated as received, or credited, until the next Business Day.

4.9 Non-Business Days

Unless the context does not permit or we tell you otherwise, if an event under this Loan Agreement (including a payment you are required to make) falls due on a day which is not a Business Day, that event must occur on the following Business Day unless that Business Day is in the next calendar month, in which case the event must occur on the preceding Business Day. If an event falls due on the 29th, 30th or 31st day of a month but that month does not have that many days, that event must occur on the last Business Day of that same month.

4.10 What Happens to Payments We Receive?

- 4.10.1 Except as set out in clause 4.10.2, we may apply any money we receive or recover in any way in respect of money you owe, in paying whatever of the money you owe we choose (despite any direction to the contrary) but may first pay anyone who we believe ranks ahead of us.
- 4.10.2 If you have more than one Loan Account and no Default Event has occurred you may ask us to apply payments in a particular way among your Loan Accounts. If you do not make such a request, or if we do not agree, we may credit any payments we receive to any Loan Account as we see fit.

5. Redraw and Limits

5.1 When This Clause Applies

This clause 5 applies to Lines of Credit and to any other Loan Account under which a redraw is possible. It does not apply to any Loan Account while the Interest Rate is fixed, or if we have agreed the Interest Rate will be fixed. It does not apply to any Construction Loan Account during the Construction Period.

While you have a Fixed Interest Rate (including a discounted fixed rate) you may not redraw. While you have a Construction Loan Account you may not redraw during the Construction Period.

Available Redraw Funds can only be redrawn in accordance with this clause 5.

5.2 When You Can Redraw

If you have:

- a Line of Credit Loan Account; or
- a Loan Account while the Interest Rate is variable, you may request to reborrow any amount of Available Redraw Funds on the following conditions:
 - 5.2.1 We may cancel your ability to redraw if you give a mortgage or other charge over the Security Property without consent.
 - 5.2.2 You may redraw amounts up to the amount by which all payments made by you under this Loan Agreement exceed the minimum required payments under this Loan Agreement less amounts you have previously redrawn on the Loan Account; as long as you comply with all of the following conditions:
 - you must redraw at least \$1,000 (we may vary this amount from time to time). We do not allow you to redraw using the redraw facility if the total amount you may redraw is less than \$1,000;
 - you must ask for the redraw by completing and signing our Loan Redraw Request Form or access Available Redraw Funds via our Netlink services;

- redrawn funds must be transferred into an account you hold with us.
- 5.2.3 All amounts you redraw using the redraw facility are debited to your Loan Account. Interest will accrue on redrawn amounts in terms of clause 2.
- 5.2.4 There must not be any breach or other event which with notice, time or both would become a Default Event; and
- 5.2.5 you must comply with any other condition we may impose, including any terms and conditions applicable to a method by which you can make a redraw and the purpose of the drawing.
- 5.2.6 You must sign an authority in order to access Available Redraw Funds via our Netlink services.

We may refuse any request for a redraw at any time. We may also cancel your ability to redraw at any time. We will tell you if we do so.

We take no responsibility for your use of the redraw facility or amounts that you redraw.

5.3 Exceeding the Credit Limit or Scheduled Limit

If a transaction would cause the debit balance on your Loan Account to exceed the Credit Limit (for a Line of Credit Loan Account during the Revolving Credit Period) or the Scheduled Limit (for a Term Loan Account) we may, without notice, decline, stop or reverse the transaction.

If for some reason we allow the debit balance in your Loan Account to exceed the Credit Limit or Scheduled Limit (as applicable), it does not mean we are increasing the Credit Limit or the Scheduled Limit.

You must pay the excess immediately in addition to any scheduled repayment and any applicable fees and charges. Default interest may also apply under clause 2.6.

5.4 When There is More Than One of You

When there is more than one of you:

- the signatures of all of you (and any Guarantors) are required on the withdrawal form/s or the authority to access Netlink services.
- any one of you may cancel the redraw facility or your access to it. If this happens we will not allow any further drawings to be made from your Loan Account by any of you.
- we may, at our discretion, upon receipt of a request in writing signed by all of you, allow any one of you (ie. alone) to make further drawings from your Loan Account.

If we become aware of a dispute between you, we may decide not to allow any further drawings from the Loan Account unless all of you have signed an authority.

If the redraw facility has been cancelled by us or by any of you, you may ask us later to reactivate the redraw facility. If we agree we will require a new redraw authority signed by all of you.

6. Loan Account

6.1 Account

You authorise us to open a Loan Account in your name and to debit to it any of the following without first notifying you:

- each amount we lend referable to that Loan Account;
- any amount you redraw from that Loan Account;
- any fees and charges (see clause 8) and any Enforcement Expenses unless you pay for them in another way;
- interest (including default interest) referable to that Loan Account; and
- any other amount you have authorised us to debit to that Loan Account.

6.2 Account Statements

We will send you a statement of your Loan Account:

- each month during the Revolving Credit Period if it is a Line of Credit Loan Account; and

- each 6 months for a Term Loan Account (including a Line of Credit Loan Account which has converted to a Term Loan Account under clause 4.4),

unless the law says otherwise.

6.3 Transactions On Your Loan Account

A debit or credit to your Loan Account is taken to be made, and has effect, on the date assigned to it (which may be different from the date we processed it and recorded it in the Loan Account). We may subsequently adjust debits or credits, and the Loan Account balance, to accurately reflect the legal obligations of you and the Lender (for example, if we discover an error or a cheque is dishonoured). If we do this we may make consequential changes (including to the interest charged).

6.4 Nil Balances

We can close your Loan Account if at any time the balance is zero.

6.5 Multiple Loan Accounts

Where you have more than one Loan Account under this Loan Agreement, the terms in this Booklet apply separately to each Loan Account and, where the context permits, to all Loan Accounts. However:

- you will receive a separate statement for each Loan Account (or separate details on a consolidated statement);
- default interest will be calculated separately in relation to each Loan Account at the Interest Rate then applicable to that Loan Account plus the Default Margin (in accordance with clause 2.6); and
- we may charge fees and charges and Enforcement Expenses and any amounts which do not relate specifically to one Loan Account to one or more Loan Accounts in the proportions we decide.

You can ask us to:

- split a Loan Account into two or more Loan Accounts; or
- combine two or more Loan Accounts into one Loan Account,

by notifying us in writing. If we agree to do this you must sign any documentation we require.

7. Drawings

7.1 Loan Purpose

You can only draw the Loan for the purpose stated in the Loan Agreement.

Unless your Loan is a Regulated Loan you can only draw the Loan if the purpose for which you are going to use the money is wholly or predominantly (that is, more than half) a business or investment purpose (or a combination of business and investment purposes).

7.2 What Needs To Happen Before Drawing

Before you can draw your Loan you need to:

- sign and return a copy of the Loan Agreement within 30 days of the date of your Loan Agreement or any longer period agreed by us in writing;
- complete and sign any necessary forms to open the Loan Account/s;
- deliver the following in form and substance satisfactory to us:
 - the Security documents referred to in the Loan Agreement duly executed;
 - where a Security document has previously been given to us by another entity for another transaction, and is to be used for the Loan, consent from that entity;
 - evidence of any insurance we require;
 - evidence that any special condition set out in the Loan Agreement has been satisfied;
 - any other document listed in your Loan Agreement or any other document we reasonably require; and
 - a completed direct debit authority;
- satisfy our requirements in relation to the Security – we or our lawyers will write to you or your solicitor or conveyancer as to what those requirements are (please note that if someone is guaranteeing your Loan one of our requirements may be that they obtain independent legal advice and/or financial advice);
- pay the fees and charges under “Initial Fees

and Charges” and any other initial fee which is payable under “Possible Fees and Charges” in relation to the Settlement of your Loan, as set out in your Loan Agreement, unless we agree they can be paid out of the Loan proceeds; and

- give us not less than three Business Days written notice of the date you want to settle your Loan.

7.3 No Advance

We are not obliged to provide any advance you request. We will not provide any advance if on the drawdown date:

- there is a Default Event which has not been waived by us, or remedied to our satisfaction;
- there is a breach or other event which with notice, time or both would become a Default Event;
- any Guarantor or other Security provider:
 - withdraws from or stops a guarantee or other Security taken in relation to the Loan; or
 - is dead or is under Administration; or
- there has occurred any event or circumstance which in our reasonable opinion may detrimentally alter the status or financial condition of you or any Guarantor or which may reduce the value of the Property.

We will not be liable to you for any loss, damage or costs which you may suffer or incur as a result of us not providing an advance for any reason, including any reason listed above. Certain fees specified in your Loan Agreement may be payable even if we decide not to provide an advance for any reason.

7.4 When You Can Make a Drawing

7.4.1 For Term Loan Accounts other than Construction Loan Accounts.

You may only initially draw from your Loan Account in one instalment, and you must draw it within 90 days of the date of your Loan Agreement or any longer period agreed by us in writing.

On the Loan Account Opening Date, if you or your solicitor or conveyancer

instruct us you will be drawing less than the full Initial Amount of Credit on that date, only the amount you draw down at Settlement will be debited to your Loan Account. If you do not draw down the full Initial Amount of Credit at Settlement, the difference between the Initial Amount of Credit and the amount you draw down will be included in your Available Redraw Funds, which you may redraw at any time provided you satisfy the requirements in clause 5. However the total amount outstanding in your Term Loan Account at any time must not exceed your Initial Amount of Credit or your Scheduled Limit at any time.

7.4.2 For Line of Credit Loan Accounts:

The amount you draw down at Settlement will be debited to your Loan Account on the Loan Account Opening Date. If you do not draw down the full Credit Limit at Settlement, the amount you do not draw down will be included in your Available Redraw Funds, which you may redraw at any time provided you satisfy the requirements in clause 5. However, the total amount outstanding in your Line of Credit Loan Account at any time must not exceed your Credit Limit. You do not have to make a drawing at Settlement, however if you do, you can draw the entire Credit Limit or just a part of it.

7.4.3 For Construction Loan Accounts:

You may draw on a Construction Loan Account at any time during the Construction Period in accordance with the provisions of clause 7.5.

7.5 Construction Loans

If your Loan is a Construction Loan, the Loan amount will be advanced progressively as and when we see fit to assist in the construction of building works. We are under no obligation to make any progressive advances, and in particular we can refuse to make any further advances if anything happens which in our opinion adversely affects the value of the Security Property or if the works are not proceeding satisfactorily.

If your Loan is a Construction Loan, without affecting any of your other obligations, you must do the following.

- 7.5.1 commences provide us with a copy of the building contract executed by all parties and the builder's all risk insurance policy.
- 7.5.2 Ensure there is always sufficient undrawn funds under this Loan Agreement to complete construction. This means that you must contribute all of the funds you are contributing to the construction before we make the advance to you.
- 7.5.3 Promptly comply with any condition we impose in relation to any progressive draw or the works.
- 7.5.4 Not vary or terminate the building contract without our prior written consent.
- 7.5.5 Ensure construction is commenced within 2 months from the date of this Loan Agreement and completed within 12 months of the Settlement date.
- 7.5.6 Notify us as soon as possible if the Builder ceases construction for any reason.
- 7.5.7 For each progress payment request provide a written claim from the Builder.
- 7.5.8 For the final progress claim provide a written claim from the Builder, your written authorisation for the release of the final claim and a copy of Building Insurance cover for the completed Property noting our interest as mortgagee and for an amount sufficient to cover replacement of the building.
- 7.5.9 Meet all interest payments due as scheduled or payments may be withheld.
- 7.5.10 Provide a copy of the Builder's Insurance policy covering the construction of the building noting our interest as mortgagee before the first progress payment is released.

We accept no responsibility in respect of the construction works irrespective of whether we conduct any inspections, make any comments or requirements, or

make progress payments. You must satisfy yourself that the works are properly carried out.

7.6 How We Will Pay Your Loan Proceeds

Any Lender's Mortgage Insurance premium and any fees and charges which we agree to finance from your Loan will be paid out of the first Loan Account referred to in your Loan Agreement which has a variable Interest Rate. If no Loan Accounts have a variable Interest Rate these amounts will be paid out of the first Loan Account referred to in your Loan Agreement.

Otherwise, we will pay Loan proceeds as set out in the Loan Agreement unless you or your solicitor or conveyancer provide us with a different direction to pay at least 3 Business Days before you make a drawing and we consent to the change requested. We may charge you a fee for amending our instructions to our solicitors or any other person due to any change in your Loan Agreement or Security document which had already been prepared based on our previous instructions.

7.7 Fees if the Loan Doesn't Proceed

If for any reason you don't draw your Loan on any date you or your solicitor or conveyancer has nominated for drawing, then you will be required to pay the applicable fees specified in your Loan Agreement.

8. Fees, Costs and Additional Payments

8.1 Fees and Charges

You must pay the applicable fees and charges as set out in the Loan Agreement and this clause 8, or as varied from time to time in accordance with your Loan Agreement.

All fees and charges are non-refundable to the extent permitted by law.

8.2 Break Costs for Fixed Rate Loans

When we agree to lend you money at a Fixed Interest Rate, we do so on the understanding that you will make certain fixed rate payments for the whole of the fixed rate period.

We generally arrange our own funding position on the assumption that we will receive those payments. As a result, if any of the things listed in 8.2.1 or

8.2.2 below occurs, it will change our funding position. We may make a loss from re-arranging our own funding.

The estimated amount of that loss will be passed on to you as a break cost.

A break cost will not apply to any regular payment you make if:

- you have arranged with us to make your regular payments more often than monthly and the total amount you are paying during a month is substantially the same as the amount you would pay if you were only making one payment a month of the amount required under the Loan Agreement; or
- we agree that you may make higher regular repayments than required under the Loan Agreement. For example, if your Loan Agreement specifies that you are entitled to a Prepayment Concession Amount, you are able to pay up to that amount per month, in addition to your regular repayments, without incurring a break cost.

If:

- 8.2.1 you requested a Fixed Rate Loan and you:
 - 8.2.1.1 draw less than the Initial Amount of Credit for that Loan;
 - 8.2.1.2 decide you no longer want a Fixed Rate Loan after all or decide that you want a different Interest Rate or period and you revoke, or you fail to draw in accordance with, a notice given by you (including a notice specifying your requested initial drawdown date); or
 - 8.2.1.3 prepay an amount; or
- 8.2.2 you have a Fixed Rate Loan and during the fixed rate period (the Relevant Fixed Rate Period) you:
 - 8.2.2.1 switch to a different Interest Rate or period;
 - 8.2.2.2 prepay an amount; or
 - 8.2.2.3 revoke, or you fail to draw, prepay or switch in accordance with, a notice given by you,

for any reason (including because we have required repayment as permitted under your Loan Agreement) then you must pay an amount certified by us to be our break costs. Each event described in clause 8.2.1 and 8.2.2 above is a Break Cost Event.

Break costs are in addition to any other applicable fees referred to in your Loan Agreement. Break costs are payable when, after a Break Cost Event occurs, we:

- debit your Loan Account for them; or
- notify you in writing that they are payable.

To work out whether you need to pay us a break cost, we will use a formula. This formula calculates the discounted present value of the difference between the yield that would have been received by us from the fixed interest that would have been otherwise payable under this Loan Agreement on the amount repaid early or the Account to which the Interest Rate switch applies (as the case may be) and the likely yield on the investment in which the amount repaid early will be invested by us, or the likely yield in the Account to which the Interest Rate switch applies after the Interest Rate switch (as the case may be).

If Interest Rates fall during the Fixed Rate Period, and the Fixed Rate Loan or any part of it is terminated early, break costs could be substantial.

8.3 Enforcement Expenses

You may have to pay Enforcement Expenses after a default. All Enforcement Expenses are payable on demand or when we debit your Loan Account for them.

8.4 Government Charges

You must pay to us on demand all government charges and duties on receipts relating to your Loan. We may debit your Account with these items as incurred.

8.5 Insurance Premiums

You must arrange the insurances required by the Security at your own cost. If you do not pay a premium for any insurance required by your Loan Agreement or any Security, we may debit it to the Loan Account and you must repay that amount to us on demand.

8.6 Lender's Mortgage Insurance or Lender's Risk Fee

If your Loan Agreement requires you to pay for Lender's Mortgage Insurance or pay a Lender's Risk Fee, this insurance or fee protects us and not you. The amount paid by you under your Loan Agreement is usually not refundable if you repay your Loan early.

If you default in your mortgage, resulting in the need to sell the Security Property and the sale proceeds are insufficient to fully repay your Loan, we may incur loss. We may recover this loss under our Lender's Mortgage Insurance Policy. However, you are still legally responsible for repaying the amount outstanding under the mortgage because you are not protected by the Lenders Mortgage Insurance Policy or by the payment of the Lender's Risk Fee.

9. Other Loan Features

9.1 Portability

You may be able to replace the Security for your Loan with another Security either:

- for a period of time specified by us; or
- for the remaining term of the Loan.

To do this you will need our approval. Please contact us if you wish to provide replacement Security.

If we approve the replacement Security you will need to sign new documentation and satisfy our insurance and other requirements in relation to the new Security.

9.2 Repayment Holiday

If:

- your Loan Account has a variable Interest Rate; and
- you have Available Redraw Funds,

you may be able to miss a payment or make a reduced payment on any Payment Due Date.

To do this you will need our approval. Please contact us if you wish to apply for a repayment holiday.

Missed payment or payment reduction due to a repayment holiday may involve capitalisation of interest. That is, interest that would have otherwise been payable by you need not be paid on your Payment Due Dates, but will itself bear interest until it is paid. There may be other terms and conditions.

9.3 Internet Service

If you use the Internet Service, you must comply with the conditions which apply to that service. Conditions for the Internet Service are available from the Internet Service itself. When you first use the Internet Service you confirm your acceptance of those terms and conditions as amended from time to time. If there is any inconsistency between those terms and conditions and the Loan Agreement and this Booklet, the Loan Agreement and this Booklet will prevail.

10. Variations To Your Loan Agreement

10.1 Variations We May Make Under the Loan Agreement

We may introduce new fees and charges and may vary:

- the Interest Rate;
- the Default Margin;
- the Initial Amount of Credit, Scheduled Limit or Credit Limit;
- the Loan term;
- the Linked Account;
- the amount, frequency and number of repayments, and time for repayments or the method of calculation of repayments;
- the existing fees and charges and their times for payment; and
- the Loan Account or Loan Agreement number.

We may vary any other term or condition of your Loan Agreement.

Please note that all of these changes can be made without your consent, except:

- as stated in clause 10.4 (Fixed Rates); and
- we will not increase your Initial Amount of Credit, Scheduled Limit or Credit Limit without your approval.

10.2 Telling You of the Changes

We will notify you of, or advertise, any changes to your Loan Agreement as follows:

- 10.2.1 any change in the Interest Rate – we will notify you or advertise on or before the day the change happens;
- 10.2.2 any change in the amount of fees or charges, or the introduction of any new fee or charge – we will notify you or advertise the change and will give you:
- if your Loan is a Regulated Loan, whatever period of notice is required by the National Credit Code, but in any event not less than 20 days; and
 - if your Loan is an Unregulated Loan, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine;
- 10.2.3 any other change – we will notify you and will give you:
- if your Loan is a Regulated Loan, whatever period of notice is required by the National Credit Code, but in any event not less than 20 days; and
 - if your Loan is an Unregulated Loan, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine.

However, where the change reduces your obligations or extends the time for payment, we will only give you details of the change before or when we send you the next Statement of Account after the change takes effect unless any

applicable law or code of conduct requires us to do something different.

Any advertisements of changes will appear in The Australian or another national newspaper. If we advertise a variation, we will give you the details when we send you the next Statement of Account.

10.3 Changes in Repayments or Loan Term Following Changes in Interest Rate

Note: This applies only to Term Loan Accounts while repayments include principal and interest.

If the Interest Rate changes we may, but need not, change the amount of your repayments.

If we do not immediately change the amount of your repayments, we may do so later.

If the Interest Rate increases and your repayments do not increase, you are still required to repay the whole amount outstanding in your Loan Account at the end of the Loan term specified in your Loan Agreement for the Loan Account (this may mean you have to make a large lump sum payment at that time).

10.4 Fixed Rates

While your Loan has a Fixed Interest Rate we will not vary any of the following other than on the last day of the relevant fixed interest period.

- the repayments, unless you make a prepayment or you do not make a payment when due;
- the Interest Rate; or
- the method of calculation of a fee, cost or charge payable on repayment.

11. Default

11.1 When There is Default

If any one or more of the following occur we may decide a Default Event has occurred. You must ensure no Default Event occurs.

11.1.1 There is default of any term or condition of the Loan Agreement.

11.1.2 There is default under any mortgage or other Security given for the Loan Agreement.

- 11.1.3 You fail to pay any person (including us and/or other lenders) any money by the Due Date.
- 11.1.4 Any representation made by you to us or our agents proves to be untrue or misleading.
- 11.1.5 You become bankrupt or are jailed.
- 11.1.6 You do not maintain appropriate fire and general insurance over all Security Property.
- 11.1.7 You breach any material undertaking given at any time to us.
- 11.1.8 If you are a company:
 - 11.1.8.1 there is any change in ownership or control of the company or any company of which you are a subsidiary;
 - 11.1.8.2 a receiver, manager, receiver and manager, administrator, controller, provisional liquidator, or liquidator is appointed to any part of your assets;
 - 11.1.8.3 any action is commenced to strike the company's name off any register of companies; or
 - 11.1.8.4 the company reduces or proposes to reduce its authorised capital.

12. Our Remedies and Powers

12.1 Regulated Loans

If a Default Event occurs in relation to a Regulated Loan and:

- the default continues for at least 31 days after service of a notice telling you what the default is;
- we believe on reasonable grounds that we were induced to enter into this Loan Agreement or any Security by fraud;
- we believe on reasonable grounds that urgent action is necessary to protect the Property;
- we cannot locate you after making reasonable efforts to do so; or
- a court authorises the following without any notice to you,

then:

- all amounts lent under this Loan Agreement, all accrued interest, and all other amounts outstanding under this Loan Agreement shall become immediately due and payable without further notice;
- we may terminate the Loan and cancel our obligations to make any further advances;
- we can take action even if we do not do so promptly after the Default Event occurs.

12.2 Unregulated Loans

If a Default Event occurs in relation to an Unregulated Loan then:

- all amounts lent under this Loan Agreement, all accrued interest, and all other amounts outstanding under this Loan Agreement shall become immediately due and payable without further notice; and
- we may terminate the Loan and cancel our obligations to make any further advances.

12.3 Application of Available Redraw Funds

If you do not pay an amount when due and you have more than one Loan Account under this Loan Agreement, we may apply any Available Redraw Funds in any other Loan Account in payment of that amount. We need not do so.

12.4 Statement

A written statement by us as to any amount due under this Loan Agreement will be sufficient evidence of that amount unless you prove it wrong.

13. General

13.1 Transfer of Loan

We may assign or otherwise deal with our rights under this Loan Agreement in any way. You must sign anything and do anything we reasonably require to enable any dealing with this Loan Agreement. Any dealing with our rights does not change your obligations under this Loan Agreement in any way.

In exercising our power to assign or otherwise deal with our rights under this Loan Agreement, you agree that we may disclose to anybody any information about you or this Loan Agreement.

13.2 No Deduction

To the maximum extent allowed by law, you give up any right to set off any amounts we owe you against amounts you owe under this Loan Agreement or any Security.

13.3 Notices

We may give you a notice by personal delivery, prepaid ordinary post, or facsimile sent to your address shown on the Loan Agreement, sent to your registered office (if you are a company), or sent to your last address known to us. We may also give a notice in any other way authorised by law.

The notice may be signed by any employee, solicitor, or agent on our behalf.

13.4 Information to Guarantors

You consent to us giving information to any Guarantor/s or their lawyers. This includes copies of documents concerning you, the Loan and any Security.

13.5 Severability of Provisions

If part of the Loan Agreement is not legally enforceable in a relevant place that part will be ignored in that place, but in all other respects the Loan Agreement has full effect.

If your Loan is a Regulated Loan then the following applies:

- the Lender's rights and powers under the Loan Agreement and any Security are limited as required by the National Credit Code; and
- the amounts that you are required to pay under the Loan Agreement, and which are secured by the Security, will not be more than the Lender is allowed to recover from you, or that may be secured, under that law.

This applies despite anything in the Loan Agreement. It does not affect the Loan Agreement if your Loan is an Unregulated Loan. It does not affect any Security to the extent it secures arrangements which are not regulated by the National Credit Code.

13.6 Governing Law

This Loan Agreement is governed by and interpreted in accordance with the law for the time being in

force in the place where the principal Security is located.

13.7 Valuation Reports

We may obtain at your cost independent valuations or other reports concerning any Security Property whenever and as often as we decide. Any valuation or other report is for our use only. We are not obliged to inform you of anything adverse contained in these reports. If the contents of any of these documents become known to you, we accept no responsibility if you rely on them. You should obtain your own valuation in respect of any Security Property.

13.8 If You Are a Trustee

If you are at any time trustee of any trust, you are liable under the Loan Agreement in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as well as you. Default occurs if there is a change of trustee, a termination of the trust, or any change to the terms of the trust without our consent.

13.9 General

If there are two or more of you, each of you is individually liable, and all of you are jointly liable. This means we may sue any one of you for all the amount outstanding. Reference to a person includes companies and trusts and any other kind of body. Singular words include plural words and vice versa.

You agree that each Borrower can bind each other Borrower. For example, any one of the Borrowers can authorise a redraw, a split into one or more sub-Loans, a switch between various types of Interest Rate, or any other activity in respect of your Loan. Each other Borrower and any Guarantor will be liable even though they did not know about or did not agree to the transaction.

13.10 Financial Statements

You must provide to us within 14 days of our request any information we require relating to your business, assets, and financial affairs. For example, we may require a copy of an individual's taxation return or an assets and liability statement. In relation to a company, we might require a balance sheet, a profit and loss Account, or both. We may require this information to be certified or audited.

14. Interpretation

14.1 Definitions

In this Booklet and the Loan Agreement:

Account Available Funds means, in relation to a Loan Account, the amount we determine on any day to be:

- where the Loan Account is a Line of Credit Loan Account during the Revolving Credit Period, the greater of nil and the difference between the Credit Limit for that Loan Account on that day and the balance outstanding in that Loan Account on that day;
- where the Loan Account is a Term Loan Account while the Interest Rate is variable, the greater of nil and the difference between the Scheduled Limit of that Loan Account on that day and the amount outstanding in that Loan Account on that day (for these Loan Accounts you will only have a difference if you make higher repayments than the repayments you are required to make or you make extra or lump sum repayments); or

Additional Advance means an approved increase in the Credit Limit, Initial Amount of Credit or Scheduled Limit of a Loan Account.

Administration includes bankruptcy, administration (including arising out of insolvency, mental illness or incapacity), compromise or arrangement with creditors, assignment for creditors, receivership, winding up, dissolution or anything similar.

Anniversary Date, in relation to each Loan Account comprising a Loan, means, subject to the following, the date of the month on which the Loan settled.

For example, if a Loan settles on the 20th of a month, the 20th is, subject to the following clause, the Anniversary Date for each Loan Account comprising that Loan in each month during the term of the Loan.

If an Anniversary Date for a month falls on a day which is not a Business Day, the Anniversary Date will be the next Business Day unless that Business Day is in the next calendar month, in which case the Anniversary Date for the relevant month will be the preceding Business Day. If an Anniversary Date

would fall on the 29th, 30th or 31st of a month but that month does not have that many days, the Anniversary Date for that month will be the last Business Day of that same month.

Available Redraw Funds means, the amount calculated in clause 5.2.4:

Banking Day means a day other than a Sunday or a national holiday in Australia.

Business Day means a day other than a Saturday or Sunday or a public, special or bank holiday in Sydney.

Construction Loan Account means a Loan Account approved for the purpose of construction or renovation and to be drawn in a number of instalments. If your Loan Account is a Construction Loan Account your Loan Agreement will say so in the Loan Account description.

Construction Limit means the amount set out for a Construction Loan Account in the "Initial Amount of Credit" section of the table in the Loan Agreement as the amount the outstanding balance of the Construction Loan Account cannot exceed during the Construction Period.

Construction Period means the period commencing on the Loan Account Opening Date and ending when we make the final progress payment under the contract for the construction or renovation to which the Construction Loan Account relates.

Credit Limit means the amount set out in the "Credit Limit" section of the table in the Loan Agreement, varied as specified in this Booklet. This applies only to Line of Credit Loan Accounts.

Daily Percentage Rate has the meaning given in clause 2.2.

Default Daily Percentage Rate has the meaning given in clause 2.6.

Default Event has the meaning given in clause 10.

Default Margin has the meaning given in the Loan Agreement (opposite the heading "Default Interest").

Disclosure Date is the date defined as such in the Loan Agreement.

"Easypay Plus Package" means a home loan

package that must initially comprise and continue to comprise the following accounts during the term in order to qualify and to continue to qualify for the benefits attached to the package;

- Easypay Plus Home Loan; and
- Easypay Plus Access Account; and
- Easypay Plus VISA Credit Card.

Failure to maintain all three (3) accounts means you are no longer eligible for the package and the remaining accounts will be converted to our standard accounts and fees and charges applicable to those accounts will also be incurred by you.

Easypay Plus VISA Credit Card means your credit card account forming part of your Easypay Plus Package. Separate terms and conditions will be issued to you regarding your use of your VISA card.

Easypay Plus Access Account means your savings account forming part of your Easypay Plus Package.

Easypay Plus Home Loan means your home loan account forming part of your Easypay Plus Package.

Enforcement Expense means any reasonable amount we reasonably spend or incur in relation to:

- the enforcement or exercise of our powers under the Loan Agreement or any Security (including any guarantee or any Security for a guarantee); or
- any Property, including amounts claimed against us or our officers/representatives relating to that Property and any goods and services or other tax payable by us in connection with the sale of any Property.

Initial Amount of Credit means, in relation to a Term Loan Account (other than a Line of Credit Loan Account which has converted to a Term Loan Account), the amount set out for that Loan Account in the "Initial Amount of Credit" section of the table in the Loan Agreement. This is the initial amount available on that Loan Account.

Interest Charge Date means, in relation to each calendar month:

- the 10th day of that month for a Line of Credit Loan Account during the Revolving Credit Period; and

- the Anniversary Date of a Term Loan Account.

Interest Charge Period means the period from the day after an Interest Charge Date until the next Interest Charge Date.

Interest Only Period means a period during which your repayments cover interest, but do not include any amount to reduce the principal balance of your Loan Account. If you have an Interest Only Period at the beginning of your Loan term your Loan Agreement will say so.

Interest Rate means, in relation to a Loan Account, at any time the Interest Rate described for that Loan Account in the table in the Loan Agreement opposite the heading “Interest Rate” as applicable at that time or any other Interest Rate we notify you from time to time will apply to the unpaid balance in the relevant Loan Account.

Internet Service means the service we make available through the internet network to enable the electronic receipt and transmission of information and instructions.

Lender, Credit Provider, We, Us means Nurses First, a division of Police & Nurses Credit Society Limited ABN 69 087 651 876 AFSL 240701 Australian Credit Licence 240701.

Lender’s Risk Fee means a fee payable to the Lender in accordance with the Lender’s assessment of the risks associated with the Loan.

Line of Credit means a Loan Account described in the Loan Agreement as a Line of Credit Loan Account. Each Line of credit loan Account has a Revolving Credit Period. After that period ends the Loan Account will convert to a variable rate Term Loan Account on which principal and interest repayments are required as set out in your Loan Agreement, and will cease to be a Line of Credit Loan Account.

Loan means the Loan referred to in your Loan Agreement, or if you have more than one Loan Account, means all the Loan Accounts and, where the context permits, each of them.

Loan Account means a Loan Account in your name opened for the purposes of the Loan. It includes any separate Loan Account created by the split of an existing Loan Account into two or more Loan Accounts.

Loan Account Opening Date means the first date on which your Loan Account is opened and:

- debited with funds; or
- the Credit Limit or Initial Amount of Credit is available for drawing.

Loan Agreement means the agreement which arises if you accept the Lender's Offer. The terms of that agreement are set out in the Offer and this Booklet.

Loan Available Funds means, in relation to your Loan, the amount we determine on any day to be:

- the lesser of:
 - the Total Maximum Amount of Credit described in the Loan Agreement; and
 - the sum of all Credit Limits and Scheduled Limits on your Loan Accounts at that time; less
 - the balance of all Loan Accounts on that day.

Offer means the Offer of Credit from us to you contained in the Loan Agreement.

Offset Account means an Offset Account in your name and linked to your Loan Account pursuant to clause 3.

Offset Balance means that balance from time to time of your Offset Account used to calculate your Offset Amount.

Offset Amount means the amount described in clause 3.3.

Payment Due Date means:

- the date specified in your Loan Agreement as the date on which payments of interest or repayments of principal and interest are due, or any other date we tell you from time to time is your Payment Due Date;
- during the Revolving Credit Period if you have a Line of Credit Loan Account, the date specified in a Statement of Account as the Payment Due Date which will be approximately 14 days after the relevant interest charge date; or

Property means any Property mortgaged or charged, or to be mortgaged or charged, by a Security. It includes:

- any part of the Property;

- the unit or the house and all the other buildings, improvements and additions to the land; and
- all rights attaching to the land.

Where the Security is over a lease of land, the Property includes the land that is the subject of the lease, the unit or house and all other buildings or improvements on the land and all rights under the lease.

Regulated Loan means a Loan made under a Loan Agreement which we are treating as regulated by the National Credit Code. Your Loan Agreement says, opposite the heading “Purpose”, whether we are treating your Loan Agreement that way.

Revolving Credit Period means, in relation to a Line of Credit Loan Account, the period starting on its Loan Account Opening Date and ending on the earlier of:

- the 10th day (or if that day is not a Business Day, the next Business Day) of the month in which the 15th anniversary of the Loan Account Opening Date falls; and
- the date specified in a notice issued by us under clause 4.6 as the date your Loan Account ceases to be a Line of Credit Loan Account.

Scheduled Limit means:

- in relation to a Term Loan Account other than a Construction Loan Account during the Construction Period, the amount determined by us to be the maximum amount which may be outstanding in the Loan Account from time to time. It reduces on each Payment Due Date other than during an Interest Only Period. To give you a guide as to how it is determined, it is the amount which would be outstanding in the Loan Account if you drew down the whole of the Initial Amount of Credit and then made all payments required under your Loan Agreement on time and you did not pay more than you are required to pay under your Loan Agreement, nor incur any fees and charges (other than the fees and charges under “Initial Fees and Charges” in your Loan Agreement); or
- in relation to a Construction Loan Account during the Construction Period, the lesser of:

- the Construction Limit; and
- the amount determined by us to be the maximum amount at any time to which the Construction Loan Account may be drawn in accordance with the provisions of Schedule 1.

In other words, during the Construction Period the Scheduled Limit may not exceed the sum of the approved initial drawing and any subsequent approved progress payment drawings.

Security means any Security (for example, a mortgage or guarantee), claim or other right we hold against you or anyone else in relation to your obligations under this Loan Agreement, now or in the future.

Settle means when all Loan Accounts initially comprising your Loan are opened and the Total Maximum Amount of Credit is available for drawing.

Settlement Date means the date on which your Loan settles.

Term Loan means, at any time, any Loan Account other than a Card Account or a Loan Account in relation to which the Revolving Credit Period has not ended.

Transfer Day means a day on which we process your repayments to your Loan Account.

Unregulated Loan means any Loan which is not a Regulated Loan.

You means the person or legal entity to whom the Loan Agreement is addressed. If there are more than one, it means each of them separately and every two or more of them jointly.

14.2 Interpretations

Mentioning something after include, includes, included or including does not limit what appeared before. Examples do not limit what else may be included.

14.3 Currency

In the Loan Agreement and in this Booklet all stated amounts are Australian dollars.

Information Statement

The following information statement only applies if your Loan is a Regulated Loan.

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 the 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 precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before

- your contract is entered into; or
- you make an offer to enter into the contract; whichever happens first.

2 HOW CAN I GET A COPY OF THE FINAL CONTRACT?

If the contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep.

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

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

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

3 CAN I TERMINATE THE CONTRACT?

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

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

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

4 CAN I PAY MY CREDIT CONTRACT OUT EARLY?

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

5 HOW CAN I FIND OUT THE PAY OUT FIGURE?

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

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

6 WILL I PAY LESS INTEREST IF I PAY OUT MY CONTRACT EARLY?

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

7 CAN MY CONTRACT BE CHANGED BY MY CREDIT PROVIDER?

Yes, but only if your contract says so.

8 WILL I BE TOLD IN ADVANCE IF MY CREDIT PROVIDER IS GOING TO MAKE A CHANGE IN THE CONTRACT?

That depends on the type of change. For example:

- you get at least same day notice for a change to an annual percentage rate. That notice may be 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 provider is:

Contact Details

Financial Ombudsman Services
GPO Box 3
Melbourne Vic 3001

Phone: 1300 780 808
Email: info@fos.org.au
Website: www.fos.org.au

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>.

Insurance

10 DO I HAVE TO TAKE OUT INSURANCE?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over Property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider can not insist that you use any particular insurance company.

11 WILL I GET DETAILS OF MY INSURANCE COVER?

Yes, if you have taken out insurance over mortgaged Property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing your insurer must give you a statement containing all the provisions of the contract.

12 IF THE INSURER DOES NOT ACCEPT MY PROPOSAL, WILL I BE TOLD?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13 IN THAT CASE, WHAT HAPPENS TO THE PREMIUMS?

Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14 WHAT HAPPENS IF MY CREDIT CONTRACT ENDS BEFORE ANY INSURANCE CONTRACT OVER MORTGAGED PROPERTY?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15 IF MY CONTRACT SAYS I HAVE TO GIVE A MORTGAGE, WHAT DOES THIS MEAN?

A mortgage means that you give your credit provider certain rights over any Property you mortgage. If you default under your contract, you can lose that Property and you might still owe money to the credit provider.

16 SHOULD I GET A COPY OF MY MORTGAGE?

Yes. It can be part of your credit contract, or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

17 IS THERE ANYTHING THAT I AM NOT ALLOWED TO DO WITH THE PROPERTY I HAVE MORTGAGED?

The law says you 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 the answers to questions 22 and 23.

Otherwise you may:

- if the mortgaged Property is goods - give the Property back to your credit provider, together with a letter saying you want the credit provider to sell the Property for you;
- sell the Property, but only if your credit provider gives permission first; or
- give the Property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission you can contact 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 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 our 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, for example:

- to extend the term of the 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 the 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 can not 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 WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDERS EXTERNAL DISPUTE RESOLUTION PROVIDER IS:

CONTACT DETAILS

FINANCIAL OMBUDSMAN SERVICES (FOS)
GPO BOX 3
MELBOURNE VIC 3001

PHONE: 1300 780 808
EMAIL: info@fos.org.au
WEBSITE: www.fos.org.au

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

IMPORTANT INFORMATION

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Contact us

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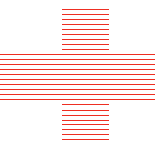
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