



Your home loan agreement

Terms and Conditions

November 2023

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Why read this document?

Hi there, and thanks for choosing us for your loan.

As you move closer to achieving your financial goals with us, it's important to note some rules that apply to you. This document tells you what those rules are, and what can happen if you don't follow them.

This document contains the terms and conditions of your loan. You need to read:

- all of Part A – this contains the terms and conditions that apply to all loans; and
- some of Part B – this contains specific terms and conditions for each category of loan. You only need to read the section/s that are relevant to your loan.

Along with this document, you'll also receive:

- your loan schedule ('the Schedule');
- the *Home Loan Banking Package Terms and Conditions*, which provides details about accounts, payment services and electronic access, if applicable; and
- if you're borrowing to buy property and need to sign a mortgage form, the *Mortgage Terms and Conditions*.

These agreements are designed to protect both you and us, especially if things don't go as expected. Before you sign the Schedule and your mortgage form, it's important that you fully understand what you're agreeing to, so you don't get any surprises later.

National Credit Code, Banking Code of Practice and ASIC Act

In this document you'll see references to 'the National Credit Code', 'the Banking Code of Practice' and 'the ASIC Act'.

About the National Credit Code

The National Credit Code is a national law designed to protect consumers and ensure ethical and professional standards in the finance industry.

Subject to some exceptions, the National Credit Code applies to you if you're a natural person or strata corporation, and you're borrowing:

- for personal, domestic or household purposes;
- to buy, renovate or improve residential property for investment purposes; or
- to refinance credit previously provided for this purpose.

If the National Credit Code applies, you need to read the *Information statement* at the back of this document.

About the Banking Code of Practice

The Banking Code of Practice is an industry code which sets standards of good banking conduct for bank staff and representatives.

The Banking Code of Practice applies if you're an individual or a small business (as defined in the Banking Code of Practice), and to certain guarantors of individual or small business customers. If it applies, its relevant provisions apply to your loan.

About the ASIC Act

The *Australian Securities and Investments Commission Act 2001* (the ASIC Act) is a national law which provides protection to consumers who acquire financial services. It applies if you're borrowing for personal, domestic or household purposes, or if the contract is a small business contract (as defined in the ASIC Act).

Some important points

Your loan offer

The terms and conditions set out in this document, along with the Schedule and the *Home Loan Banking Package Terms and Conditions*, if provided to you, jointly form the loan agreement between you and us.

Together, these documents define the specific conditions under which we are prepared to lend money to you.

About the words we use

Some of the words or phrases in this document have a specific meaning. These meanings are defined at the end of this document in the *What the words mean* section. If you're not sure about the exact meaning of a word or phrase, please take a moment to check its meaning.

Avoiding default

'Default' means you haven't followed the rules in this document. The most common cause of default is not making a repayment on time.

If you're in default, among other things, we can:

- tell you you're in default and ask you to fix it;
- demand you repay the loan in full;
- charge extra interest and fees; and
- take legal action, including taking possession of and selling your property.

If you have trouble paying

We want to make sure you don't find yourself in default, so if you're having trouble repaying your loan, get in touch with us as soon as possible.

The sooner you contact us, the sooner we can do something to help. We will discuss your situation and the options available to you. We're here to help you, and we want to ensure you don't experience financial difficulty.

Making early repayments

On some loans you can make extra payments above your normal repayment amount. If you do this during a fixed rate interest period we can charge you break costs, so always check with us before making extra payments.

Contacting us

You can call our Client Service Centre on 1300 160 160 (24 hours a day, seven days a week).

If you're calling from overseas, you can call +612 9293 2121 for 24/7 support through our Client Service Centre.

Complaints

If you have a problem, complaint or dispute:

a. Our service commitment

At BOQ Specialist we are committed to providing our customers with innovative banking solutions and the best customer service experience.

Resolution of problems is a priority for us. If at any time our service does not meet your expectations we would like you to let us know.

b. How to contact us

If you have a complaint, there are a number of ways to contact us:

- Contact your dedicated financial specialist.
- Call us on 1300 160 160, Monday – Friday, 8:30am – 5:00pm AEST
- Complete the online complaints form at www.boqspecialist.com.au/feedback-and-complaints
- Contact our Customer Relations Department via:
Email: customer.relations@boqspecialist.com.au
Call: 1800 663 080
Write to: Customer Relations
Reply Paid 2258
Brisbane QLD 4001

c. How will your complaint be handled?

If we cannot solve your problem on the spot, we will let you know who is handling your complaint and how long it is likely to take for it to be resolved. For further information about how we handle complaints, ask our friendly staff for a copy of our Complaint Guide or alternatively download a copy available on our website.

Please note we comply with the ePayments Code complaint investigation and resolution procedures in connection with Electronic Transactions to which the ePayments Code applies.

d. What to do if you feel your complaint has not been resolved

If you're unhappy with our response you can approach the Australian Financial Complaints Authority (AFCA). AFCA provides a free and independent complaint resolution service for financial services. To contact them you can:

- Call: 1800 931 678
- Email: info@afca.org.au
- Online: www.afca.org.au
- Write to: GPO Box 3
Melbourne VIC 3001

The Australian Securities and Investments Commission (ASIC) has an information line: 1300 300 630. You can use this number to make a complaint and obtain further information about your rights.

A. All loans

Part A contains the terms and conditions that apply to all loans.
Please read this part in full.

A.1 Starting your loan

A.1.1 Loan purpose

You must use the amount of credit only for the purpose stated in the Schedule, unless your loan is a continuing credit facility.

A.1.2 Date and term

The date of your agreement is the date you accept the offer in the Schedule by returning the signed Schedule to us.

The term begins on the lending date. The length of the term is stated in the Schedule. We can only change the term in accordance with this agreement.

A.1.3 Ending the contract before it starts

Once you sign this agreement you're bound by it, but you can end it at any time until the moment the loan amount enters your account.

If you do this, you must still pay all fees and charges we've incurred before you ended it, including the loan application fee.

A.1.4 Lending method

If your loan is a home loan, we lend you the whole amount by one advance on the lending date.

If your loan is a construction loan, we can lend you the loan amount in a series of advances.

If your loan is a continuing credit contract, you can use the facility multiple times if there is enough money available.

A.2 Before we lend you money

We will only lend to you when we're satisfied that you meet all the requirements listed here.

A.2.1 Your financial status

You must:

- not be in default under this loan or any other loan with us or any other lender unless your default was known to us when your loan was approved and remedying that default was not a condition of approval;
- if anyone has given you a financial gift, provide written confirmation from them that they don't expect you to repay it; and
- confirm that nothing has happened to you or a guarantor since you applied for the loan that may have a significant adverse effect on your financial circumstances.

A.2.2 Fees, taxes and debts

You must have paid:

- all the fees and charges due by the lending date shown in the Schedule;
- any rates, taxes or charges for each security property; and
- any of our other expenses you have to pay under this agreement.

If we've told you in writing about any other debts you have to pay before we lend to you, you must give us evidence that you've paid them, or will pay them before receiving any funding from us, or within any timeframe we accept.

A.2.3 Documents

You must provide any documents or information we reasonably request, such as valuations, contracts of sale, securities, trust deeds and property titles. All documents must be correct, complete, properly executed, effective and in a form we find satisfactory.

A.2.4 Insurance

You must have an appropriate insurance policy for the full insurable value of each security property, noting our interest if we require it. The insurance policy must also cover any works on a replacement and reinstatement basis (if the property can be replaced or reinstated), unless the property and the works are insured by a governing body as part of a shared scheme.

If any security property is part of a shared scheme, you must prove that the governing body has the insurance required by law, as well as building unit cover over the whole building.

Lender's mortgage insurance

If this loan requires lender's mortgage insurance:

- you acknowledge that this insurance protects us and not you;
- we must have agreement from an insurer of our choice to provide it; and
- you agree to pay the insurer's premium.

If we need to sell any security property because you're in default, and we make a loss on the sale, we can recover this loss under the lender's mortgage insurance policy.

If this happens, you are legally responsible for repaying to the insurer any amounts they paid us.

The only advantage you get from paying for lender's mortgage insurance is that we will lend you more than we would if we didn't have that insurance.

A.2.5 Trust deed

If you're not a resident of Australia you must also prove that you've met all the Foreign Investment Review Board (FIRB) requirements for your loan purpose, such as a copy of your application to FIRB or a copy of their advice.

A.2.6 If you're not an Australian resident

If you're not a resident of Australia you must also prove that you've met all the Foreign Investment Review Board (FIRB) requirements for your loan purpose, such as a copy of your application to FIRB or a copy of their advice.

A.2.7 If you have a guarantor

If you have a guarantor, they must have:

- received all the relevant documents, and independent legal advice if we request it; and
- met all our reasonable requirements we have for guarantors.

A.2.8 All searches and credit checks are in order

For you and any guarantor, we must be satisfied, acting reasonably, with:

- all credit reference checks;
- all representations and warranties that you've given since you applied for the loan, including those you gave under this agreement; and
- your (and each guarantor's) compliance with all laws or obligations, including all sanctions laws, anti-money laundering laws, counter-terrorism laws, and laws relating to fraud or other criminal activity.

A.3 Your promises to us

Except for things you've told us about in writing before we offered to enter into this agreement with you, you represent to us that:

Your information

- you've given us all the information that is material to our decision to lend to you;
- all the information you've given us is accurate, complete, true and not materially misleading;
- you are not, and will not become, a proscribed person;

Your power to act

- you have the power to enter into this agreement and the securities;
- you have complied with all laws binding you the breach of which may have a material adverse impact on your ability to repay the loan or the value of any security property;
- you're not aware of any circumstances that could prevent you from repaying the total amount owing under this agreement;
- you don't need anybody else's consent before you sign this agreement;

Your actions

- you won't act fraudulently;
- you'll perform any undertaking you have given us, or give us later, in relation to the loan or any security property, in accordance with its terms;
- you won't do or fail to do anything that would cause us to breach Australian or international sanctions laws;
- if you're an overseas buyer requiring FIRB approval for this loan, you will comply with FIRB's conditions;
- you won't engage in conduct that is illegal and which:
 - may have a material adverse impact on your ability to repay the loan or the value of any security property;
 - means it is unlawful for you or us to continue with this agreement; or
 - we reasonably believe may have a material adverse impact on our reputation;
- you don't own or operate a business that engages in conduct that is illegal and which:
 - may have a material adverse impact on your ability to repay the loan or the value of any security property;
 - means it is unlawful for you or us to continue with this agreement; or
 - we reasonably believe may have a material adverse impact on our reputation.

Your property

- you are the owner of any security property used to secure the loan, either in your own capacity or as trustee of a trust that you have disclosed to us in writing;
- you have not offered your assets as security to any other person or entity;
- no receiver, manager or controller is currently appointed to any security;

Your financial status

- you're not insolvent; and
- you're not in default under any other agreement, or any court order, where that default may have a material adverse impact on your ability to repay the loan or the value of any security property.

Corporations

If you're a corporation, you represent that:

- no director or other person breaches any law or any obligation to another person by signing this agreement;
- you've been incorporated under the laws of the place of your incorporation and you validly exist under those laws; and
- you benefit by entering into this agreement.

A.3.1 Changes

You agree to tell us whenever anything happens that would mean you could not truthfully repeat all of these statements.

A.3.2 Changing the use of the property

If you change the use of the property used as security for the loan from owner-occupied to residential investment (or vice versa) you must let us know in writing within 30 days of the change and provide some evidence (e.g., a utility bill).

A.4 What you must pay and when

A.4.1 What you pay

You must pay us:

- all amounts you borrow from us;
- interest on the balance owing on your account;
- any fees and enforcement expenses listed in A.6 *Other amounts you must pay*; and
- any other money you owe us under this agreement or any security.

You authorise us to debit these amounts to your account.

We debit these amounts on or after the date they become due (in accordance with the National Credit Code if it applies to you).

A.4.2 How we calculate loan repayments

If you have a home loan or construction loan, we base your loan repayment amount on monthly repayments.

If you choose to pay more frequently (e.g., weekly or fortnightly):

- the total of these repayments must equal the monthly repayment amount; and
- we must receive the total amount by the monthly due date.

Any repayments you make before the actual monthly repayment date will be available for redraw.

See B.3 Continuing credit facilities for information about when you have to make repayments under your continuing credit facility.

A.4.3 When you can make repayments

You must make repayments on or before the repayment date, whether or not the repayment date is a business day.

If your repayments are due on the 29th, 30th or 31st of a month, and a particular month doesn't have that date, your repayment is due on the last day of that month.

If you make a payment after a day ends, we may not be able to credit it to your account until the next day. Fees and charges may apply to late payments.

A.4.4 How you can make repayments

You can make repayments to us in any of the ways we tell you.

If you make your repayments by electronic transfer and there isn't enough money in the account from which a repayment is to be made when we attempt to debit the repayment, the electronic transfer may be reversed. We will treat this as if you haven't made your repayment.

A.4.5 How we use your repayments

Unless we agree otherwise, we can use any repayment we receive under this agreement to reduce the balance owing on your account in any order we choose. If the law requires us to apply the repayment in a particular way, then we will do so.

If we have to use a repayment to reduce the balance owing on a fixed loan, and we do this on a date other than the normal interest payment date, break costs may apply.

See B.1.8 *Break costs* for details.

A.4.6 Final payment

You must pay the total amount owing on or before the last day of the loan term.

If you have a continuing credit facility that has no term, you must pay the total amount owing when you cancel the facility or within 30 days of us asking you to pay it.

If you have a continuing credit facility that has a term, you must pay the total amount owing on or before the last day of the term. We can also ask you to pay the total amount owing under your continuing credit facility within 30 days, even if there isn't a default.

If you default, you must pay the total amount owing on the date it becomes due for payment under A.7 *When you are in default*.

A.4.7 Stamp duty concessions and exemptions

Any government charges shown in the Schedule include any required stamp duty.

If you're eligible for a stamp duty exemption or concession, we will apply for it on your behalf if you give us the fully-completed government forms before the lending date.

We're not responsible if they don't grant the exemption or concession because you don't provide the right forms, don't complete them correctly or it turns out you're not eligible for the exemption based on your circumstances.

If the government grants you the exemption or concession, we pay them the reduced amount of stamp duty; if not, we pay them the full amount. In either case we then deduct the correct stamp duty amount from your account.

A.4.8 Establishing your accounts and accounting for transactions

You authorise us to open an account in your name in relation to your loan, to debit to it the interest and any other amounts you must pay, and to credit to it the repayments you make.

We credit payments to your account as soon as we can, but this is not always on the day that you pay.

We only credit an amount after we actually receive it. We credit the proceeds of a cheque to your account when it clears, but if the cheque is dishonoured we treat that payment as not having been paid.

A debit or credit to the account is taken to be made on the date we assign to it.

We can adjust the debits, credits and the balance owing on your account to reflect accurately your and our legal obligations (e.g., because of an error or because a cheque is dishonoured). If we do this, we can make consequential changes (including to interest charges), subject to any restrictions imposed by the National Credit Code.

You also agree:

- to open a deposit or transaction account with us;
- to deposit to that account any funds that are necessary, in addition to the amount of the loan, to complete any transaction which the loan is being used to fund, such as the purchase of a property; and
- to us applying the funds you deposit to that account for that purpose.

A.4.9 Account statements

For home loans and construction loans we send a statement every six months. You may ask us to provide statements to you more frequently (for example, quarterly) by contacting us.

For continuing credit facilities we send a statement every month.

A.5 How we charge interest

A.5.1 Annual percentage rates

We call the usual interest rate that applies to your loan the annual percentage rate. This rate is shown on your Schedule.

Your annual percentage rate is based on a reference rate, which we can change from time to time (and may change depending on any market event that makes the original reference rate we use unavailable on the calculation date).

You can get information on current reference rates on request or from our website. On the date of any change to the reference rate we publish the new rates in a national newspaper.

A.5.2 How we calculate interest

You must pay us interest for each day. We calculate it by applying the daily percentage rate to the balance owing on your account at the end of each day.

The daily percentage rate is the annual percentage rate for your loan for that day, divided by 365 (366 in a leap year).

Interest accrues daily from the moment you receive the money until you have paid the total amount owing in full.

If your loan has different interest periods, the first period begins on the lending date. Each subsequent period starts the day after the previous period ends (or on the next business day).

A.5.3 When we debit interest

Unless you're in an interest prepaid period or have a continuing credit facility, we debit accrued interest to your account:

- on your first repayment date;
- monthly on the same day as your first repayment date;
- if you have a construction loan, in accordance with section B.2 Construction loans;
- – on the last day of your loan when you repay the full total amount owing; and/or
- when you repay the total amount owing in full.

Prepaid interest periods

If you start an interest prepaid period for a home loan, we deduct all interest for that period at the start of the period.

Continuing credit facilities

If you have a continuing credit facility, interest is debited in arrears on the first business day of the month following the month in which it was accrued and is due and payable on that day.

We deduct unpaid interest from your account on:

- the first day of each month by direct debit, and
- on the day you repay the total amount owing in full.

A.5.4 Interest if you're in default

If you're in default, we can charge a higher interest rate known as the default rate. Default interest accrues daily.

If this applies to your loan, you can find the default rate (also called an 'over-limit rate') on your Schedule.

We charge interest at the default rate on any overdue amount at the end of each day that you are in default. The default rate for a day is the default rate applying to your loan divided by 365 (366 in a leap year).

A.5.5 Default rate for farmers

If you're a farmer and we've given you a loan for a farming operation, we won't charge default rate interest (or fees instead of default interest) while the land you use for that operation is in drought or natural disaster (if the Banking Code of Practice requires it).

You may have to tell us about the circumstances before we can give this concession, or give you a refund if we've charged the default rate during such circumstances.

The words 'farmer or farming operation' have the meaning given to them in the Banking Code of Practice.

A.5.6 Discounts

If we've applied a discount when calculating the annual percentage rate, the Schedule shows the amount of the discount.

We apply this discount to the annual percentage rate for the loan term or terms shown in the Schedule. If we agree to change any of the terms and conditions of this agreement at your request, or convert your loan to a different loan type, your discount ends.

We can also change the discount of your loan after a portfolio review, credit risk review, changes to our cost of funding, changes to our cost of capital or changes to market conditions. If we do this, we will tell you in advance. See clause A.10.6 *Changes to the agreement* for details on how and when we will tell about changes to your contract.

A.6 Other amounts you must pay

A.6.1 Fees and charges

You must pay us:

- all fees and charges shown in the Schedule, in the circumstances described in the Schedule;
- any other changed or new fee or charge we tell you about in accordance with this agreement; and
- any government charges and duties on receipts or withdrawals under this agreement, whether or not you're primarily liable for them.

You authorise us to debit these amounts to your account.

You can get information on current standard fees and charges on request or find them on our website.

A.6.2 GST

Unless otherwise expressly stated, all amounts referred to in this agreement do not include GST.

To the extent (if any) that GST is payable in respect of all or any part of a supply made by a party under or in connection with this agreement (including any indemnity or reimbursement amount), the consideration to be provided for that supply is increased by an amount equal to the GST payable by the supplying party.

A.6.3 Enforcement expenses and other costs

You must pay us any costs we reasonably incur in enforcing our rights under this agreement or a security. These costs can include the costs incurred by reason of the use of our staff and facilities.

They can also include expenses we incur to preserve and maintain a security property after you have defaulted under a security including insurance, rates and taxes payable for the security property.

You must pay the costs referred to above when we reasonably ask you to. We may also debit these costs to your account.

Currency

If a judgment, order or proof of debt is expressed in a different currency, then you must pay us:

- the costs of converting the amount to Australian dollars at the market exchange rate available to us at the time of conversion; and
- any difference if the exchange rate is unfavourable to us.

A.7 When you are in default

You will be in default if:

Monetary defaults

- you don't pay any amount required under this agreement or a security given in relation to this agreement when it becomes payable;

Non-monetary defaults

- you or a guarantor becomes insolvent;
- another creditor takes enforcement proceedings against you or a guarantor (or your or their assets);
- early repayment is required under another arrangement you or a guarantor has with us, or we take default-based action against you or a guarantor because of a default of a type in this clause A.7;
- we believe on reasonable grounds that you or a guarantor hasn't complied with the law or any requirement of a statutory authority that relates to this agreement or a security property, or it becomes unlawful for you or us to continue with this agreement;
- you or a guarantor gives us information or makes a representation or warranty to us in relation to this agreement or any guarantee relating to it which is materially incorrect or misleading (including by omission) and which has given rise to, or is likely to give rise to, a material increase to our risk in relation to the loan;
- you use the loan for a purpose we haven't approved;
- you or a guarantor deals with, or tries to deal with, any security property in breach of this agreement, any security or any other agreement with us, without our consent;
- you or a guarantor don't give us financial information required by this agreement;
- you don't maintain any insurance this agreement requires;
- the status, capacity or composition of you or a guarantor changes without our consent (e.g. if you are a partnership and it is dissolved, or you are a trustee and there is a change in trustee or the trust ends); or
- if you have a construction loan, you breach the terms of section B.2 *Construction Loans*.

A.8 What happens when you are in default

A.8.1 Before we act

We will only act on a non-monetary default if the default is, by its nature, material, or we reasonably consider the default has had, or is likely to have a material impact on:

- your or a guarantor's ability to meet your or their financial obligations to us (or our ability to assess these);
- our security risk (or our ability to assess it); or
- our legal or reputation risk if the default is of a type referred to in the 4th, 5th and 6th bullet points under 'Non monetary defaults' in clause A.7.

A.8.2 If the National Credit Code applies

If we decide to act and the National Credit Code applies to this agreement, we will give you a default notice unless:

- we reasonably believe that we were induced by fraud to enter into this agreement;
- we have made reasonable attempts to locate you, without success;
- a Court authorises us to begin enforcement proceedings; or
- we reasonably believe that urgent action is necessary to protect a security property.

The default notice will specify the default, include any other information required by the National Credit Code, and give you at least 30 days to fix the default (if it can be fixed).

A.8.3 If the National Credit Code does not apply

If we decide to act, and the National Credit Code does not apply to this agreement, we will give you a default notice specifying the default and give you a reasonable time to fix the default (if it can be fixed). That time will not be less than 30 days unless it's reasonable for us to act more quickly to manage a material and immediate risk relating to the nature of the relevant default, your particular circumstances or the value of a security property.

A.8.4 If you don't fix the default

If you don't or can't fix the default, then at the end of the period specified in any default notice we've given you we can immediately:

- stop you from accessing any undrawn part of the amount of credit;
- require payment of all amounts owing under this agreement (including the total amount owing);
- take legal action (such as sue you for the unpaid amounts or take any enforcement proceedings);
- enforce any security (including taking possession of the security property); and
- exercise any other legal rights we may have.

A.9 Redrawing amounts

When redraw is available

Redraw is only available for home loans, but only during a variable rate period or if specified in the Schedule.

How much you can redraw

You can redraw up to the amount of extra repayments you've made to your loan. If you redraw more than this amount, you must repay the balance immediately.

The minimum redraw amount is \$100. You can contact us to find how much you have available.

Electronic redraw

If your loan is linked to your internet banking, and redraw is a feature of the loan, then we automatically activate electronic redraw. This means that you and any other borrower can redraw additional repayments through internet banking.

If any of the borrowers don't want electronic redraw, you need to tell us in writing.

Redraw conditions

You can only redraw an amount if:

- you've drawn down the whole loan amount; and
- you haven't paid out your loan.

You can't redraw an amount if:

- you've dealt with any security without our consent;
- you or any borrower or guarantor is in default under this agreement or any security;
- you've provided subsequent security interests over security property to other parties;
- in our opinion any security property has lost value;
- we have reasonable suspicions that you or someone acting on your behalf is being fraudulent;
- the drawing would cause loss to you or us;
- we have reasonable suspicions that your loan account is being used to further a crime;
- the drawing would be in breach of any provision of law;
- your financial situation has significantly changed since the settlement date;
- we do reasonably consider the transaction to involve any impropriety or misuse of a service; or
- we do reasonably consider the transaction to be suspicious.

Each time you redraw an amount, you declare these things to be true. If you don't meet the redraw conditions for any reason and still make a redraw, you must immediately repay the redraw.

If a scheduled repayment is not paid in full, the amount available for redraw will be reduced by the unpaid amount. We may treat the reduction as satisfying that part of the amount due under the agreement.

The amount available for redraw will also be reduced if your credit limit is reduced.

We give no representation about the taxation effects of making a redraw.

Limits

Acting reasonably, we can limit the number of redraw transactions you can make during a particular period.

When it is reasonably necessary to protect our legitimate business interests we can end your rights to redraw under this agreement. We do not have to tell you first, but we will tell you as soon as reasonably practicable afterwards.

If there is more than one of you, any one of you can redraw any amount available for redraw. If we allow the redraw we don't need to consult any other of you, unless the account can only be operated jointly.

A.10 General conditions

A.10.1 Consents

Whenever you need our consent or approval under this agreement, we will act reasonably and without unreasonable delay when deciding whether or not to give that consent or approval.

We can impose reasonable conditions on any consent or approval we give under this agreement. Our consent approval is only effective if it is in writing.

You must comply with all conditions and requirements in any consent or approval we give, and we can charge a reasonable fee for giving our consent or approval.

A.10.2 Things we can do

We can do anything which you should have done under this agreement, but which you have either not done or in our reasonable opinion have not done properly. If we do this you must pay our reasonably incurred costs.

Complying with sanctions laws

We can delay, block or refuse to make a payment or take any other action if we reasonably consider it necessary to avoid a breach of Australian sanctions law or international sanctions law.

If you break the law

Despite any right contained in this agreement, if we believe that you may be a proscribed person, or have broken the law in a way that has material impact on your ability to repay the loan, the security or our reputation, we can:

- immediately refuse to process or complete any transaction or dealing of yours;
- suspend the product or service we're providing (including credit);
- refuse to allow or enable any of your assets we hold to be used or dealt with;
- refuse to make any asset available to you or any other proscribed person; and
- end our arrangements with you.

If we do any of these things in good faith, and in compliance with any legal requirement relating to a proscribed person, we will be under no liability to you.

These rights are in addition to all other rights we have under these terms and conditions.

A.10.3 Disclosing your information

We can disclose information you give us if:

- you consent (unless you are an individual, you can't unreasonably withhold your consent);
- required by any stock exchange or if allowed or required by law;
- we think it is necessary to protect our position; or
- the information is generally and publicly available.

Who we can disclose it to

We can disclose information you give us to:

- any of our related entities;
- any other borrower or guarantor;

- our officers, authorised agents and employees, receivers and legal advisers, auditors and other advisers;
- any person in the business of loan and mortgage broking or other introducer who has introduced you to us;
- any person for the purposes of securitising this agreement and any security; and
- any person in connection with exercising our rights or dealing with rights or obligations.

What we can disclose

For calculating and tracking commissions, information we disclose can include:

- the approval or non-approval of your loan application;
- the financial particulars relating to your account;
- the lending date;
- the amount of credit, your loan, and our product name or description for your loan;
- the end-of-month balances on your account;
- the account name and number;
- the date your loan is paid out;
- the details of any default of your loan; and
- any other information about your account that could affect paying a commission.

You agree to us giving any other borrower or guarantor, a copy of:

- this agreement (or a summary);
- all securities given in connection with your loan;
- any formal demand we've sent to you;
- any relevant statements of account we've given you;
- any relevant financial accounts or statements of financial position you've given us;
- your credit reports from credit reporting agencies; and
- any other financial information about you that a guarantor asks for, or that the Code of Banking Practice requires us to provide, including notices of demand and any current credit-related insurance contracts.

A.10.4 Currency

You must make repayments and any other payments in Australian dollars.

A.10.5 Accounts and set-off

Setting-off money

You must pay the total amount owing in full, without setting-off amounts you believe we owe you and without counterclaim amounts from us.

This applies except to the extent you have a right of set-off, granted by a law such as the National Credit Code, that we can't exclude by agreement.

Unless there is a genuine dispute, we can set-off any money we owe you against the total amount owing.

What happens to money we receive?

We will use money we receive under this agreement to pay the total amount owing, unless we have to pay it to someone with a prior claim. We can use money from an insurance claim to reinstate or replace the property or carry out other work on it.

We can use any money we receive to pay any part of the total amount owing we choose, such as by paying a later instalment before an earlier instalment.

Once the total amount owing is paid, we must pay any money remaining either to you or to another person entitled to it (such as someone with a security over the property). We can choose to pay it to a person we consider has a subsequent registered or unregistered security without incurring liability to you.

We don't pay interest on any money remaining after the total amount owing is paid.

We will credit payments as soon as practicable after we receive them (including payments from receivers) and we don't have to refund any payment to you.

Multiple accounts

We can use any money in any of your accounts with us to pay the total amount owing.

If you (or a borrower or guarantor) have more than one account with us (either alone or with another person) we can treat these accounts as one, unless an amount owed to us is in genuine dispute.

We don't have to do this, and we don't have to tell you in advance if we do.

A.10.6 Changes to the agreement

Changes to the agreement by us

We may make changes to your agreement at any time and without your consent as set out in this clause A.10.6. We will tell you about any such changes in accordance with this clause.

Changes to the annual percentage rate(s)

If a variable rate applies to your loan, we may change the annual percentage rate(s) applying to your loan. However we can't change the annual percentage rate(s) during a fixed rate period.

If the change increases your obligations, we'll give you notice of the change on or before the day it takes effect, either by:

- giving you written notice; or
- publishing a notice in a way permitted by the National Credit Code (e.g. in a newspaper which circulates nationally).

If we give you notice by publishing it, we'll also give you details of the change before or when your next account statement is given to you.

We may also change:

- any margin that applies to your loan (except during a period in which we've agreed to fix the margin); and
- the default rate.

If the change reduces your obligations or extends the time for payment, we'll give you details of the change before or when we give you your next account statement. Otherwise, we'll give you written notice of the change at least 30 days before it takes effect.

Changes to how we calculate or debit interest

We may change how we calculate interest or how often we debit it to your account.

If the change increases your obligations, we'll give you written notice at least 30 days before it takes effect.

Changes to repayments

We can change these aspects of your repayments:

- the amount;
- the frequency;
- when you must pay them; and
- how we calculate them.

If we make any of these changes and the change reduces your obligations or extends the time to pay, we'll give you details of the change before or when we give you your next account statement.

Otherwise, we'll give you written notice of the change at least 20 days before it takes effect.

Changes to fees and charges

We may change these aspects of our fees and charges:

- the amount you have to pay; and
- when or how often you have to pay a fee or charge.

We can also introduce new fees and charges.

However, during a fixed rate period we can't make any change that would increase any fee or charge you have to pay if you end the agreement early or prepay any amount.

If we make any of these changes and the change reduces your obligations or extends the time for payment, we'll give you details of the change before or when we give you your next account statement.

Otherwise, we'll give you notice of the change at least 30 days before it takes effect, either by:

- giving you written notice; or
- publishing a notice in a way permitted by the National Credit Code (e.g. in a newspaper which circulates nationally).

If we give you notice by publishing it, we'll also give you details of the change before or when we give you your next account statement.

If there is a change to a government charge that you must pay, or a new one is introduced, we'll notify you reasonably promptly after the government tells us, unless they publicise it themselves.

Other changes to this agreement

We can make the following changes to any other term of this agreement:

- changes to comply with, or reduce the risk of non-compliance with, any laws, codes of practice, or regulatory guidance;
- changes to comply with a decision, recommendation or guidance of a Court, ombudsman, regulator or other similar body;
- changes to reflect a change in our systems or business procedures;
- changes to enhance the security of your account;
- changes to simplify this agreement;
- changes that are administrative, or to correct a mistake or omission;

- changes to, or as part of a process to, enable us to move you from a loan product that has been, or is to be, discontinued to another loan product;
- changes to, or as part of a process to, migrate your account to a new system;
- changes to reflect amendments or improvements to the features of your account or how it operates;
- changes to the ways you can access your account;
- changes that we reasonably believe are beneficial to you;
- changes that in our reasonable opinion are necessary in order to manage a material compliance, prudential or operational risk; and
- any other changes that are reasonably necessary to protect our legitimate business interests.

If we make any of these changes and the change reduces your obligations or extends the time for payment, we'll give you details of the change before or when we give you your next account statement. Otherwise, we'll give you notice of the change at least 30 days before it takes effect.

Giving you written notice of changes

When we have to give you written notice of a change, we can do this in any of the ways described in clause A.10.14 Notices.

Changes by agreement between us

You can also request us to make changes to this agreement. If you do, we will only be bound by them if we agree to them in writing.

A.10.7 Rights and obligations

These rights apply to us and our receivers.

Dealing with rights under this agreement

We can assign or otherwise deal with our rights or remedies under this agreement in any way we consider appropriate, as long as this doesn't materially prejudice your rights or obligations under this agreement.

If we do this:

- we don't have to tell you;
- you can't claim any right of set-off (or other rights you have against us) against any assignee, or any other person who has an interest in this agreement; and
- you agree that you are still liable for the total amount owing under this agreement.

Your rights are personal to you and you can't assign them without our written consent.

How we can exercise our rights

We can exercise a right in any way we consider appropriate, acting reasonably. If we don't exercise a right fully or at a given time, we can still exercise it later.

We can exercise our rights under this agreement even though:

- we could have exercised those or other rights before but didn't, or were slow in doing so;
- we've tried to exercise the rights before (in whole or in part);
- we've exercised other rights before; or

- we hold other security interests for payment of the total amount owing.

We're not liable for loss because we:

- exercise;
- try to exercise;
- fail to exercise; or
- delay in exercising

a right or remedy, except to the extent that the loss is caused by our mistake, fraud, negligence or wilful misconduct or the mistake, fraud, negligence or wilful misconduct of our employees, officers, contractors, agents or any receiver we've appointed.

Our rights and remedies under this agreement are in addition to other rights and remedies given by law independently of this agreement or by any security.

Any of our directors, employees or any other person we authorise can exercise our rights and remedies.

Liability

Neither we nor any receiver are responsible for any loss arising in connection with us exercising (or not exercising) our rights, powers or remedies, except to the extent that the loss is caused by our mistake, fraud, negligence or wilful misconduct or the mistake, fraud, negligence or wilful misconduct of our employees, officers, contractors, agents or any receiver we've appointed.

Your agreement to this is subject to any warranties implied by the law that we can't exclude (e.g., the statutory warranties that services will be rendered with due care and skill and will be fit for their purpose).

Your obligations and our rights are unaffected

This agreement does not merge with or adversely affect, and is not adversely affected by:

- a security or right or remedy we're entitled to; or
- a judgement or order which we obtain against you for any of the total amount owing.

We can still exercise our rights under this agreement as well as under the judgement, order, other security, right or remedy.

This agreement binds each person who signs it, even if another person who was intended to sign doesn't sign it or is not bound by it.

Reinstatement of rights in insolvency

Under a law relating to insolvency a person may claim that a transaction (including a payment) in connection with this agreement is void or voidable.

If a claim is made and upheld, conceded or compromised, then:

- we are immediately entitled, as against you, to the rights for the total amount owing to us immediately before the transaction, and
- you agree to do anything we request to restore to us any security we held from you immediately before the transaction.

Your obligation under this clause is a continuing obligation. It continues even after you have repaid the total amount owing, and after we have released any security property from a security.

A.10.8 Partnership

If this agreement is given to secure the total amount owing by a firm or partnership or joint venture:

- this agreement continues in full force and effect despite any changes to members or participants, even if the firm, partnership or joint venture no longer carries on business; and
- this agreement is binding on you even though you are not (or are no longer) a member or participant in the firm or partnership or joint venture.

A.10.9 Strata Corporations

Strata corporation provisions

If you are a strata corporation you must:

- conduct your affairs in a proper, orderly and efficient manner;
- obtain, renew on time and comply with the terms of each authorisation this agreement requires;
- comply with the obligations of each authorisation and allow it to be enforced; and
- comply with the legislation under which you are incorporated.

Conducting your affairs properly includes:

- collecting levies and other amounts your members or shareholders have to pay;
- maintaining accounting and other records;
- only incurring debts and liabilities with the approval of the committee, board of directors or other body responsible for controlling your day-to-day management; and
- paying these debts and liabilities on time in accordance with their terms.

A.10.10 Trustee declarations

By entering into any arrangement with us, or by owning any of the security property as trustee of any trust or settlement, you make the following declarations (unless you have advised us in writing, before entering into this agreement, that one or more of the declarations cannot be made and we have agreed to waive the requirement that you make that declaration or declarations):

- any arrangement with us is for the benefit of the trust;
- any arrangement with us does not conflict with the operation or terms of the trust;
- you are the sole trustee of the trust;
- you have the power as trustee of the trust to enter unconditionally into this agreement and perform your obligations under it;
- the trust has not been terminated and no beneficiary is presently entitled to any assets of the trust;
- you have the right to be fully indemnified out of the trust assets for obligations incurred under any arrangement with us;
- no action has been taken or proposed to terminate the trust;
- you've given us true copies of the trust deed and other documents relating to the trust that disclose all the terms of the trust;
- you haven't delegated any of your powers as trustee or exercised any power of appointment;

- no property of the trust has been resettled or set aside or transferred to any other trust;
- the trust documents comply with all applicable laws;
- by entering into any arrangement with us and performing your obligations under it you are properly performing your obligations to the beneficiaries of the trust;
- you have taken all steps necessary to allow you to enter into and perform your obligations under any arrangement with us;
- no action has been taken to remove you as trustee or to appoint an additional trustee; and
- you have not breached your obligations as trustee.

You must tell us whenever anything happens which would mean you could not truthfully repeat all these declarations (unless we consent to that thing happening).

Trustee actions

Unless we have consented in writing, as a trustee you must not:

- do anything in connection with the trust;
- deal with any property of the trust; or
- otherwise act in connection with the trust.

in any way that adversely affects your ability to pay the total amount owing. This includes making any distribution of capital or resigning as trustee.

As a trustee, any arrangement with us binds you in your personal capacity and in your capacity as trustee of the trust.

If you are a trustee and you default, you:

- must not exercise your powers or discretions under the trust unless we have consented in writing; and
- must not exercise your right to be paid from the assets of the trust on demand.

A.10.11 Administration

You must do anything we reasonably ask to:

- provide more effective security over any security property;
- enable us to register any security with the agreed priority (and renew its registration if required);
- perfect any security over personal property under this agreement in accordance with the PPSA;
- enable us to register our power of attorney or a similar power;
- enable us to exercise our rights in connection with the security property;
- protect the security property or fix any defect in it;
- show whether you are complying with this agreement; and
- ensure that any arrangement with us is binding on you.

Examples include obtaining consents, signing and producing documents, replying to questions, producing receipts and getting documents completed and signed.

You agree that we can make any changes to this agreement or any related document (such as an acknowledgment) for the purposes of stamping or registering the documents with a government authority, as long as these changes don't change its meaning or effect.

Filling in the blanks

You agree that we can fill in any blanks in this agreement or in any related document (such as an acknowledgment) to reflect what is intended or agreed between you and us.

Prompt performance

If this agreement specifies when you must perform an obligation, you must perform it by the time specified. You must perform all other obligations promptly.

A.10.12 Insurance

Any obligation in this agreement about insurance is a continuing obligation until the agreement ends. If you don't provide the insurance required by this agreement you authorise us to do this on your behalf.

A.10.13 Other parties

Manager

We can appoint a person to manage this agreement and any securities for us. We will tell you if we do this.

We authorise a manager to exercise all of our rights under this agreement and any securities.

Valuers and consultants

Any valuer or consultant we use is an independent contractor and is not our agent or employee. We're not responsible for any representation, action or inaction by them.

Relying on valuations

Any report we obtain from a valuer or consultant is for our use only. Even if we give you a copy of the report, you can't rely on it, and neither we, the valuer or the consultant has any liability to you if you do rely on it and the report is wrong.

You must get your own valuation report if you want to rely on it.

A.10.14 Notices

Notices, other communications and service of documents

Notices, consents, approvals and other communications relating to this agreement must be in writing, unless we agree otherwise.

Any of our employees or authorised agents can sign communications from us.

Communications from us to you

We can give communications to you:

- in person (if you are a corporation, to one of your directors);
- by delivery or post to your last-known residential or business address;
- by publishing them in any manner allowed by law and any applicable code of practice at any time (for example, we could give you a notice by publishing it in a national newspaper, or electronically on a website, if the law and any applicable code allowed that);
- in any other way the law allows; or
- if you're not a resident of Australia, delivered to you by any of these methods, or delivered to your appointed agent in Australia by:
 - giving the communication to your agent personally; or

- emailing the communication to your agent at any email address you give us.

Communications from you to us

You must give communications to us:

- in-person to one of our employees at one of our branches;
- by prepaid post to our registered address and no other place; or
- by any other method the law allows.

If you are a corporation, a director, or another person we approve must sign communications from you.

Definition of delivery

We consider that we've given you a communication (whether or not you actually receive it) if it is:

- given personally - on the date it bears or the date the person it's addressed to receives it, whichever is later;
- sent by post - on the date it bears or the date it would have been delivered in the ordinary course of post, whichever is the later;
- by email - on the date of the email transmission; or
- by publication (eg in a newspaper or on a website) - the date it's first published.

If we deliver it to your appointed agent in Australia:

- personally - on the date it is delivered;
- by email - on the date of the email transmission; or
- by post - on the date it bears or the date it would have been delivered in the ordinary course of post, whichever is the later.

If you change your address, you must promptly tell us in writing.

Certificates

We can rely on certificates provided by any other person with a security interest over the security property about a matter or an amount, in the absence of a clear error.

A.10.15 Applicable laws

Depending on your loan, some or all of these laws and codes may apply:

- the National Credit Code;
- the unfair contract terms provisions in the ASIC Act; and
- the Banking Code of Practice.
- If these apply and any term in this agreement:
 - contravenes any aspect of these acts or codes;
 - would be illegal or unenforceable under them; or
 - would impose a prohibited obligation or liability;

then this agreement is to be interpreted and applied as if that term were omitted or varied to make it comply these acts or codes.

Total amount owing

If the National Credit Code applies to this agreement, the total amount owing does not include any amount which exceeds the sum of:

- the amount of your liabilities under this agreement; and

- any expenses we reasonably incur to enforce this agreement.

Rights and remedies

To the extent that the National Credit Code, the Banking Code of Practice or other code or legislation applies to this agreement:

- our rights to demand any amounts from you and to exercise our rights and remedies against you are subject to the limitations on enforcement of this agreement imposed by the code or legislation; and
- our rights and remedies under this agreement are in addition to those given to a credit provider under the code or legislation.

Inconsistent law

To the extent permitted by law, this agreement prevails to the extent it is inconsistent with any law.

A.10.16 Governing law and serving documents

Australian residents

If you're a resident of Australia, this agreement is governed by the laws of the state or territory you live in, unless there's more than one of you, in which case this agreement is governed by the laws in the state or territory in which the loan is drawn down.

You and we submit to the non-exclusive jurisdiction of the courts of that place.

We can serve any document in a court action on you by delivering it to, or leaving it at, your address last known to us or any other address you and we agree at any time.

This includes a writ of summons, other originating process or third or other party notice.

This clause does not prevent any other method of service.

Non-residents

If you're not a resident of Australia, you submit to the non-exclusive jurisdiction of the courts in the state of Queensland.

If we ask, you agree to appoint an agent for service of process in Australia and to provide to us in writing, that agent's:

- full name;
- postal address;
- email or fax address (if any); and
- contact telephone number.

You acknowledge and agree that we can serve on you any document in a court action started in any courts in Australia by:

- mailing a copy of the document by prepaid registered airmail postage to your last-known residential or business address;
- giving the documents personally to any agent you appoint; or
- emailing or posting the document to your agent at any address you provide.

This includes a claim, writ of summons, other originating process or third or other party notice.

Effect of service

You acknowledge and agree that any court document (including any originating process) has been served:

- if mailed to your last-known residential or business address - on the date on which the document is sent or the date it would have been delivered in the ordinary course of post, whichever is the later; or
- if given to your agent:
 - personally - on the date the document is given;
 - by email - on the date of transmission of that email; or
 - by post - on the date it would have been delivered in the ordinary course of post.

Nothing in this agreement affects the right to serve process in any other manner permitted by law.

If any part of this agreement is unenforceable

If a court decides that any clause or part of a clause of this agreement is illegal or void, then the rest of this agreement is to be interpreted as if that clause or that part of the clause is not part of this agreement.

A.10.17 Closing your loan

To close your loan, you must contact us.

A.10.18 Account not to be in credit

There must not be any payment made into your account that results in the account having a credit balance. If there is, we may pay the credit balance to you in any way we choose (including by crediting it to any other account you have with us).

A.10.19 Ending this agreement

You can end this agreement at any time if you:

- give us written notice; and
- pay the total amount owing.

Our advice

We advise you to:

- tell us promptly if you are in financial difficulty; and
- carefully read these terms and conditions, the Schedule and each security.

A.10.20 Enforceability and invalidity

This document is enforceable against each party signing it even if:

- one or more persons named as a party doesn't execute this document; or
- this document is not enforceable against another person named as a party for any reason.

If any part of this document:

- is unenforceable at law;
- doesn't comply with a law; or
- imposes an obligation or confers a right prohibited by law;

the term is omitted or varied to the extent necessary to comply with that law.

B. Your loan

Part B contains the specific terms and conditions for each category of loan.

You don't need to read all of Part B, only those sections that relate to your loan:

- B.1 Home loans
 - B.2 Construction loans
(you must also read section B.1 Home loans)
 - B.3 Continuing credit facilities
 - B.4 Offset account
(read this if you've linked an offset account to your loan)
-

B.1 Home loans

You only need to read this section if your loan is a home loan or a construction loan.

If the National Credit Code applies to your loan you should also read the Information statement. This applies if you're a natural person or strata corporation, and you're borrowing:

- for personal, domestic or household purposes;
- to buy, renovate or improve residential property for investment purposes; or
- to refinance credit previously provided for this purpose.

B.1.1 Drawing down your loan

Once you sign this agreement, and unless the loan is a construction loan or we otherwise agree in writing, you must draw down the full loan amount within 90 days.

If you do not draw down the loan amount within this period (or any longer period we agree to in writing), we may ask you to draw down the loan amount within a grace period we specify. If you do not draw down the loan amount within the grace period we specify, then:

No draw down

- if no part of the loan amount has been drawn down:
 - we will terminate this agreement;
 - we're not required to lend you any amount; and
 - you will have to pay any fees or expenses we've incurred, such as loan application fees, valuations or documentation expenses.

Partial draw down

- if part of the loan amount has been drawn down:
 - we don't have to advance any more of the loan amount (although we can choose to do so); and
 - you will have to repay the amount you've drawn down in advance with the terms of this agreement.

Five days' notice

We may need up to five business days' notice before we transfer the loan amount to your loan account.

B.1.2 Mortgage offset

You can link a Mortgage Offset Account to your loan if:

- your loan is eligible for a mortgage offset facility; and
- you're in a variable rate period.

See section B.4 *Offset account* for details.

B.1.3 Repayments

You must make monthly repayments unless you're in an interest prepaid period or the Schedule states otherwise. We may agree to accept repayments more frequently.

The Schedule shows the day of your first repayment. All following repayments are due on the same day in each following month as the first repayment unless the Schedule says otherwise.

If you're in an interest prepaid period you must make repayments in accordance with the terms of clause B.1.10 Interest prepaid loans. Extra repayments are not allowed during interest prepaid periods.

B.1.4 Repaying early

During a variable rate period

During a variable rate period, you can repay as much as you choose at any time, without telling us in advance.

You can do this by paying one or more lump sums or by increasing your repayment amount.

Once you make an early repayment, you can only redraw that amount under the redraw provisions in clause A.9 Redrawing amounts.

During a fixed rate period

During a fixed rate period you can make extra repayments annually up to a certain amount without any break costs. We can tell you what this annual amount is, or you can refer to the fixed rate home loan page on our website.

If you make early repayments over this limit we can charge break costs (see clause B.1.8 *Break costs* below).

You can't redraw any amount you've repaid early during a fixed rate or interest prepaid period, and redraw isn't available during a fixed rate or interest prepaid period (see clause A.9 *Redrawing amounts*).

Effect of early repayments

If you repay part of the loan amount early, your repayment amount doesn't change (unless we agree to your request for a change) but it may mean that you repay your loan sooner.

If redraw is available on your loan, any repayments you make before the actual monthly repayment date may be available for redraw (see A.9 *Redrawing amounts*).

B.1.5 Annual percentage rate in a fixed rate period

Effect of fixing

During a fixed rate period, we agree to fix the annual percentage rate for your loan for an agreed period.

During a fixed rate period, the annual percentage rate for your loan stays at the rate we agreed at the start of the period, even if our other interest rates change.

Fixed rate at the start of the term

If you fix the rate at the start of the term, the fixed rate period begins on the lending date.

If your loan has rate lock, and the fixed rate period starts within 100 days of the date we agreed to the rate lock, then the annual percentage rate is the rate stated in the Schedule.

Otherwise the annual percentage rate applying to your loan is the annual percentage rate at the lending date.

The annual percentage rates stated in the Schedule are based on the interest rates current as at the date we make the offer as set out in the Schedule. The actual annual percentage rate applying to your loan may change before the lending date. We will confirm the fixed rate at the time you draw down.

When a fixed rate period ends

Before a fixed rate period ends you can apply for another fixed rate period if:

- we're offering a further fixed rate period at the time; and
- we agree to your request.

To apply you must write to us at least ten business days before the end of the current period, and pay any switching fee stated in the Schedule.

If rate lock is a feature of the loan and you request it, and the new fixed rate period starts within 100 days of the date we agreed to the rate lock, then the annual percentage rate will be the fixed rate you requested.

Otherwise the annual percentage rate of any further fixed rate period may be higher or lower than the previous rate, and is effective from the first day of the new fixed rate period. We will confirm the fixed rate at the time you draw down the loan.

We agree to this separately, as a change to the terms of this agreement.

Changing from a variable rate to a fixed rate

You can ask to change to a fixed rate period during the loan term if:

- we're offering a fixed rate period at the time;
- we agree to your request; and
- you pay the switching fee stated in the Schedule.

We agree to this separately, as a change to the terms of this agreement.

The fixed rate period begins on a day that has been agreed between you and us.

If rate lock is a feature of the loan, and the new fixed rate period starts within 100 days of the date we agreed to the rate lock, then the annual percentage rate will be the fixed rate you requested.

Otherwise, the annual percentage rate for the fixed rate period will be the fixed rate on the agreed date.

Automatic change from a fixed rate to variable rate

Unless we have agreed to another fixed rate period, when a fixed rate period ends, the annual percentage rate of your loan automatically changes to the variable reference rate stated in the Schedule (plus or minus any relevant discount or margin).

B.1.6 Annual percentage rate in a variable-rate period

During any variable-rate period we can change the annual percentage rate applying to your loan at any time.

We will tell you if it changes and whether the change affects your repayment amount. See clause A.10.6 *Changes to the agreement* for details on how and when we will tell about changes to your contract.

The annual percentage rates stated in the Schedule are based on the interest rates current as at the date we make the offer as set out in the Schedule, and the actual rate applying to your loan may change before or after the lending date.

B.1.7 Breaking a fixed rate or interest prepaid period

You can break a fixed rate period or interest prepaid period and revert to a variable rate period, but you may have to pay break costs if you do this.

If you break an interest prepaid period, we will refund the unused interest you've prepaid (from the date you break the period to the date it was due to end).

To do this you must tell us in writing, and we will change the fixed rate or interest prepaid period to a variable rate period within five business days.

B.1.8 Break costs

We agree to a fixed rate period or a interest prepaid period on the understanding that:

- you won't end any interest prepaid period prematurely; or
- you'll continue to make repayments for the whole of the fixed rate period.

We arrange our finances on this basis, so we may make a loss if you:

- repay the total amount owing before the end of a fixed rate period;
- repay more than the allowed extra payment limit within each 12-month period of your fixed term;
- change to a variable rate period;
- default on your loan; or
- change your repayment type from principal and interest to interest only or vice versa.

If we make a loss because you do any of these things, you must pay our estimate of our loss. This loss is called a break cost. You also have to pay a break cost administration fee.

Finding out break costs in advance

We can only give you an estimate of the amount of any break costs in advance, as at the day you ask us. The final figure may be different as there are many factors involved.

Break cost formula

We use a formula to calculate our loss. The calculation doesn't necessarily reflect the actual transactions in your account when you break the fixed rate period or interest prepaid period, because we manage our finances as a portfolio.

In general terms you'll have to pay a break cost if our current wholesale interest rate for the remaining fixed rate period or interest prepaid period is lower than the original wholesale interest rate.

The wholesale interest rate is the rate at which we can get fixed rate funds from the money market on the relevant day, and doesn't include any customer margin.

Among other things, the formula takes into account:

- the wholesale interest rate on the first day of the fixed rate period or interest prepaid period (the original wholesale interest rate);
- the wholesale interest rate for the remaining part of the fixed rate period or interest prepaid period, using the rates when the fixed rate period or interest prepaid period is broken (the current wholesale interest rate);
- the amount of principal that you paid during your fixed rate period or interest prepaid period, or the amount of principal outstanding when you break your fixed rate period or interest prepaid period;
- the extra payment limit we allow you to prepay before we impose break costs

- the amount of any unpaid interest, fees and charges and any default interest debited to your account;
- the timing, dollar amount and frequency of repayments required under this agreement; and
- the remaining fixed rate period or interest prepaid period.

The formula compares the value of the foregone payments at the original wholesale interest rate and at the current wholesale interest rate. The difference between these two values is adjusted to account for the time value of money.

When using this formula, we can assume that the wholesale interest rate that applies on the calculation date is the current rate on the date you break the fixed rate period or interest prepaid period.

If you would like to see a detailed description of the formula used to work out the break costs, please contact us.

Our calculation is binding

Our calculation of the break costs is conclusive and binding on you. If we work out that there is a cost, you have to pay that cost if you break the fixed rate period or interest prepaid period, or we can debit it to your account.

Please note that we won't pay you a benefit if the wholesale interest rate for the remaining fixed rate period or interest prepaid period is higher than the original wholesale interest rate. This is because we allow you to make extra payments up to the extra payment limit without charging break costs.

B.1.9 Loan type

If you have a home loan or a construction loan, your loan type is stated in the Schedule as being either 'personal' or 'investment'. If your loan type is 'personal' this means that you are an owner-occupier of the residential dwelling that is the subject of your loan. If your loan type is 'investment' this means that you are not an owner-occupier.

Switching your loan type

You can apply to switch your loan type for your home loan or construction loan from a 'personal' loan to an 'investment' loan or vice versa at any time (including after the first loan advance) by applying in writing and paying the switching fee.

While your loan type is 'personal' you must not rent the residential dwelling out or allow anyone to live in it without you, unless we have first agreed. If we agree to this, or if we

determine that you're no longer living there, we can require you to switch your loan type from 'personal' to 'investment'.

The same applies if your loan type is 'investment' and we identify that you're no longer using the property for investment purposes.

When you switch loan type, the annual percentage rate applying to your loan changes to the rate applicable to the loan type you have switched to.

When you switch loan type, any discounts end unless we agree to a new discount.

B.1.10 Interest prepaid loans

If you have an interest prepaid loan, we deduct the yearly advance interest from your transaction account for that loan on each interest prepayment date.

We will tell you before the interest prepaid period ends. You'll have two months to decide whether to continue with an interest prepaid period or switch to a variable rate period (this is called the election period).

At the time we will give you an estimate of the yearly advance interest repayment for the next interest prepaid period, based on the interest prepaid rate we offer at the time. This estimate may change between the time we notify you and the end of the election period.

If you choose an interest prepaid period, we will confirm the yearly advance interest repayment before the interest prepayment date.

Reverting to variable rate

You can have up to five consecutive interest prepaid periods. At the end of the fifth period your loan reverts to a variable rate investment home loan with the annual percentage rate stated in the Schedule. You must then start making principal and interest repayments in accordance with the Schedule.

Your loan will also revert if:

- you don't tell us you want another interest prepaid period within the election period; or
- you don't pay the yearly advance interest repayment when it's due (e.g., because there's not enough money in your account on that day).

B.2 Construction loans

You only need to read this section if your loan is a construction loan.

You must also read section B.1.

If the National Credit Code applies to your loan you should also read the *Information statement*. This applies if you're a natural person or strata corporation, and you're borrowing:

- for personal, domestic or household purposes;
- to buy, renovate or improve residential property for investment purposes; or
- to refinance credit previously provided for this purpose.

B.2.1 How we lend the loan amount

If you have a construction loan, we can lend you the loan amount in a series of advances, typically up to five.

You must make the first drawdown and construction must start within six months from the date of offer as set out in your Schedule, or in any other period we've agreed to.

B.2.2 Before the first loan advance

Before we make the first loan advance:

- you must have contributed any money we require to the relevant construction project (this is your equity contribution);
- we must have registered all securities we require to be registered; and
- you must meet all the requirements in clause A.2 *Before we lend you money*.

Documents we need

You must provide a copy of:

- the fully-signed building contract;
- the building plans approved by the local authority;
- all relevant approvals (including a set of council-approved plans and specifications); and
- a full set of the specifications signed by you and your builder.

You must also provide:

- evidence that the builder is registered, holds all necessary licences and has an amount of contractors' all-risks insurance that we accept (including workers' compensation insurance);
- an adequate and appropriate insurance policy in your name for the period of construction for the contract price of the building work; and
- if we ask for them, a surveyor's certificate and a consulting engineer's certificate, each in a form satisfactory to us.

B.2.3 General requirements

Following plans and specifications

You're responsible for ensuring that the builder does all work on the property according to:

- the plans and specifications we've approved; and

- the requirements of all laws, authorities and Australian Standards (including any building and construction codes and any state and federal legislation governing the delivery of building work).

You must also comply with our reasonable directions about the plans and specifications or about the work.

If we monitor the work, it is only for our own purposes, and even if we make a loan advance, it doesn't mean the work is necessarily satisfactory. We're not liable for the quality of the work or any delays.

Changes to plans

You must not make any changes to the council-approved plans and specifications without our written consent (which we will not unreasonably withhold) and council approvals. You must ask for our consent in writing, and pay our reasonable costs for considering and responding to your request.

Completion

You must ensure that the work is completed, and draw down the final loan advance, within 12 months of the date of the first loan advance or in any other period we've agreed to in writing.

The work will be considered complete when, in accordance with the plans and specifications we have approved:

- the work has been substantially completed;
- you tell us in writing that you're satisfied with the work; and
- a certificate of compliance or occupancy has been issued for the completed work.

Paying the builder

We pay the loan advances directly to your builder, but we have no contractual relationship with them or obligations to them. The number of advances we pay will be in line with the building contract.

If you're not satisfied with the work you must tell us in writing. If you don't, you authorise us to make payments to your builder.

We must be satisfied with the work when the building is finished. We won't make the final payment until we're satisfied with the work, which depends on the final inspection report from the valuer.

Replacing your builder

If your builder can't finish the work for any reason you must:

- replace them with another builder we consider acceptable; and
- if we ask for it, enter into a tripartite deed with us and the replacement builder.

This applies if you know (or should know) that your builder:

- is insolvent or deregistered, or steps are being taken to make this happen (if your builder is a corporation);
- a controller or a receiver is appointed to any part of your builder's property; or
- a person is appointed to investigate or manage your builder's affairs.

B.2.4 Loan advances

We make the loan advances to your builder, or to you if you are an owner-builder.

The building contract must include the:

- number of loan advances;
- approximate amount of each advance; and
- work the builder must complete before we provide each loan advance.

We have no liability to you in relation to loan advances we've made to your builder, for work, in accordance with the terms of this agreement.

Our making an advance is not proof or an admission that any of the work has been done in accordance with our contract.

Conditions for an advance

We will only make a loan advance if:

- you ask us to in writing at least three business days before you want the advance;
- you meet the same conditions as for the first loan advance;
- we're satisfied with work progress; and
- you've given us any receipts we need for materials and labour.

Advance amount

We will decide the amount to advance, acting reasonably. If this is less than the amount you ask for, you must pay the builder the difference.

Converting your loan

If we've made all the loan advances to be made to the builder, whether or not you've drawn down the full loan amount, we can:

- convert your loan to principal and interest; and
- remove access to any amounts you haven't drawn down.

B.2.5 Inspections

We or our consultant can inspect the work at any time or monitor its progress for our own purposes. We have no duty to exercise care or skill in doing this and we don't have to tell you the results of any inspection.

B.2.6 Before the final advance

Before we make the final advance:

- our valuer or supervisor must have inspected the site and certified that the work has been completed in accordance with the council-approved plans and specifications you gave us (including any changes we've consented to);
- we must be satisfied with the cost of the work; and
- we must be satisfied that you have insurance noting our interest.

You must:

- have paid your builder any money you owe over the balance of the loan amount;
- tell us in writing that you're satisfied with the work; and
- give us a certificate of compliance or occupancy for the completed work (if we ask for it).

Interest on the final advance

As well as debiting interest in the usual way (see clause A.5.3 *When we debit interest*) we also debit interest to your account on the date we pay the last loan advance to your builder.

Fixed rate periods

You can only fix an interest rate after we've made the final advance.

B.2.7 Default

The default conditions described in Part A also apply to construction loans. If you default, we can complete the work in any way we like, acting reasonably, but we don't have to. This can include changing plans and specifications, and employing consultants or builders.

If you default you must pay our reasonable costs for any inspections we do.

B.3 Continuing credit facilities

You only need to read this section if your loan is a continuing credit facility.

If the National Credit Code applies to your loan you should also read the Information statement. This applies if you're a natural person or strata corporation, and you're borrowing:

- for personal, domestic or household purposes;
- to buy, renovate or improve residential property for investment purposes; or
- to refinance credit previously provided for this purpose.

B.3.1 Using a continuing credit facility

Facility limit

The maximum credit available to you at any time is the facility limit minus the balance owing on your account (unless we give our approval to exceed the facility limit).

You must not exceed your facility limit without our approval. If you do you must immediately repay the excess and fees and charges.

If we give you our approval to exceed the facility limit, you must repay the excess within the time limit we give you.

If you exceed the facility limit you must pay us interest at the over-limit rate shown in the Schedule.

We can reduce the facility limit or stop providing further credit. If we do this we will tell you in writing.

Notice of your first drawdown

You must give us at least three business days' notice before your first drawdown on the facility limit.

Repayments

You can choose when to make repayments, as long as the balance owing on your account does not exceed the facility limit.

You can repay the balance owing on your account in full or in part at any time, but you must pay at least enough to ensure that the balance owing does not exceed the facility limit at any time.

Payment on demand

At any time, without your consent, we can:

- demand payment on 30 days' notice;
- reduce or cancel your facility limit; and
- refuse to provide you with any further amounts under your continuing credit facility.

You must pay any amounts deducted from your account after we've cancelled your continuing credit facility.

Availability

We won't provide credit if:

- you're in default;
- we're not satisfied that you've provided the security; or
- any transaction document we need has been withdrawn or has not become effective.

B.3.2 Annual percentage rate

The reference rate for your continuing credit facility is a variable rate.

This means that we can change the annual percentage rate for your continuing credit facility at any time. We will tell you if it changes. See clause A.10.6 *Changes to the agreement* for details on how and when we will tell you about changes to your contract.

The annual percentage rates stated in the Schedule are based on the interest rates current on the date we approve the loan. The actual rate for your loan may change before or after the lending date.

B.3.3 Ending this agreement

We can end this agreement at any time for any reason without your consent. If we do this you must pay the total amount owing within 30 days of us asking you to.

You can end this agreement at any time by repaying the balance owing on your account in full and asking us to close the facility.

B.3.4 Authorised person

You can nominate in writing a person who is 18 years or older to use your continuing credit facility. If we approve this, we can give them an access card linked to your credit facility.

Any authorised person must comply with these conditions.

A breach of these conditions by an authorised person will be deemed to be a breach by you.

You are responsible

You must pay for any credit we provide to any authorised person. We will deduct all their transactions from your credit facility, and you're responsible for all these transactions as if you had made them yourself.

Revoking their authority

You must tell us in writing if you want to revoke the authority of an authorised person or stop an access card from being used, but we don't have to cancel the right to use the card until it is returned to us (cut diagonally in half).

Until we receive the access card, or you've made every reasonable attempt to return it, you're responsible for all transactions made with it.

Automatic payments

You're responsible for cancelling any automatic payment authorities that an authorised person links to the credit facility. To cancel these we recommend you contact both us and the merchant.

Information

You authorise us to give an authorised person information about your credit facility so they can use the access card.

You authorise us to act on their instructions, except for:

- changing or cancelling the facility limit;
- changing the mailing address for statements; or
- replacing the access card after you've cancelled it.

B.4 Offset account

You only need to read this section if your loan has an offset account linked to it.

An offset account allows you to reduce the amount of interest you pay on a loan by maintaining a credit offset balance in a linked offset account.

You can't link an offset account to a line of credit facility.

How offset applies

The offset account must be in the name of one or more of the borrowers of the facility.

From the date we agree that the loan is linked to the offset account, we will reduce the amount on which we charge interest on the linked loan by the offset benefit.

Calculating the offset benefit

We calculate the offset benefit on the linked loan each day by multiplying the offset balance at the end of that day by the daily percentage rate.

We aggregate the offset benefit for each day for the interest period and deduct the total from the interest that you would otherwise have to pay for that interest period.

If the balance of the offset account is greater than the outstanding amount owing on the linked loan on any day, you won't receive an offset benefit for that day for the excess.

There is no offset benefit if:

- there is no amount owing on the linked loan; or
- if the offset account has a negative balance.

Interest on offset

You don't earn any interest on the offset balance, even if the offset balance is higher than the amount owing on the linked loan.

Changing the linked loan

If we agree, you can change the link between the loan and the offset account. You can only do this at the end of an interest period, on a repayment date or on a date we agree.

Offset and break costs

If you're paying a fixed rate of interest on the linked loan and you have to pay break costs for any reason, we don't deduct the balance of the offset account from the amount owing when calculating break costs.

Termination

These terms don't apply if:

- you close your offset account; or
- you repay the amount owing.

Default

If you're in default we can set-off the balance of the offset account against the amount owing on the linked loan.

In limited circumstances set down by law, we don't need to give you a notice of default or wait the required period given in the notice. Instead, you must immediately pay the amount owing without notice, and we can immediately apply the balance of the offset account to reduce the amount owing.

Closing your offset account

If you switch your loan to a loan type that is not eligible for an offset account, we may close your offset account.

If you later change back to a loan type that is eligible for an offset account, this will not be reconnected automatically. You must contact us to find out if you can reconnect the previous offset account or if you need to set up a new offset account.

We may close your offset account in accordance with their terms and conditions. If your offset account is closed offset benefits will no longer apply.

What the words mean

What the words mean

This is Your Direct Debit Request Service Agreement with BOQ Specialist - a division debit request if You have any queries about how to complete the direct debit request.

access card	any account access card or replacement card we issue an authorised person for use with your continuing credit facility.
account	the account(s) under which we lend you the amount of credit, including an overdraft account.
advance	the loan or loans drawn down under this facility in accordance with this agreement or, as applicable, the outstanding principal amount of an advance (including capitalised interest).
agreed repayments	the amount we've agreed at the start of any fixed rate period.
amount of credit	the loan amount or the facility limit of a continuing credit facility.
annual percentage rate	a per annum rate of interest. The annual percentage rate applying to your loan is stated in the Schedule. The annual percentage rate may change from time to time in the manner permitted by this agreement.
arrangement with us	an arrangement (including an agreement or a security interest) under which a borrower/ guarantor has or could in the future have an obligation to us or any of our related entities. It includes any agreement or security interest assigned to us.
ASIC Act	the <i>Australian Securities and Investment Commission Act 2001</i> (Cth), which aims to ensure that Australia's financial markets are fair and transparent.
authorisation	includes any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption prescribed by law or regulation or required by any government agency.
authorised person	a person authorised to operate on your continuing credit facility in accordance with clause B.3.4 <i>Authorised person</i> .
automatic payment authority	direct debits and transfer orders (including periodic payments).
balance owing	at any time, the difference between all amounts credited and all amounts debited to your account under this 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 Code of Practice	is a reference to the Australian Banking Association's Banking Code of Practice including any amendments from time to time which have been published by the Australian Banking Association and formally adopted by us.
break costs	are described in clause B.1.8 <i>Break costs</i> .
business day	a day that is not (a) a Saturday or Sunday, or (b) a national public holiday.
code	each of the National Credit Code and the Banking Code of Practice.
construction loan	a loan where the Schedule stipulates that the purpose of your loan is, or includes, the construction of a residential dwelling or the renovation of a residential property.
continuing credit facility	a personal overdraft or a line of credit facility.
controller	has the meaning given to it in the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
costs	includes charges and expenses. It also includes costs, charges and expenses in connection with advisers (in the case of legal advisers, on a full indemnity basis or solicitor and own client basis, whichever is higher).
daily percentage rate	the annual percentage rate that applies to the loan for that day divided by 365 (366 in a leap year).
default	see clause A.7 <i>When you are in default</i> .
default rate	a per annum rate of interest (if any) you pay under clause A.5.4 <i>Interest if you're in default</i> , also known as the over-limit rate. The default rate applying to your loan is stated in the Schedule and may change from time to time in the way this agreement allows.
disclosure date	the disclosure date stated in the Schedule.
drawdown date	the date we agreed on which the loan is drawn.
election period	the two-month period ending on the last day of an interest prepaid period.

encumbrance	<p>any:</p> <ul style="list-style-type: none"> • security • right of set-off, assignment of income, garnishee order or monetary claim • notice under section 255 of the <i>Income Tax Assessment Act 1936</i> (Cth) or under section 260-5 of the <i>Taxation Administration Act 1953</i> (Cth) or under any similar provision of any law • right that a person (other than the registered proprietor) has to remove something from land (known as a profit à prendre), easement, public right of way or restrictive or positive covenant or lease, licence to use or occupy • equity, interest or writ of execution, or • any agreement to create any of them or allow them to exist.
enforcement proceedings	<p>a person:</p> <ul style="list-style-type: none"> • starting proceedings in a court to recover a debt or to recover possession of property subject to a security interest • otherwise enforcing a security interest by taking possession of property (or taking steps to do so) or exercising a power of sale or appointing receivers or voluntary administrators • applying to a court to appoint a provisional liquidator or a trustee in bankruptcy, or • enforcing a judgement against another person or their assets.
extra payment limit	the amount of extra repayments you can make within each 12-month period of a fixed rate term, without any break costs. We can tell you what this annual amount is, or you can refer to the fixed rate home loan page on our website.
facility	the loan or loans (and where the context requires each separate loan) to be provided <i>under</i> this agreement up to the facility limit. The facility may be a variable rate loan or a fixed rate loan.
facility limit	(if any) is the limit for the loan stated in the Schedule and that we vary from time to time in accordance with this agreement and any new or replacement limit as you and we agree and (where the context requires) the total of all credit provided under this facility.
farmer or farming operation	have the meaning given to them in the Banking Code of Practice.
FIRB	the Foreign Investment Review Board.
financial accounts	profit and loss accounts and balance sheets together with statements, reports and notes, including a director's report or an auditor's report, attached to or intended to be read with any of those profit and loss accounts or balance sheets.
fixed rate	a per annum rate of interest specified in the Schedule or specified by us as a fixed rate when you request that a loan be subject to a fixed interest rate for a period.
fixed rate loan	the facility provided under this agreement in relation to which the interest rate is the fixed rate.
fixed rate period	any period, other than an interest prepaid period, for which the annual percentage rate applying to your loan is fixed.
GST	has the same meaning as in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
guarantee	any guarantee, indemnity, letter of credit, performance bond, legally binding letter of comfort, an option arrangement or suretyship, or any similar transaction or a combination of them.
guarantor	each person named in the Schedule as a guarantor and any other person who gives a collateral security or any of them.

insolvent	<p>a person who:</p> <ul style="list-style-type: none"> • is (or states that they are) an insolvent under administration or insolvent (each as defined in the Corporations Act) • has a controller appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a receiver appointed to any part of their property • is subject to any arrangement, assignment, moratorium or composition, or protected from creditors under any statute, or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms we've approved) • has an application or order made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with them, which is preparatory to or could result in any of the things referred to above is taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand • in the case of an individual, commits an act of bankruptcy, enters into a composition with their creditors, is declared or becomes bankrupt • is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or they make a statement from which we reasonably deduce they are so subject) • is otherwise unable to pay their debts when they fall due • has something substantially similar to any of the things referred to above happen to them under the law of any jurisdiction.
interest period	each interest period for the facility.
interest prepaid loan	a loan where the Schedule states that you have an interest prepaid home loan.
interest prepaid period	a 12-month period for which you have paid interest in advance.
interest prepayment date	for the first interest prepaid period, the lending date, and for any later interest prepaid period, the anniversary of the lending date.
internet banking	the internet banking services available through our website. These services are governed by the terms and conditions you agree to when registering for online banking services. You can find a copy of these on our website.
jurisdiction	the state or territory specified in the Schedule.
landlord	your landlord or lessor under the lease.
lending date	the first date we lend you any part of the amount of credit.
licence	any licence, permit, allocation, quota or authorisation (including to sell liquor, to discharge hazardous waste, to draw water or to develop and use the property) which allows activity to be carried out on or in connection with the property. It also includes a lease or any other allocation or right and any interest in a company trust, joint venture, co-operative or irrigation scheme you use or hold in connection with the use or supply of water on or to the property.
line of credit	a line of credit facility as stated in the Schedule under which you may at any time borrow any amount up to the facility limit (unless additional payments are required as specified in the Schedule).
loan	our agreement with you under this agreement to lend to you the amount of credit.
loan amount	the amount stated in the Schedule and that we vary from time to time in accordance with this agreement and any new or replacement loan amount as you and we agree.
loan term	is the term (if any) stated in the Schedule. The term may change from time to time automatically in the way this agreement allows.
LVR	the loan-to-valuation ratio of the principal outstanding to the value of the secured property set out in the Schedule.
margin	the percentage referred to in the Schedule as the margin.
National Credit Code	the National Credit Code as set out in Schedule 1 of the <i>National Consumer Credit Protection Act 2009</i> (Cth) including any instruments made under that Schedule and Regulations made under that Act for the purposes of that Schedule (all as amended from time to time).
offset account	the bank account conducted with us and linked to the loan.
offset balance	the credit balance in your offset account as at the end of each day.
offset benefit	the amount of interest that is not charged on the principal outstanding due to a credit offset balance in the offset account.
over-limit rate	a per annum rate of interest (if any) payable under section B.3 <i>Continuing credit facilities</i> , also known as the default rate. The over-limit rate applying to your loan is stated in the Schedule. The over-limit rate may change from time to time in the way this agreement allows.

payable, in relation to an amount	an amount which is currently payable or will or may be payable in the future.
person	Includes an individual, a firm, a strata corporation, a corporation or other incorporated body, an unincorporated association and an authority.
personal overdraft	a personal overdraft as stated in the Schedule.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
PPSA law	means: <ul style="list-style-type: none"> • the PPSA • any regulation made under the PPSA, and • any other legislation or regulation made to implement, or contemplated by, any PPSA law.
proscribed person	a person who is, or who appears to us to: <ul style="list-style-type: none"> • be a proscribed person or entity under the <i>Charter of the United Nations Act 1945</i> (Cth), or • be in breach of the laws of any jurisdiction relating to money-laundering or counter-terrorism, or • appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of another jurisdiction, or • be declared or otherwise designated under any law relating to organised crime or gang activity, or • act on behalf of, or for the benefit of, a person listed in above, or • be closely connected to a person listed above.
rate lock	an agreement between you and us for the annual percentage rate to remain fixed at a particular interest rate for a fixed rate period, the agreement being made no more than 100 days: <ul style="list-style-type: none"> • before the lending date, or • before a new fixed rate period begins, after the end of a current fixed rate period, or • before the start of any other fixed rate period, • and for which a rate lock fee has been paid on or before the date the annual percentage rate becomes effective.
receiver	includes receiver, or receiver and manager and has the meaning given to it in the Corporations Act.
redraw	described in clause A.9 <i>Redrawing amounts</i> .
reference rate	the interest rate stated in the Schedule from which we derive the annual percentage rate applying to your loan. The reference rate may change from time to time.
related entity	has the meaning given to it in the Corporations Act.
repayment	the amount of the repayment as stated in the Schedule. The repayment may change from time to time in the way this agreement allows.
repayment date	the dates upon which repayments are due as stated in the Schedule.
repayment schedule	the schedule for repayment described in the Schedule.
representative	a person's officer, employee, contractor or agent.
sanctions laws	Australian sanctions laws means: <ul style="list-style-type: none"> • the United Nations Security Council (UNSC) sanctions pursuant to the <i>Charter of the United Nations Act 1945</i> (Cth) and its associated regulations as part of Australia's international obligations, and • autonomous sanctions pursuant to the <i>Autonomous Sanctions Act 2011</i> (Cth) and its associated regulations as part of Australia's independent foreign policy. International sanctions laws means any applicable sanctions laws or regulations administered or enforced from time to time by the US government (including OFAC, the US State Department or any other agency of the US government), the United Nations Security Council, the European Union or Her Majesty's Treasury or any other sanctions authority in a jurisdiction other than Australia.
security	any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power or title retention arrangement and a security interest as defined in sections 12(1) or 12(2) of the PPSA. Security also includes a guarantee.

security documents	means: <ul style="list-style-type: none"> • the securities and other documents referred to in the Schedule, and • any other security or document incidental, collateral or supplementary to the securities or documents referred to in the Schedule as we require.
security interest	any security for paying money or performing obligations including: <ul style="list-style-type: none"> • a mortgage, charge, lien, pledge, trust or power or title retention arrangement or guarantee • a 'security interest' as defined in the PPSA • any document to grant or create anything referred to in either of these definitions and any other thing which gives a creditor priority to any other creditor for any asset or an interest in any asset.
security property	property over which a security is held and which is stated in the Schedule and any substituted or additional security property.
Schedule	the loan schedule that forms part of this agreement.
taxes	taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on our overall net income.
this agreement	the terms and conditions set out in this document, along with the Schedule and the <i>Home Loan Banking Package Terms and Conditions</i> , if provided to you.
total amount owing	the balance owing on your account at any given time, plus all accrued interest charges, any default interest charges and other amounts which you must pay under this agreement but which we haven't yet debited to your account. This definition applies: <ul style="list-style-type: none"> • regardless of the capacity in which you or we became entitled to or liable for the amount concerned • whether you or we are liable as principal borrower, as surety, or otherwise • whether you are liable alone, or together with another person • even if you owe an amount or obligation to us because it was assigned to us, whether or not: <ul style="list-style-type: none"> — the assignment was before, at the same time as, or after this agreement is executed — you consented to or were aware of the assignment, or — the assigned obligation was secured • even if this agreement was assigned to us, whether or not: <ul style="list-style-type: none"> — you consented to or were aware of the assignment, or — any of the total amount owing was previously unsecured, and • if you are a trustee, whether or not you have a right of indemnity from the trust fund. A reference to the total amount owing also includes any part of it.
transaction account for an interest prepaid loan	the savings, cheque or overdraft account which you have with us from which you ask us to debit the yearly advance interest repayment on any interest prepayment date.
trust	any and each trust of which you are the trustee (whether or not disclosed to us) including the trust (if any) described in the Schedule, and trust deed means the deed of trust or settlement described in that item.
variable rate	a per annum rate of interest notified for the particular variable rate loan or product specified in the Schedule.
variable rate loan	the facility provided under this agreement in relation to which the interest rate is a variable rate plus or minus a margin.
variable rate period	any period for which the annual percentage rate applying to your loan is not fixed.
we, us and our	Bank of Queensland Limited ABN 32 009 656 740 and its successors and assigns.
yearly advance interest repayment	if you have an interest prepaid loan, the repayment due before any interest prepaid period.
you and your	the person or persons named in this agreement as borrower or customer. If there are more than one person, 'you' means each of them separately and all of them jointly. 'You' includes your successors and assigns. In the description of the total amount owing, it also refers to you as so defined, whether alone or jointly and separately, and whether as a principal or as a surety.
your interest in the lease	your estate and interest in the lease.

Interpretation

The following rules apply to the interpretation of this agreement.

Reference to:

- a person includes the person's successors and assigns;
- a thing includes all or part of that thing;
- a document includes that document as changed or replaced from time to time;
- any legislation includes the legislation as amended, repealed or replaced from time to time and any subordinate legislation made under it;
- individuals includes corporations and the other way around;
- a gender includes all other genders;
- currency is to Australian dollars;
- this agreement is a reference to this agreement (as varied from time to time) between you and us;
- clauses are references to clauses in this agreement;
- the singular includes the plural and the other way around;
- the ASIC Act is a reference to the *Australian Securities and Investments Commission Act 2001* (Cth);
- the Corporations Act is a reference to the *Corporations Act 2001* (Cth);
- the National Credit Code is a reference to the code which appears in Schedule 1 to the *National Consumer Credit Protection Act 2009* (Cth), including any regulations under that Act relating to that code; and
- the Banking Code of Practice is a reference to the Australian Banking Association Banking Code of Practice including any amendments from time to time which the Australian Banking Association have published and we've formally adopted.

Headings for clauses are included for guidance only and must not be used for interpretation.

Unless otherwise specified, a day ends at midnight under this agreement.

The use of the word 'can' about any right or power we have under this agreement indicates that we may exercise or not exercise the right or power at our discretion.

Words or phrases which are derived from words or phrases which are defined have a similar meaning to the defined term.

If you agree not to do something, you will also not attempt to or permit or cause the thing to be done.

If two or more people are the customer, one person being released from their promises does not release any of the others.

When interpreting this agreement:

- if possible, words which have an ordinary meaning are given that meaning;
- this agreement is to be interpreted broadly;
- if a general term is used it must be given a broad meaning; and
- general terms must not be limited because of any legal rules of interpretation.

Unless defined in this agreement, a term or expression which is used in this agreement and which is defined in the PPSA has the meaning given to that term or expression in, or in the context of, the PPSA.

Information statement

You only need to read this Information statement if the National Credit Code applies to your loan.

You should read it if you're a natural person or strata corporation, and you're borrowing:

- for personal, domestic or household purposes, or
- to buy, renovate or improve residential property for investment purposes, or
- to refinance credit previously provided for this purpose.

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, the AFCA scheme, or get legal advice

The contract

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

Your credit provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before:

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

2. How can I get a copy of the final contract?

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

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

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

3. Can I terminate the contract?

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

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

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

4. Can I pay my credit contract out early?

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

5. How can I find out the pay out figure?

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

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

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

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

7. Can my contract be changed by my credit provider?

Yes, but only if your contract says so.

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

That depends on the type of change. For example –

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for –
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by your credit provider,

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

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

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

If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted at:

Telephone: 1800 931 678

Online: www.afca.org.au

Postal address: GPO Box 3 Melbourne VIC 3001

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

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

Insurance

10. Do I have to take out insurance?

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

11. Will I get details of my insurance cover?

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

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

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

12. If the insurer does not accept my proposal, will I be told?

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

13. In that case, what happens to the premiums?

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

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

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

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you can not assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or can not do with the property.

18. What can I do if I find that I can not afford my repayments and there is a mortgage over property?

See the answers to Questions 22 and 23. Otherwise you may:

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

If your credit provider won't give permission, you can contact the AFCA scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after the mortgaged property is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit provider all the information you have so they can be traced.

21. When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

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.

General

22. What do I do if I can not make a repayment?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways –

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

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

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong. If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in Question 25.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you can not be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the AFCA scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also **READ YOUR CONTRACT** carefully.

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING THE AFCA SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED AT:

TELEPHONE: 1800 931 678

ONLINE: WWW.AFCA.ORG.AU

**POSTAL ADDRESS:
GPO BOX 3 MELBOURNE VIC 3001**

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

Client service centre
T 1300 160 160
boqspecialist.com.au

GPO Box 2539
Sydney NSW 2001
Australia