



# Home Loan General Conditions

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**Important Information:** Bank of Queensland Limited ABN 32 009 656 740, AFSL and Australian Credit Licence No. 244 616 ("BOQ/the Lender") is the credit provider and issuer of the home loans. Virgin Money (Australia) Pty Limited ABN 75 103 478 897 ("Virgin Money Australia") promotes and distributes the home loans as an authorised credit representative of BOQ. Virgin Money (Australia) Pty Limited is a wholly-owned but non-guaranteed subsidiary of the Lender.

## About this *contract*

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This *contract* is between you and Bank of Queensland Limited ABN 32 009 656 740, AFSL and Australian Credit Licence No. 244616 and its successors and assigns, the credit provider of the Virgin Money® home loans. “We”, “us and “our” in this *contract* means Bank of Queensland Limited ABN 32 009 656 740, AFSL and Australian Credit Licence No. 244616 and its successors and assigns. The lender as noted in the *contract* and any *securities* is BOQ.

This *contract* is made up of two documents: the Schedule, and these General Conditions. They should be read together. You should also carefully read any *securities*.

These documents only become binding on us if you have accepted the offer in the Schedule by signing and returning the Schedule before the date and time set out in the Schedule.

The meaning of words printed *like this* and some other key words are explained in these General Conditions.

Part A of the General Conditions outline general terms that apply to all loans including your loan. Part B and C will also apply depending on your type of loan.

Further terms and conditions which may be relevant to the use of your Virgin Money account may be found in the Home Loan Supplementary Terms and Conditions, the Lending and Deposits Guide to Fees and Charges and the Virgin Money Hub Terms and Conditions.

The relevant provisions of the Code of Banking Practice will apply to your *loan*.

This *contract* is also the pre-contractual disclosure statement required by the National Credit Code (if the National Credit Code applies to your loan). Virgin Money's General Conditions do not contain all the terms and conditions of this *contract* or all of the pre-contractual disclosure information we are required by law to give you before a contract is formed. Further terms and conditions and pre-contractual disclosure information are in the Schedule. Other terms and conditions may also apply to this *contract* by operation of law.



# Contents

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## Part A: All Loans

1	Contract Date	7
	<b>HOW YOU OBTAIN THE <i>AMOUNT OF CREDIT</i></b>	<b>7</b>
2	How we lend the <i>amount of credit</i>	7
3	What must happen before we lend the <i>amount of credit</i>	7
4	What must happen before we lend the <i>amount of credit</i> if you are a non-resident of Australia	8
5	Representation, warranties and undertakings	8
	<b>WHAT YOU MUST PAY AND WHEN</b>	<b>9</b>
6	What you must pay	9
7	<i>Repayments</i> and other payments	9
8	Establishing your <i>account</i> and accounting for transactions	10
	<b>INTEREST CHARGES</b>	<b>10</b>
9	Obligation to pay interest	10
10	How interest charges are calculated and when they are debited to your account	10
11	<i>Annual percentage rates</i>	10
	<b>ADDITIONAL AMOUNTS YOU MUST PAY</b>	<b>11</b>
12	Fees and charges	11
13	Enforcement expenses	11
14	<i>GST</i>	12
	<b>DEFAULT</b>	<b>12</b>
15	When are you in default?	12
16	What can happen when you are in default?	12
17	Default fees and rates	13
	<b>GENERAL</b>	<b>13</b>
18	<i>Redrawing</i> amounts	13
19	<i>Term</i>	14
20	Dealing with rights under this <i>contract</i>	14
21	Disclosure of information	14
22	Consents	15
23	Manager	15
24	Currency conversions	15
25	Setting off money	15
26	Multiple accounts	15

27	Our certificates	15
28	Prompt performance	15
29	How we may exercise our rights	15
30	Administrative matters	16
31	Changes	16
32	If any part of this <i>contract</i> is unenforceable	17
33	Your obligations and our rights are unaffected	17
34	Reinstatement of rights	17
35	Indemnities	17
36	Power of attorney	17
37	Insurance	18
38	Lenders mortgage insurance	18
39	Valuers and consultants	18
40	Notices, other communications and service of documents	19
41	National Credit Code, ASIC Act and other legislation	19
42	Inconsistent law	19
43	Governing law and serving documents	20
44	Exemptions	20
45	Ending this <i>contract</i>	20
46	Further information	20
47	Our advice	20
48	Purpose of the <i>loan</i>	20
<b>HOW TO INTERPRET THIS CONTRACT</b>		<b>21</b>
49	Meaning of words	20
50	Interpretation	23
<hr/>		
<b>Part B: Home Loans</b>		
1	What must happen before we lend the <i>amount of credit</i>	25
2	Our additional requirements if you have a <i>construction loan</i>	25
3	<i>Repayments</i>	26
4	Mortgage Offset	27
5	Repaying early	27
6	<i>Annual percentage rate - during a fixed rate period</i>	27
7	<i>Annual percentage rate - during a variable rate period</i>	28
8	Changing <i>annual percentage rate</i> options	28
9	<i>Break costs</i>	29
10	<i>Loan type</i>	30
11	<i>Interest prepaid loans</i>	30
12	Sale of property	30
<hr/>		
<b>Part C: Information Statement</b>		
<b>THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT</b>		<b>31</b>

# Part A: All Loans (including your home loan)

This Part A applies to all loans (including your home loan) and should be read together with the Schedule and Part B (and Part C if the National Credit Code applies to your loan).

## 1. CONTRACT DATE

The date of this *contract* is the date upon which the offer contained in the Schedule is accepted. To accept this offer you must return the signed Schedule to us.

## HOW YOU OBTAIN THE AMOUNT OF CREDIT

### 2. HOW WE LEND THE AMOUNT OF CREDIT

2.1 Unless your *loan* is a *construction loan* or we agree otherwise, we lend the *amount of credit* by one advance.

2.2 Unless we agree otherwise, settlement of your *loan* or any related transaction must take place at the Bank of Queensland Limited head office in Brisbane.

### 3. WHAT MUST HAPPEN BEFORE WE LEND THE AMOUNT OF CREDIT

3.1 We will only lend you the *amount of credit* (or any part of it) if:

- (a) the title to each *security property* (where relevant) is satisfactory to us;
- (b) we are satisfied that you have an adequate and appropriate insurance policy for each *security property* (where relevant) for its full insurable value and the policy notes our interest (if required by us);
- (c) all searches, certificates, valuations, reports and consents we request relating to a *security property* have been provided and are satisfactory to us;
- (d) we have received evidence to our satisfaction that all relevant council, water and other rates, *taxes* or charges for each *security property* (where relevant) are paid up to date;
- (e) we have received the Schedule, each *security*, and related documents (*such as* title documents and certificates of independent advice for guarantors) executed and in a form satisfactory to us;
- (f) if the purpose of your *loan* is to purchase any real property, we have received to our satisfaction a copy of the contract of sale executed by the parties;
- (g) you are not in default under this *contract* (*for example*, you have paid all relevant fees and interest charges and have not given us any misleading financial or other information) and no *debtor/guarantor* is in default under or has withdrawn from any *security*;

(h) nothing has happened since you applied for the *amount of credit* which has led to a significant adverse change in your financial circumstances or which we reasonably believe could lead to this;

- (i) when a *guarantee* is given as a *security*:
  - (i) we have confirmed that each guarantor has received a copy of this *contract*, the *guarantee* and all relevant documentation required to be provided under the Code of Banking Practice (where it applies) or legislation;
  - (ii) if we have requested a certificate of independent legal advice, we have received a certificate in a form which is satisfactory to us for each guarantor from a solicitor who does not work for the firm of solicitors acting for you or the firm acting for us in relation to your *loan*;
  - (iii) if the *guarantee* is already held by us, each guarantor has acknowledged that the *guarantee* covers your obligations under this *contract*; and
  - (iv) if the guarantor has already granted a mortgage or security agreement to us, each guarantor has acknowledged that each mortgage or security agreement granted by the guarantor covers your obligations under this *contract* and that this *contract* is an "agreement covered by this mortgage" or an "agreement covered by this security agreement", as appropriate, for the purposes of each mortgage and security agreement granted by the guarantor;
- (j) we have agreement from an insurer of our choice to give us lenders mortgage insurance cover for this *loan* if we require it;
- (k) we have received to our satisfaction all other documentation or information we reasonably require and any other settlement requirement we specify has been complied with;
- (l) you have paid the fees and charges that are payable by the *lending date* as stipulated in the Schedule together with any other expenses we have incurred which are payable under this *contract*;
- (m) when we are aware that you are the beneficiary of any gift of money or other property, we receive (upon request) written confirmation from the donor of the gift that it is not repayable or returnable by you;
- (n) you have provided us with satisfactory evidence that you have paid or will pay at settlement of your *loan* any debts we have informed you in writing that we require you to pay;



- (o) you have satisfied any special conditions stipulated in the Schedule;
- (p) we are satisfied that the amount of credit will be used for the purpose stated in the Schedule;
- (q) to the extent that they are relevant, you are complying with all other terms and conditions in this contract;
- (r) you make the representations and warranties in clause 5 of this Part A;
- (s) when your *loan* is to refinance an existing loan, you have given to us a written payout figure as at the *lending date* from your outgoing financier and at settlement of your *loan* we receive a release of mortgage from your outgoing financier;
- (t) when any *security property* is, or is a subdivision or amalgamation prior to settlement of your *loan*, you have given us 14 days written notification that the plans of subdivision or amalgamation, and the certificates of title, have been registered;
- (u) when any *security property* is part of a *shared scheme*, the *governing body* has any insurance policy it is required to by law together with building unit cover over the whole of the building. We must be satisfied that any insurance is adequate; and
- (v) you have a Virgin Money® branded account.

3.2 If you sign this *contract* you will be bound by it. If you do not wish to proceed with your *loan* and you have not received any of the *amount of credit* into your *account* you may terminate this *contract*. If you do so, we will require payment of all fees and charges incurred by us before termination, *including* any loan application fee that may apply.

3.3 If the *security includes* a mortgage or security agreement given by you which we already hold at the date of this *contract*, by signing this *contract* you acknowledge that each mortgage and each security agreement given by you covers your obligations under this *contract* and that this *contract* is an “agreement covered by this mortgage” or an “agreement covered by this security agreement”, as appropriate, for the purposes of each mortgage and each security agreement granted by you.

3.4 There may be additional requirements that must be satisfied before we lend you the *amount of credit*. Please also refer to Parts B and C.

#### 4. WHAT MUST HAPPEN BEFORE WE LEND THE *AMOUNT OF CREDIT* IF YOU ARE A NON-RESIDENT OF AUSTRALIA

4.1 We can at our absolute discretion decide whether or not we will lend any *amount of credit* to you if you are a non-resident of Australia.

4.2 Subject to clause 4.1, where you are a non-resident of Australia, we will only lend you *the amount of credit* (or any part of it) if:

- (a) you comply with all conditions set out in clause 3;
- (b) you have satisfied the *FIRB* requirements in connection with your *loan* purpose and you have provided us with satisfactory evidence of this, which may include (but is not limited to):
  - (i) a copy of your application to *FIRB*; and
  - (ii) a copy of the advice of the outcome of your application from *FIRB*;
- (c) you have, if requested by us, appointed an agent for service of process, notices and communications in Australia and provided to us, in writing, that agent’s:
  - (i) full name;
  - (ii) postal address;
  - (iii) email or facsimile address (if any); and
  - (iv) contact telephone number;
- (d) if we have requested a certificate of independent legal advice, we have received a certificate in a form which is satisfactory to us from a solicitor who does not work for the firm of solicitors acting for you or the firm acting for us in relation to your loan;
- (e) if we have requested a certificate of independent financial advice, we have received a certificate in a form which is satisfactory to us from an accountant or other financial professional; and
- (f) if you do not speak English or English is not your first language and we have requested an interpreter’s or translator’s certificate, we have received a certificate in a form which is satisfactory to us.

#### 5. REPRESENTATION, WARRANTIES AND UNDERTAKINGS

5.1 You represent and warrant (except in relation to matters disclosed to us and accepted by us in writing) that:

- (a) you are not aware of any circumstances which may prevent you from repaying the *total amount owing* in accordance with this *contract*;
- (b) you do not enter into this *contract* or the *securities* or own any *security property* as trustee of a trust;
- (c) all information provided to us in connection with this *contract* and the *securities* is true and is not misleading;
- (d) you have the power to enter into this *contract* and the *securities*;
- (e) you do not need anybody else’s consent before you enter into this *contract* and the *securities*;
- (f) you are not *insolvent*;
- (g) you are not in default (see clause 15 of this Part



A) under this *contract*, any *security interest* or any other agreement or undertaking to which you are a party or any court order which binds you; and

(h) if you are an overseas buyer and require approval from *FIRB* in connection with this *loan*, you will comply with any legally binding conditions imposed by *FIRB* on the approval given.

- 5.2 You must tell us whenever anything happens which would mean you could not truthfully repeat all of the representations and warranties in clause 5.1 of this Part A.
- 5.3 You must not give us incorrect or misleading information (including through your representations, warranties and declarations under clause 5.1 of this Part A) or act fraudulently in connection with this *contract* or any *arrangement with us*.
- 5.4 You must carry out in full any undertaking given in connection with this *contract*, a *security* or another *arrangement with us* within the period specified, or within 7 days if no period is specified.

## WHAT YOU MUST PAY AND WHEN

### 6. WHAT YOU MUST PAY

- 6.1 You must pay us:
- (a) the *amount of credit* and all other amounts you borrow from us;
  - (b) interest on the *balance owing on your account*;
  - (c) our fees and charges as stipulated in the Schedule, government charges and those fees and charges stipulated in Virgin Money's Lending and Deposits Guide to Fees and Charges (as applicable);
  - (d) enforcement expenses under clause 13 of this Part A; and
  - (e) any other money that you owe us under this *contract* or any *security*.
- 6.2 You authorise us to debit these amounts to your *account*. We may do so in accordance with the National Credit Code (if it applies to you) on or after the day we pay them or the date they become due or payable by you or us.
- 6.3 Where any government charges which are stipulated in the Schedule include stamp duty, we have disclosed the full amount of that stamp duty (without allowing for any exemptions or concessions that may apply). If you are eligible for a stamp duty exemption or concession and you fully complete and return to us the required government forms for the exemption or concession to apply, we will apply for the relevant exemption or concession on your behalf. If the relevant exemption or concession is granted, then the reduced amount of stamp duty will be paid by us to the relevant government authority and debited to your account.

If no exemption or concession is granted or is applicable to you, we will pay the full stamp duty amount to the relevant government authority and debit your *account*. We are not responsible if an exemption or concession is not granted because the required government forms are not provided to us or are not completed correctly.

### 7. REPAYMENTS AND OTHER PAYMENTS

- 7.1 In the absence of default, you must pay the *total amount owing* on or before the last day of the *term*. If you default, you must pay the *total amount owing* on the date it becomes due for payment under clause 16.4 or 16.5 of this Part A.
- 7.2 If your *repayments* are due on the 29th, 30th or 31st of a month, and a particular month does not have that date, your *repayment* falls due and owing on the last day of that month.
- 7.3 You must make *repayments* on or before the *repayment date* regardless of whether the *repayment date* is a *business day*.
- 7.4 Payments made after a day ends may not be credited to your *account* until the next day.
- 7.5 Unless we agree otherwise, we may use any *repayment* we receive under or in accordance with this *contract* to reduce the *balance owing* on your *account* in any order we choose. If we are obliged by law to pay the money in a particular way, then we will do so.
- 7.6 You may make *repayments* to us in any of the ways we tell you. Unless this *contract* specifically provides otherwise, ways in which you may make *repayments* include *repayments* via your online access portal (for Virgin Money home loans this is called "the Hub"). If you choose to make *repayments* via the Hub these *repayments* will be subject to Virgin Money's Home Loan Supplementary Terms and Conditions and Virgin Money Hub Terms and Conditions which are disclosed to you at the time you receive these General Conditions.
- 7.7 If you make your *repayments* by electronic transfer and we debit your *account* when there are insufficient funds in it, then the electronic transfer may be reversed and you will be regarded as not having made your *repayment*.
- 7.8 If this *contract* does not otherwise specify the manner or time of payment of an amount owing under this *contract* you must pay us that amount in the manner and when we ask for it.

### 8. ESTABLISHING YOUR ACCOUNT AND ACCOUNTING FOR TRANSACTIONS

- 8.1 You authorise us to open an *account* in your name and to debit to it each part of the amount you borrow on the date we lend it and any amount which you must pay under this *contract* on or after the date it becomes due, without first notifying you.

- 8.2 We may assign any date we consider appropriate to a debit or credit to the *account* (except that, in the case of a debit, the date must not be earlier than the date on which the relevant transaction occurs).
- 8.3 We will credit payments to your *account* as soon as practicable after we receive them. This is not necessarily the same day that you pay.
- 8.4 You will not be credited for any amount paid until we actually receive it. Whilst cheque proceeds (if accepted) will be credited to your *account* they are subject to clearance. If we agree to accept payment by cheque but the cheque is subsequently dishonoured the payment or *repayment* to which it relates will be treated as not having been paid.
- 8.5 We may subsequently adjust debits and credits to the *account*, and the *balance owing* on your *account*, so as to accurately reflect the legal obligations of you and us (for example, because of an error or because a cheque (if accepted) is dishonoured). If we do this, we may make consequential changes (including to interest charges).
- 8.6 Depending upon your type of *loan* we will provide statements of account as follows:
- (a) for *interest prepaid loans* under Part B - every 12 months during *interest prepaid periods* and every 6 months at all other times; and
  - (b) for any other *loan* - every 6 months.

## INTEREST CHARGES

### 9. OBLIGATION TO PAY INTEREST

You must pay us interest charges for each day on the *balance owing on your account* for the end of that day.

### 10. HOW INTEREST CHARGES ARE CALCULATED AND WHEN THEY ARE DEBITED TO YOUR ACCOUNT

- 10.1 Interest charges for each day are calculated by applying the daily percentage rate to the *balance owing on your account* for the end of that day. The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365. The daily percentage rate is shown on your statement of account.
- 10.2 The interest charges accrue daily from and including the *lending date* until you have paid the total *amount owing* in full.
- 10.3 Unless clause 10.4, 10.5 or 10.6 of this Part A apply, we will debit your account with unpaid interest:
- (a) on your first *repayment date*;
  - (b) monthly on the same date as your first *repayment date*;
  - (c) if you have a *construction loan*, in accordance with clause 2.8 of Part B; and

(d) on the last day of your loan when the total amount owing is repaid in full.

- 10.4 If you are entering into an interest *prepaid period* under Part B we will debit all interest for the *interest prepaid period* to your account at the commencement of that period.
- 10.5 If we agree to vary your *contract* by lending to you an additional *loan amount*, unless we tell you otherwise at the time of the variation, clauses 10.3(a) and 10.3(b) of this Part A will no longer apply and:
- (a) interest will be debited on the date the additional *loan amount* is first drawn down (in whole or in part) by you and interest will continue to be debited monthly on the same date;
  - (b) your monthly *repayment date* will change to the same date in each month as the date that the additional *loan amount* is first drawn (in whole or in part) by you.
- 10.6 If a *default rate* is stipulated in the Schedule and you are in default of any payment under this *contract*, the interest charges are higher. We will charge interest at the *default rate* on any overdue amount for the end of each day that you are in default. The daily *default rate* for a day is the *default rate* applying to your *loan* for that day divided by 365. Default interest charges accrue daily.

### 11. ANNUAL PERCENTAGE RATES

- 11.1 We call the interest rate (except the *default rate*, if applicable) applying to your *loan*, the *annual percentage rate*. The *annual percentage rate* as at the *disclosure date* for your chosen interest rate option is stipulated in the Schedule.
- 11.2 If we have applied a discount when calculating the *annual percentage rate* then this will be disclosed in the Schedule. This discount will continue to be applied to the *annual percentage rate* for the *term(s)* specified in the Schedule. However if you request and we agree to vary any of the terms and condition of this *contract* or you convert your *loan* to a different loan facility, then your discount will cease to apply.
- 11.3 Information on current *reference rates* is available at [virginmoney.com.au](http://virginmoney.com.au). *Reference rates* are published on the date of any change to the *reference rate* in a national newspaper or newspapers circulating in the State or Territory in which you ordinarily reside as at the *lending date* or notified in writing to you no later than the day the changes takes place.

## ADDITIONAL AMOUNTS YOU MUST PAY

### 12. FEES AND CHARGES

- 12.1 You must pay us:
- (a) all fees and charges stipulated in the Schedule in the circumstances described in the Schedule and any other changed or new fee or charge notified to you;

- (b) an amount equal to any government charges and duties on receipts or withdrawals under this *contract*, calculated in accordance with the relevant legislation. These are payable by you whether or not you are primarily liable for such charges and duties; and
- (c) all fees and charges stipulated in Virgin Money's Lending and Deposits Guide to Fees and Charges.

12.2 You authorise us to debit these amounts to your *account*. We may do so in accordance with the National Credit Code (if it applies to you) on or after the date we pay them or the date they become due or payable by you or us. We do not have to tell you first.

12.3 For purposes of this section 12, we may provide you with specific instructions on how you must pay us all or certain fees and charges.

### 13. ENFORCEMENT EXPENSES

**IF THE NATIONAL CREDIT CODE DOES NOT APPLY TO THIS CONTRACT CLAUSES 13.1 TO 13.2 OF THIS PART A APPLY.**

13.1 When we ask you must pay us any reasonable *costs* we reasonably incur in enforcing this *contract* or a *security* after you are in default (*including* in preserving and maintaining a *security property* such as by paying insurance, rates and *taxes* for the *security property* and our *costs*). This applies to expenses we incur before or after taking action under clause 16 of this Part A.

13.2 You must pay us these amounts when we ask. We may debit these amounts to your *account* so that they are included in the *balance owing on your account*. Where possible, we will give you reasonable notice of our intention to debit these amounts to your *account*. The amounts are due and payable on the day they are debited to your *account*.

**IF THE NATIONAL CREDIT CODE DOES NOT APPLY TO THIS CONTRACT CLAUSES 13.3 TO 13.7 OF THIS PART A APPLY.**

13.3 You must pay us for:

- (a) our reasonable costs, and any *receiver's costs* and remuneration, in arranging, administering and terminating this *contract*, any *security*, another *arrangement with us* and any transactional documentation in connection with them (*including* giving and considering consents, variations, discharges and releases, producing title documents, or enforcing, attempting to enforce or taking any other action in connection with our or any *receiver's* rights); and
- (b) all *taxes*, fees and charges payable in connection with this *contract*, any *security* or any other *arrangement with us* and any transactions under them and any interest, penalties, fines and expenses in connection with them.

13.4 You must pay us these amounts when we ask. We may debit these amounts to your *account* so that they are included in the *balance owing on your account*. We do not have to tell you first. These amounts are due and payable on the day they are debited to your *account*.

13.5 You indemnify us against, and you must therefore pay us on demand for, liability, loss or *costs* (*including* consequential or economic loss) we suffer or incur:

- (a) if you default under this *contract* (in which case you will also be liable for any loss arising because we require repayment of the *total amount owing* earlier than its due date);
- (b) if you do not pay us the *total amount owing*;
- (c) in connection with any *person exercising*, or not exercising, rights under this *contract*;
- (d) in connection with any *security property*, the monitoring of *works* or this *contract*;
- (e) as a result of doing anything that we agree to do under this *contract*; or
- (f) under any indemnity we give a *controller* or administrator appointed:
  - (i) in respect of you or a guarantor providing a *security*; or
  - (ii) over any *security property*.

13.6 You must pay us an amount equal to any liability, loss or *costs* (*including* consequential or economic loss) of a kind referred to in clauses 13.5(a) to 13.5(f) of this Part A suffered or incurred by:

- (a) any *receiver* or *attorney* appointed under this *contract* or a *security*;
- (b) any of our employees, officers, agents, or contractors; or
- (c) any lessee, purchaser or occupier of any *security property*.

13.7 If a judgment, order or proof of debt in connection with the *total amount owing* is expressed in a currency other than that in which the *total amount owing* is due, then you indemnify us against, and you must therefore pay us on demand for:

- (a) any difference arising from converting the other currency, if the exchange rate we use for converting the other currency when we receive a payment in the other currency is less favourable to us than the exchange rate used for the purpose of the judgment, order or acceptance of proof of debt; and
- (b) the *costs* of conversion.

## 14. GST

Unless it is prevented by the National Credit Code, you agree to compensate us on demand if we determine that, as a direct or indirect result of the imposition of GST, our costs in connection with this contract are increased. If we:

- (a) reasonably decide that we are liable to pay GST on a supply made in connection with this contract; and
- (b) certify that we have not priced the supply to include GST, then you agree to pay us an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## DEFAULT

### 15. WHEN ARE YOU IN DEFAULT?

**IF EITHER (OR BOTH) OF THE NATIONAL CREDIT CODE OR THE UNFAIR CONTRACT TERMS PROVISIONS OF THE ASIC ACT APPLIES TO THIS CONTRACT CLAUSE 15.1 APPLIES.**

15.1 You are in default if:

- (a) you do not pay on time any repayment payable under this contract, (this includes if our electronic transfer instruction for your account is subsequently reversed by the paying institution);
- (b) you do something you agree not to do, or you do not do something you agreed to do, under clause 5.3, 5.4, 6.1, 7.1, 12, 13, 14 or 17 of this Part A or, if you have a construction loan, clause 2.3 or 2.4 of Part B; or
- (c) you are otherwise in material default under this contract.

**IF NEITHER THE NATIONAL CREDIT CODE NOR THE UNFAIR CONTRACT TERMS PROVISIONS OF THE ASIC ACT APPLIES TO THIS CONTRACT CLAUSE 15.2 APPLIES.**

15.2 You are in default if:

- (a) you do not pay on time any amount due under this contract or any arrangement with us, (this includes if our electronic transfer instruction for your account is subsequently reversed by the paying institution);
- (b) you do something you agree not to do under this contract, a security or an arrangement with us, or you don't do something you agree to do under this contract, a security or an arrangement with us;
- (c) you are, or a debtor/guarantor or another person is, in default under a security or any arrangement with us or an event of default, however described, occurs under a security or any arrangement with us;
- (d) you give, or a debtor/guarantor or another person gives, us incorrect or misleading information (including through your representations, warranties

and declarations under clause 5 of this Part A) or act fraudulently in connection with this contract or any arrangement with us;

- (e) you do not, or another person does not, carry out in full an undertaking given in connection with this contract, a security or another arrangement with us, within the period specified, or within 7 days of our request if no period is specified;
- (f) you use the amount of credit for a different purpose from the purpose stated in the Schedule;
- (g) this contract is, becomes, or is claimed to be void or unenforceable;
- (h) anything happens which in our reasonable opinion affects your, or a debtor/guarantor's, ability to pay us the total amount owing, or to fulfil your, or a debtor/guarantor's, obligations under this contract, a security or any other arrangement with us, or our rights under any security or our ability to recover the total amount owing;
- (i) we believe on reasonable grounds that urgent action is necessary to protect any security property;
- (j) the value of any security property materially decreases;
- (k) in the case of a construction loan, you breach clause 2.4 of Part B;
- (l) a person is appointed to investigate or manage your affairs or the affairs of a debtor/guarantor;
- (m) you are unable to make the representations, warranties and declarations in clause 5 of this Part A at any time;
- (n) you do not, or a debtor/guarantor does not, meet all your or their monetary obligations (whether present or future) on time or within any applicable grace period or any of these obligations become, or can be rendered, payable early otherwise than at your or the debtor/guarantor's election; or
- (o) we reasonably believe someone acted fraudulently in connection with this contract or any arrangement with us.

### 16. WHAT CAN HAPPEN WHEN YOU ARE IN DEFAULT?

**IF EITHER (OR BOTH) OF THE NATIONAL CREDIT CODE OR THE UNFAIR CONTRACT TERMS PROVISIONS OF THE ASIC ACT APPLIES TO THIS CONTRACT CLAUSES 16.1 TO 16.4 OF THIS PART A APPLY.**

- 16.1 If you are in default, we may give you a notice stating that you are in default.
- 16.2 The law requires us to give you certain information, including telling you what the default is, what you have to do to remedy the default and, if the National Credit



Code applies, that you will have a grace period of at least 30 days from the date of the notice to remedy the default before we may enforce this *contract*. We may include that information in the notice under clause 16.1 of this Part A or another notice.

16.3 In limited circumstances set down by law (*such as* if we are unable to locate you), we need not give the notice or wait until the end of any grace period given in a notice. Instead, if you are in default, the *total amount owing* becomes immediately due for payment without notice. We may then immediately do any of the things set out in clause 16.4 of this Part A.

16.4 During any period of grace referred to in clause 16.2 of this Part A, you are allowed to correct any default that can be corrected. If you do not correct that default within that period or if there is a default that cannot be corrected, then, to the extent it is not already due for payment, the *total amount owing* becomes immediately due for payment at the end of the grace period without further notice. In addition, we may then do one or more of the following:

- (a) require that you repay the *total amount owing* to us immediately;
- (b) sue you for the *total amount owing*;
- (c) enforce this *contract* or any *security*;
- (d) make good any default and recover from you our reasonable *costs* of doing so. This *includes* paying any money that you owe us under this *contract* and recovering that money from you;
- (e) exercise any other rights we have;
- (f) use any money you have in another account with us towards repaying the *total amount owing* (this is known as “combining accounts”); and
- (g) refuse to make any undrawn portion of the *amount of credit* available to you.

**IF NEITHER THE NATIONAL CREDIT CODE NOR THE UNFAIR CONTRACT TERMS PROVISIONS OF THE ASIC ACT APPLIES TO THIS CONTRACT CLAUSES 16.5 TO 16.8 OF THIS PART A APPLY.**

16.5 If you are in default, the *total amount owing* is payable on demand.

16.6 We do not need to give you any notice or demand or allow time to elapse before exercising a right under this *contract* or conferred by law unless the notice, demand or lapse of time is required by law and cannot be excluded.

16.7 A law applying to this *contract* may require us to give you a period of notice or to wait for a period of time before exercising a specific power. If such a law allows for that period to be shortened by agreement, then you agree that it is shortened to 1 day.

16.8 After a default has occurred and any time required under clause 16.6 and 16.7 of this Part A has elapsed then to the extent that it is not already due for payment, the *total*

*amount owing* becomes immediately due for payment, and we may then do one or more of the following in addition to anything else the law allows us to do:

- (a) require that you repay the *total amount owing* to us immediately;
- (b) sue you for the *total amount owing*;
- (c) enforce this *contract* or any *security*;
- (d) make good any default and recover from you our reasonable *costs* of doing so. This *includes* paying any money that you owe us under this *contract* and recovering that money from you;
- (e) exercise any other rights we have;
- (f) use any money you have in another account with us towards repaying the *total amount owing* (this is known as “combining accounts”); and
- (g) refuse to make any undrawn portion of the *amount of credit* available to you.

## 17. DEFAULT FEES AND RATES

17.1 If you do not pay us any part of the *total amount owing* when it is due to be paid, you must also pay us the default fee (if any) or interest at the *default rate* (if any) as stipulated in the Schedule. Depending on your *loan* type you will be required to pay either a default fee or interest at the *default rate*. You will not be required to pay both.

## GENERAL

### 18. REDRAWING AMOUNTS

18.1 This clause only applies to home loans during a *variable rate period*. This clause does not apply during any *fixed rate period*, *interest prepaid period* or *construction period*.

18.2 Subject to the provisions in this clause 18, *redraw* is automatically available to you (and if more than one, either of you), until you notify us in a form satisfactory to us that you require *redraw* to be deactivated.

You should note that, where you change your loan or your loan reverts to a *variable rate period*, *redraw* will be activated again. This is irrespective of whether you had notified us in connection with a previous *variable rate period* that you required *redraw* to be deactivated for that period.

If you wish to have electronic *redraw* de-activated at any time, please call our Customer Care Team on 13 81 51.

18.3 Subject to clause 18.1 of this Part A, if you have repaid amounts early under this *contract* (*for example*, if you have made a one-off lump sum *repayment*, *repayments* more frequently than required or regular *repayments* of a greater amount than your *agreed repayments*), and you meet the *redraw* criteria stipulated in clause 18.6 of this Part A, you may *redraw* any amount that you have repaid early. Any amount *redrawn* becomes part of the *balance owing on your account*.

18.4 You may only *redraw* up to the amount which results in the *balance owing on your account* being not more than the amount which would be owing if you had paid all *agreed repayments* on time. If, for whatever reason, the amount you *redraw* exceeds this amount, you must repay the balance immediately. The *redraw* amount cannot be less than the minimum *redraw* amount we determine from time to time.

18.5 *Redraw* is available via:

- (a) the Hub (your online portal which gives you access to your accounts); or
- (b) any other means approved by us.

18.6 You may only *redraw* an amount in accordance with this clause if you meet the following criteria:

- (a) you have not dealt with any *security* without our consent;
- (b) you are not, and any *debtor/guarantor* is not, in default under this *contract* or any *security*;
- (c) you are not relying on any statement or representation by us (*including* our employees) or our agents relating to the taxation effects of making the *redraw*. (You should take your own tax advice.);
- (d) you have not provided subsequent *security interests* over *security property* to other parties;
- (e) the *loan amount* has been fully drawn;
- (f) if your *loan* is guaranteed, the *debtor/guarantors* have consented in writing to the *redraw* facility offered pursuant to this clause;
- (g) any *security property* has not, in our opinion, been diminished in value; and
- (h) your loan has not been paid out.

Each time you *redraw* an amount you declare these things to be true. If, for whatever reason, you do not meet the *redraw* criteria and a *redraw* is made, you must immediately repay the *redraw*.

18.7 We may impose fees and charges in connection with a *redraw*.

18.8 You can find out what the minimum *redraw* amount is and how much you have available for *redraw* by calling us on 13 81 51 or logging into the Hub at virginmoney.com.au.

18.9 We may calculate the amount available for *redraw* in any manner we choose. Our calculations as to the amount available for *redraw* may change from time to time.

18.10 We can end your rights to *redraw* under this *contract* at any time and without notice to you.

18.11 If there is more than one of you, any one of you may *redraw* any amount available for *redraw*. If we allow the *redraw* we need not consult any other of you.

18.12 Special reduction *repayments* stipulated in the Schedule (if any) may not be *redrawn*.

## 19. TERM

Unless otherwise stipulated in the Schedule, the *term* begins on the *lending date*. The length of the *term* is stipulated in the Schedule. We may change the *term* in accordance with this *contract*.

## 20. DEALING WITH RIGHTS UNDER THIS CONTRACT

20.1 We may assign or otherwise deal with our rights under this *contract* in any way we consider appropriate.

20.2 If we do assign or otherwise deal with our rights under this *contract*, you agree that you are still liable for the total amount owing under *contract*.

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

## 21. DISCLOSURE OF INFORMATION

21.1 Information you provide to us may be disclosed:

- (a) if you consent;
- (b) if required by any stock exchange or if allowed or required by law;
- (c) to any *person* in connection with exercising our rights or dealing with rights or obligations (*including* preparatory steps *such as* negotiating with any potential assignee of our rights or other *person* who is considering contracting with us or a *receiver* in connection with this *contract*);
- (d) to our officers, authorised agents, representatives (including Virgin Money Australia) and employees, to *receivers* and to legal advisers, auditors and other advisers;
- (e) to any *person* in the business of loan and mortgage broking or other introducer who has introduced you to us. For the purposes of calculating and tracking commissions information provided may include:
  - (i) the approval or non-approval of your loan application;
  - (ii) the financial particulars relating to your *account*;
  - (iii) the *lending date*;
  - (iv) the *amount of credit*, your *loan*, and our product name or description for your *loan*;
  - (v) the end of month balances on your *account*;
  - (vi) the *account* name and number;
  - (vii) the *date* your *loan* is paid out;

- (viii) the details of any default of your *loan*; and
  - (ix) any other information regarding the status of your *account* that might affect the payment of the commission;
- (f) to any of our *related entities*;
- (g) where we think it is necessary to protect our position;
- (h) if the information is generally and publicly available;
- (i) to any other *debtor/guarantor*; or
- (j) to any *person* for the purposes of the securitisation of this *contract* and any *security*.

21.2 Without limiting the generality of clause 21.1 of this Part A, you consent to us providing to any *debtor/guarantor*:

- (a) a copy or summary of this *contract*;
- (b) a copy of all *securities* given in connection with your *loan*;
- (c) a copy of any formal demand that is or has been sent to you;
- (d) a copy of any relevant statements of account provided to you (if any);
- (e) a copy of any relevant financial accounts or statements of financial position which you have provided to us;
- (f) a copy of your credit reports from credit reporting agencies; and
- (g) any other financial information about you the guarantor asks for or that we are required to provide by the Code of Banking Practice *including* notices of demand and current credit related insurance contracts (if any).

## 22. CONSENTS

- 22.1 We may impose reasonable conditions on any consent we give under this *contract*. You must comply with all conditions and requirements in any consent we give.
- 22.2 Our consent will not be effective unless it is in writing. We may charge a reasonable fee for giving our consent.

## 23. MANAGER

We may appoint a *person* to manage this *contract* and any *securities* for us. We will tell you if we do so. Any such manager is authorised to exercise all of our rights under this *contract* and any *securities*. Until we tell you otherwise, you must deal with that manager in relation to all matters arising in connection with this *contract* and any *securities*.

## 24. CURRENCY CONVERSIONS

- 24.1 You must make *repayments* and any other payments in Australian Dollars.
- 24.2 If we receive an amount in a currency other than Australian Dollars:
- (a) we may convert the amount received into Australian Dollars (to do this it might be necessary to convert through a third currency) on the day and at such rates as we consider appropriate. We may deduct our usual costs in connection with the conversion; and
  - (b) you satisfy your obligation to pay in Australian Dollars only to the extent of the amount of Australian Dollars obtained from the conversion after deducting the costs of the conversion.

## 25. SETTING OFF MONEY

- 25.1 Except to the extent you have a right of set-off granted by law which we cannot exclude by agreement (*such as* under the National Credit Code), you must pay the *total amount owing* in full without setting off amounts you believe we owe you and without counterclaim amounts from us.
- 25.2 Except where there is a genuine dispute, we may set off against the *total amount owing* any money we owe you.

## 26. MULTIPLE ACCOUNTS

- 26.1 We may use any money in any of your *Virgin Money*<sup>®</sup> branded accounts with us to pay the *total amount owing*.
- 26.2 If you have more than one *Virgin Money*<sup>®</sup> branded account with us (either alone or with another *person*) we may treat these accounts as one, except where an amount owed to us is in genuine dispute.

## 27. OUR CERTIFICATES

- 27.1 We may give you a certificate about a matter or about an amount payable in connection with this *contract*. The certificate is sufficient evidence of the matter or amount. If you disagree with a statement about a matter or amount in a certificate, however, you can raise your disagreement with us and we may change the certificate.
- 27.2 We may rely on certificates provided by any other *person* with a *security interest* over the *security property* as to a matter or about an amount payable.

## 28. PROMPT PERFORMANCE

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

## 29. HOW WE MAY EXERCISE OUR RIGHTS

- 29.1 We may exercise a right or remedy in any way we consider appropriate.
- 29.2 We may exercise our rights under this *contract* even though:
- (a) we could have done so before but did not or were slow in doing so;
  - (b) we have tried to exercise the rights before (in whole or in part);
  - (c) we could have exercised those or other rights before but didn't;
  - (d) we have exercised other rights before; or
  - (e) we hold other *security interests* for payment of the *balance owing on your account*.
- 29.3 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.
- 29.4 We are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy whether or not caused by our negligence.
- 29.5 Our rights and remedies under this *contract* are in addition to other rights and remedies given by law independently of this *contract* or by any *security*.
- 29.6 Our rights and remedies may be exercised by any of our directors, any of our employees or any other *person* (including Virgin Money Australia) we authorise.
- 29.7 You agree that, subject to any warranties implied by the law that cannot be excluded (*for example*, the statutory warranties that services will be rendered with due care and skill and will be it for their purpose):
- (a) we are not liable to you or anyone else for our actions, or those of people we are responsible for (even if they are reckless or negligent); and
  - (b) any law which would make us liable does not apply.

## 30. ADMINISTRATIVE MATTERS

- 30.1 You must do anything we ask (*such as* obtaining consents, signing and producing documents, replying to questions, producing receipts and getting documents completed and signed):
- (a) to provide more effective security over the *security property*;
  - (b) to enable us to register the *security* with the agreed priority (and, if required, renew its registration);
  - (c) to enable us to exercise our rights in connection with the *security property*;
  - (d) to protect the *security property* or fix any defect in it; and

- (e) to ensure that any *arrangement with us* is binding on you.

- 30.2 You must pay for anything that you must do under this *contract*.

- 30.3 You agree that we may make any changes to this *contract* or any related document (*such as* an acknowledgment) for the purposes of stamping.

- 30.4 You agree that we may fill in any blanks in this *contract* or in any related document (*such as* an acknowledgment).

## 31. CHANGES

- 31.1 We may vary any term of this *contract* without your consent for one or more of the following reasons:
- (a) to comply with any change or anticipated change in any relevant law, code of practice, guidance or general banking practice;
  - (b) to reflect any decision of a court, ombudsman or regulator;
  - (c) to reflect a change in our systems or procedures, including for security reasons;
  - (d) as a result of changed circumstances (including by adding benefits or new features);
  - (e) to respond proportionately to changes in the cost of providing the loan (including by changing interest rates); or
  - (f) to make them clearer.
- 31.2 The types of changes we may make *include* changing:
- (a) the *amount of credit*;
  - (b) the *term*;
  - (c) the *annual percentage rate*, method of calculation of the *annual percentage rate* and how interest is debited to your *account*;
  - (d) the amount, method of calculation, number, frequency or time for payment of *repayments* or the period over which *repayments* are to be paid;
  - (e) the total amount of interest charges or *repayments*; and
  - (f) amount and type of fees and charges and when they are payable (including by imposing new fees and charges or changing the method of calculation of a fee or charge).
- 31.3 We cannot make a change:
- (a) to the *annual percentage rate*, method of calculation of break costs, the break cost administration fee, or any prepayment adjustment administration fee during a *fixed rate period* or an *interest prepaid period*; or



(b) of the types referred to in clause 31.2, if any applicable law (such as the National Credit Code or the ASIC Act) prohibits that change.

- 31.4 As well as the things set out elsewhere in this *contract*, we may, without your agreement, from time to time make any of the changes stipulated in the Schedule.
- 31.5 However, where the change reduces your obligations or extends the time for repayment, we will only give you details of the change when we send you the next statement of account after the change takes effect.
- 31.6 Any advertisements of changes will be published in a national newspaper and/or newspapers circulating in the State or Territory in which you ordinarily reside as at the *lending date*. If we advertise a change we will give you the details when we send you the next statement of account.
- 31.7 We will not be bound by any changes you request to this *contract* unless we agree to them in writing.
- 31.8 If the *annual percentage rate* applying to your *loan* changes, we may, but need not, change the amount of your *repayments*. If we do not immediately change the amount of your *repayments*, we may do so later. If the *annual percentage rate* increases and your *repayments* do not increase, it will take you longer to repay the *loan amount* and your *term* will automatically be longer. We do not need to notify you of this.

## 32. IF ANY PART OF THIS CONTRACT IS UNENFORCEABLE

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

## 33. YOUR OBLIGATIONS AND OUR RIGHTS ARE UNAFFECTED

- 33.1 Any future law that would otherwise vary your obligations under this *contract* is excluded (to the extent allowed by law) if it affects our rights or remedies adversely.
- 33.2 This *contract* does not merge with or adversely affect, and is not adversely affected by, any of the following:
- (a) a *security* or right or remedy to which we are entitled; or
  - (b) a judgment or order which we obtain against you in respect of any of the *total amount owing*.

We can still exercise our rights under this *contract* as well as under the judgment, order, other *security*, right or remedy.

- 33.3 This *contract* binds each *person* who signs it even if another *person* who was intended to sign does not sign it or is not bound by it.

## 34. REINSTATEMENT OF RIGHTS

Under a law relating to *insolvency* a *person* may claim that a transaction (*including* a payment) in connection with this *contract* is void or voidable. If a claim is made and upheld, conceded or compromised, then:

- (a) we are immediately entitled, as against you, to the rights in respect of the *total amount owing* to which we were entitled immediately before the transaction; and
- (b) on request from us, you agree to do anything to restore to us any *security* we held from you immediately before the transaction.

## 35. INDEMNITIES

The indemnities in this *contract* are continuing obligations, independent of your other obligations under this *contract*. They continue even after you have repaid the *total amount owing*. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this *contract*.

## 36. POWER OF ATTORNEY

- 36.1 You appoint us, each of our directors, each of our employees whose job title *includes* the word “manager”, each of our solicitors and each other *person* (including Virgin Money Australia) we authorise separately as your attorney. If we ask, you must formally approve anything an attorney does under clause 36.2 of this Part A. You may not revoke these appointments.
- 36.2 If you are in default (and where required by law we have served a notice stating that you are in default) each attorney may:
- (a) do anything which you can lawfully authorise an attorney to do in connection with this *contract*, the *security property* or an *arrangement with us* or which the attorney believes is expedient to give effect to any of our rights or a *receiver's* rights (these things may be done in your or the attorney's name and they *include* signing and delivering deeds, selling, transferring or leasing the *security property*, selling, transferring or surrendering any lease, lodging or withdrawing caveats, otherwise dealing with the *security property* and starting, conducting and defending legal proceedings);
  - (b) delegate their powers (*including* this power) and revoke a delegation; and
  - (c) exercise their powers even if this involves a conflict of duty or they have a personal interest in doing so.
- 36.3 Where permitted by law the attorney may exercise its powers in clause 36.2 without your consent and without giving you notice.
- 36.4 You acknowledge that any *person*, *including* the Registrar of Titles of Western Australia or any other

registration authority in Australia or elsewhere dealing with any attorney or a *person* purporting to be an attorney under this power, is:

- (a) entitled to rely on execution of any document by that *person* as conclusive evidence that:
  - (i) the *person* holds the office set out in the power;
  - (ii) that the power of attorney has come into effect;
  - (iii) that the power of attorney has not been revoked; and
  - (iv) that the right or power being exercised or being purported to be exercised is properly exercised and that the circumstances have arisen to authorise the exercise of that right and power; and
- (b) not required to make any enquiries in respect of any of the matters set out in paragraph (a).

### 37. INSURANCE

Any obligation in this *contract* relating to insurance is an ongoing obligation until such time as this *contract* is ended. If you fail to obtain insurance as required by this *contract* you authorise us to do so on your behalf.

### 38. LENDERS MORTGAGE INSURANCE

If there is lenders mortgage insurance for this *loan*, you acknowledge that the insurance protects us and not you. If you default under this *contract* or any *security* resulting in a need to sell any *security property* and the sale proceeds are less than the *total amount owing*, we may incur a loss. We may recover this loss under the lenders mortgage insurance policy. However, you become legally responsible for repaying to the insurer any amounts paid to us by the lenders mortgage insurer because you are not protected by the lenders mortgage insurance.

The only advantage you receive from paying for any lenders mortgage insurance is the ability to borrow more than we would permit if we did not have that insurance.

### 39. VALUERS AND CONSULTANTS

- 39.1 Any Valuer or consultant we may use is an independent contractor and is not our agent or employee. We are not responsible for any representation, action or inaction by them.
- 39.2 Any report we obtain from the Valuer or consultant is for our use only. Even if we give you a copy of the report, you cannot rely on it. You cannot sue us, the Valuer or consultant if the report is wrong. You must obtain your own report if you wish to rely on it.

## 40. NOTICES, OTHER COMMUNICATIONS AND SERVICE OF DOCUMENTS

- 40.1 Notices, certificates, consents, approvals and other communications in connection with this *contract* must be in writing, unless we agree otherwise.
- 40.2 Communications from us may be signed by any of our employees or authorised agents and representatives (including Virgin Money Australia). In addition, if the notice is given by fax it is properly signed if our or Virgin Money Australia's name appears at the beginning or end of the transmission.
- 40.3 Communications to you may be:
  - (a) given personally;
  - (b) left at your residential, business or work address last known to us;
  - (c) sent by post to your postal or residential, business or work address last known to us;
  - (d) sent by fax to your residential, business or work fax number last known to us;
  - (e) where permitted by law, given by advertising a notice in a national newspaper or newspapers circulating in a state or territory in which you ordinarily reside; or
  - (f) given in any other way permitted by law.
  - (g) if you are not a resident of Australia:
    - (i) delivered to you by one of the processes in paragraphs 40.3(a)-(f) above; or
    - (ii) delivered to your appointed agent in Australia by:
      - A. giving the communication to your agent personally;
      - B. mailing the communication to your agent at any address you provide to us in accordance with clause 4.2(c);
      - C. sending the communication to your agent at any email address you provide to us in accordance with clause 4.2(c);
- 40.4 Communications to us must be:
  - (a) given personally to one of our employees at Bank of Queensland's registered office and no other place;
  - (b) sent by prepaid post or by fax to our registered office and no other place; or
  - (c) given by any other means permitted by law.
- 40.5 A communication is taken to be given (whether or not you actually receive it):
  - (a) in the case of a communication given personally - on the date it bears or the date it is received by the *person* to whom it is addressed, whichever is the later;

- (b) in the case of a communication 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;
- (c) in the case of a communication sent by fax - on the date it bears or on the date on which the machine from which it was sent produces a report indicating the communication was sent to the fax number of the *person* to whom it is addressed, whichever is the later; or
- (d) in the case of a communication given by newspaper advertisement the date it is first published.
- (e) in the case of a communication delivered to your appointed agent in Australia:
  - (i) personally - on the date borne by the communication;
  - (ii) by email - on the date of the email transmission;
  - (iii) by facsimile - on the date of the facsimile transmission;
  - (iv) by post - on the date borne by the communication or the date it would have been delivered in the ordinary course of post, whichever is the later.

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

#### 41. NATIONAL CREDIT CODE, ASIC ACT AND OTHER LEGISLATION

- 41.1 To the extent that the National Credit Code, the unfair contract terms provisions of the ASIC Act, the Code of Banking Practice or other code or legislation applies to this *contract*, if:
- (a) that code or legislation would otherwise make a provision of this *contract* illegal, void or unenforceable; or
  - (b) a provision of this *contract* would otherwise contravene a requirement of that code or legislation or impose an obligation or liability which is prohibited by that code or legislation, this *contract* is to be read as if that provision were varied to the extent necessary to comply with that code or legislation or, if necessary, omitted.
- 41.2 To the extent that the National Credit Code applies to this *contract*, the *total amount owing* does not include any amount which exceeds the sum of:
- (a) the amount of your liabilities under this *contract*; and
  - (b) our reasonable enforcement expenses reasonably incurred in enforcing this *contract*.
- 41.3 To the extent that the National Credit Code, the Code of Banking Practice or other code or legislation applies to this *contract*:

- (a) 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 *contract* imposed by the code or legislation; and
- (b) our rights and remedies under this *contract* are in addition to those given to a credit provider under the code or legislation.

41.4 If the Schedule stipulates that the National Credit Code assumptions are made then the National Credit Code will apply to this *contract* and Part C should be read as part of this *contract*.

#### 42. INCONSISTENT LAW

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

#### 43. GOVERNING LAW AND SERVING DOCUMENTS

43.1 If you are a resident of Australia:

- (a) This *contract* is governed by the laws of the State or Territory in which you reside (and if more than one of you, in the State or Territory in which the *loan* is first drawn down). You and we submit to the non-exclusive jurisdiction of the courts of that place; and
- (b) We may serve any document in a court action (*including* a writ of summons, other originating process or third or other party notice) on you by delivering it to, or leaving it at, your address last known to us or such other address as you and we agree at any time. This clause does not prevent any other method of service.

43.2 If you are not a resident of Australia:

- (a) you submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State of Queensland and any other court of any other jurisdiction notified to you by us for this purpose;
- (b) you agree, on request by us, to appoint an agent for service of process in Australia and to provide to us, in writing, that agent's:
  - (i) full name;
  - (ii) postal address;
  - (iii) email or facsimile address (if any); and
  - (iv) contact telephone number.
- (c) you acknowledge and agree that we may serve on you any document in a court action (including a claim, writ of summons, other originating process or third or other party notice) commenced in any courts in Australia by:
  - (i) mailing a copy of the document by certified or registered airmail postage prepaid to

your address given in your account opening documents;

- (ii) giving the documents personally to any agent you appoint;
  - (iii) emailing the document to your agent at any email address you provide in accordance with clause 43.2(b);
  - (iv) faxing the document to your agent at any email address you provide to us in accordance with clause 43.2(b);
  - (v) sending the document to your agent at the postal address you provide to us in accordance with clause 43.2(b);
- (d) you acknowledge and agree that service of any court document (including any originating process) is taken to have been effected:
- (i) in the case of a document mailed to your address given in the account opening documents - 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;
  - (ii) in the case of a document given to your agent:
    - A. personally - on the date the document is so given;
    - B. by email - on the date of transmission of that email;
    - C. by fax - on the date of transmission of that fax;
    - D. by post - on the date of posting or the date it would have been delivered in the ordinary course of post, whichever is the later.

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

#### 44. EXEMPTIONS

If you are claiming an exemption from, or reduction in, any *taxes* which we pay on your behalf, *for example*, stamp duty exemptions, we will apply that exemption or reduction and refund any amounts paid by you equivalent to the amount of the exemption or reduction provided that you give us all documentation, declarations and evidence necessary to claim the exemption or reduction prior to the *lending date*.

#### 45. ENDING THIS *CONTRACT*

45.1 You can end this *contract* at any time if you:

- (a) give us written notice; and
- (b) pay the *total amount owing*.

45.2 Unless we agree otherwise the settlement of any other transaction or the ending of this *contract* requiring the release by us of any *security* must take place at Bank of Queensland Limited's head office in Brisbane.

45.3 You must pay any amounts debited to your *account* after this *contract* is ended.

#### 46. FURTHER INFORMATION

If you request we will provide you with further information on the following:

- (a) account opening procedures;
- (b) our confidentiality obligations;
- (c) dispute handling procedures;
- (d) combining accounts;
- (e) bank cheques
- (f) account operating procedures;
- (g) current *annual percentage rates*, fees and charges; and
- (h) the Code of Banking Practice.

#### 47. OUR ADVICE

47.1 We advise you to:

- (a) advise us promptly when you are in financial difficulty; and
- (b) carefully read these General Conditions, the Schedule and each *security*.

47.2 We take no responsibility for any decision you make:

- (a) to enter into this *contract*;
- (b) to obtain the *loan*; or
- (c) about the kind of interest rate you want under this *contract*.

47.3 Our officers, employees and authorised agents do not have our authority to:

- (a) make any predictions about what might happen to our or anyone else's interest rate;
- (b) tell you what kind of interest rate would best suit you; or
- (c) make any other representation, prediction or statement of opinion about any other matter or thing affecting this *contract* or the *security*.

#### 48. PURPOSE OF THE *LOAN*

You must use the *amount of credit* only for the purpose stipulated in the Schedule.



## HOW TO INTERPRET THIS CONTRACT

### 49. MEANING OF WORDS

*account* means the *Virgin Money*<sup>®</sup> branded account(s) under which we lend you the *amount of credit*.

*agreed repayments* means the amount agreed by you and us at the commencement of any *fixed rate period*.

*amount of credit* means the *loan amount*.

*annual percentage rate* means a per annum rate of interest. The *annual percentage rate* applying to your *loan* is stipulated in the Schedule. The *annual percentage rate* may change from time to time in the manner permitted by this *contract*.

*arrangement with us* means an arrangement (*including* an agreement or a *security interest*) under which a *debtor/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.

*automatic payment authority* means direct debits and transfer orders (*including* periodical payments).

*balance owing on your account* means, at any time, the difference between all amounts credited and all amounts debited to your *account* under this *contract* 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.

*break costs* are described in clause 9 of Part B.

*business day* means any day on which Bank of Queensland (the lender) is open for business.

*construction loan* means 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.

*construction period* means the period before the final *loan* advance under your *construction loan*.

*contract* means these General Conditions and the Schedule which together set out the terms of the contract between you and us.

*costs includes* charges and expenses. It also *includes* costs, charges and expenses in connection with legal and other advisers or the use of our staff and facilities.

*debtor/guarantor* means:

- (a) you;
- (b) any *person* who guarantees payment of any part of the *total amount owing*;
- (c) if any part of the *total amount owing includes* obligations you owe under a *guarantee*, the *person* whose obligations you guarantee and any other *person* who guarantees that other *person's* obligations; and

(d) any other *person* you and we agree is to be a "debtor/guarantor" for the purpose of this *contract*.

*default rate* means a per annum rate of interest (if any) payable under clause 17.1 of this Part A. The *default rate* applying to your *loan* is stipulated in the Schedule. The *default rate* may change from time to time in the manner permitted by this *contract*.

*directive* means a treaty, a law, an official directive or request having force of law, and an official directive, request, guideline or policy with which financiers carrying on business in Australia generally comply. Directive *includes* any Australian Prudential Regulation Authority or Reserve Bank of Australia directive.

*disclosure date* is the date stipulated in the Schedule.

*election period* means the 2 month period ending on the last day of an *interest prepaid period*.

*extra payment limit* for a *fixed rate period* is the amount which is \$10,000 more than your *agreed repayments* in any 12 month period. There is no *extra payment limit* for *interest prepaid periods*. Extra payments are unlimited during *interest prepaid periods*.

*FIRB* means the Foreign Investment Review Board.

*fixed rate period* means any period, other than an *interest prepaid period*, for which the *annual percentage rate* applying to your *loan* is fixed.

*for example see including*.

General Conditions means these general conditions that form part of this *contract*.

*governing body* means each entity which manages or administers any *shared scheme* of which any *security property* is part.

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

*guarantee includes* an indemnity.

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

*interest prepaid loan* means a *loan* where the Schedule stipulates that you have an interest prepaid home loan.

*interest prepaid period* means, if you have an *interest prepaid loan*, a 12 month period for which you have paid interest in advance.

*interest prepayment date* means, in relation to the *first interest prepaid period*, the *lending date*, and in relation to any subsequent *interest prepaid period*, the anniversary of the *lending date*.

*insolvent* means a *person* who:

- (a) is (or state that they are) an insolvent, under administration or insolvent (each as defined in the Corporations Act);
- (b) 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;
- (c) 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 approved by us);
- (d) is no longer in control of their affairs;
- (e) 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;
- (f) is taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand;
- (g) in the case of an individual, commits an act of bankruptcy, enters into a composition with its creditors, is declared or becomes bankrupt or is of unsound mind;
- (h) 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);
- (i) is otherwise unable to pay their debts when they fall due; or
- (j) has something substantially similar to any of the things referred to above happen to them under the law of any jurisdiction.

*lending date* means the first date we lend you any part of the *amount of credit*.

*loan* means our agreement with you under this *contract* to lend to you the *amount of credit*.

*loan amount* (if any) is the amount stipulated in the Schedule as varied from time to time by us in accordance with this *contract* and any new or replacement loan amount as you and we agree.

*nominated transaction account* for an *interest prepaid loan* means the savings, cheque or overdraft account from which you ask us to debit the *yearly advance interest repayment* on any *interest prepayment date*.

*person* includes an individual, a firm, a strata corporation, an unincorporated association and an authority.

*rate lock* means an agreement between you and us for the *annual percentage rate* to remain fixed at a particular interest rate for a *fixed rate period*, which agreement is made not more than 100 days:

- (a) before the *lending date*, or
  - (b) before a new *fixed rate period* begins, after the end of a current *fixed rate period*, or
  - (c) before the start of any other *fixed rate period*,
- and for which a *rate lock fee* has been paid on or before the date such *annual percentage rate* becomes effective.

*receiver* includes receiver, or receiver and manager and has the meaning given to it in the Corporations Act.

*redraw* or *redrawn* is described in clause 18 of Part A.

*reference rate* means the interest rate stipulated in the Schedule by which the *annual percentage rate* applying to your *loan* is derived. The *reference rate* may change from time to time.

*related entity* has the meaning given to it in the Corporations Act.

*repayment* means the amount of the repayment as stipulated in the Schedule. The *repayment* may change from time to time in the manner permitted by this *contract*.

*repayment date* means the dates upon which *repayments* are due as stipulated in the Schedule.

Schedule means the schedule that forms part of this *contract*.

*security* means each *security interest* stipulated in the Schedule under "Security" and any substituted or additional *security interest* given in connection with this *contract*.

*security interest* mean:

- (a) any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power or title retention arrangement or guarantee;
- (b) any document to grant or create anything referred to in either paragraphs (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset.

*security property* means property over which a *security* is held and which is stipulated in the Schedule and any substituted or additional security property.

*shared scheme* means each scheme or plan regulated by a shared scheme law that affects any *security property*. Examples of properties which are often part of a shared scheme are strata or stratum title home units and town houses and properties in integrated developments.

*strata corporation* has the meaning given in the National Credit Code.

*such as see including.*

*taxes* means 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.

*term* is the term (if any) stipulated in the Schedule. The *term* may change from time to time in the manner permitted by this *contract*.

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

This definition applies:

- (a) irrespective of the capacity in which you or we became entitled to the amount concerned;
- (b) irrespective of the capacity in which you or we became liable in respect of the amount concerned;
- (c) whether you or we are liable as principal debtor, as surety, or otherwise;
- (d) whether you are liable alone, or together with another *person*;
- (e) even if you owe an amount or obligation to us because it was assigned to us, whether or not:
  - (i) the assignment was before, at the same time as, or after this *contract* is executed;
  - (ii) you consented to or were aware of the assignment; or
  - (iii) the assigned obligation was secured;
- (f) even if this *contract* was assigned to us, whether or not:
  - (i) you consented to or were aware of the assignment; or
  - (ii) any of the *total amount owing* was previously unsecured.

A reference to the *total amount owing* also includes any part of it.

*variable rate period* means any period for which the *annual percentage rate* applying to your loan is not fixed.

*Virgin Money*<sup>®</sup> is a trademark of Virgin Enterprises Limited, a company registered in England, having registration number 01073929 and used by Bank of Queensland Limited under licence.

*we, us* and *our* means Bank of Queensland Limited

ABN 32 009 656 740, AFSL and ACL No. 244616 and its successors and assigns.

When we refer to our Home Loan Supplementary Terms and Conditions, Lending and Deposits Guide to Fees and Charges or Virgin Money Hub Terms and Conditions ("Terms and Conditions"), we mean our *Virgin Money*<sup>®</sup> branded Terms and Conditions.

*works* means building work, excavation or earthworks on any *security property*, work demolishing, removing or altering any part of any *security property*, or any building or development work required by an authority in connection with the *security property*.

*yearly advance interest repayment* means, if you have an *interest prepaid loan*, the *repayment* due prior to any *interest prepaid period*.

*you and your* means the *person* or *persons* named in this *contract* as the customer. If there are more than one, *you* means each of you separately and every two or more of you jointly. *You* includes your successors and assigns. In the definition of the *total amount owing* it also refers to you as so defined whether as a principal or as a surety.

## 50. INTERPRETATION

The following rules apply to the interpretation of this *contract*:

Reference to:

- (a) a *person* includes the *person's* successors and assigns;
- (b) a thing *includes* all or part of that thing;
- (c) a document includes that document as changed or replaced from time to time;
- (d) any legislation *includes* the legislation as amended, repealed or replaced from time to time and any subordinate legislation made under it;
- (e) individuals *includes* corporations and the other way around;
- (f) a gender *includes* all other genders;
- (g) currency is to Australian dollars;
- (h) this *contract* is a reference to this *contract* (as varied from time to time) between you and us;
- (i) clauses are references to clauses in this *contract*;
- (j) the singular *includes* the plural and the other way around;
- (k) the ASIC Act is a reference to the Australian Securities and Investments Commission Act 2001 (Cth);
- (l) the Corporations Act is a reference to the Corporations Act 2001 (Cth);

(m) 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

(n) the Code of Banking Practice is a reference to the 2013 version of the Australian Bankers' Association Code of Banking Practice *including* any amendments from time to time which have been published by the Australian Bankers' Association and formally adopted by us.

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

For *repayments* made using the Hub refer to Virgin Money's Home Loan Supplementary Terms and Conditions for when a day ends.

For all other purposes, a day ends at midnight under this *contract*.

The use of the word "may" about any right or power we have under this *contract* indicates that the right or power may be exercised or not exercised, 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 the fact that one *person* is released from their promises does not mean that any of the others are also released.

It is the parties intention that, in the interpretation of this *contract*:

(a) if possible, words which have an ordinary meaning are given that meaning;

(b) this *contract* is to be interpreted broadly;

(c) if a general term is used it must be given a broad meaning; and

(d) general terms must not be limited because of any legal rules of interpretation.



# Part B: Home Loans

This Part B applies to all home loans and should be read together with Part A and the Schedule (and Part C if the National Credit Code applies to your *loan*).

## 1. WHAT MUST HAPPEN BEFORE WE LEND THE *AMOUNT OF CREDIT*

- 1.1 We may require up to *5 business days*' notice prior to settlement of your *loan*.
- 1.2 We only have to lend you the *loan amount* (or any part of it) if you draw down the full *loan amount* within 90 days of the date on which you signed this *contract* (unless you have a *construction loan*). If you do not, we may still lend you that part of the *loan amount* which has not been drawn down but we may change the terms on which we do. Alternatively, if you have not drawn down any of the *loan amount* we may treat this *contract* as ended without having to notify you. If we do so, we may keep any fees that you have paid us.
- 1.3 There are other general requirements at clause 3 of Part A.

## 2. OUR ADDITIONAL REQUIREMENTS IF YOU HAVE A *CONSTRUCTION LOAN*

### HOW WE LEND THE *LOAN AMOUNT* FOR A *CONSTRUCTION LOAN*

- 2.1 If you have a *construction loan*, we may lend the *loan amount* in a series of advances. Additional fees and charges may apply for more than 4 advances.

### REQUIREMENTS BEFORE THE FIRST *LOAN ADVANCE* UNDER A *CONSTRUCTION LOAN*

- 2.2 We need not make the first *loan advance* unless the following requirements (in addition to those in clause 3 of Part A and clause 1 of this Part B) are all satisfied:
  - (a) you have contributed any money we have required you to contribute; and
  - (b) we have received:
    - (i) a copy of the fully signed building contract;
    - (ii) a copy of the building plans approved by the local authority;
    - (iii) a full set of the specifications signed by you and your builder;
    - (iv) a copy of all relevant approvals (*including* a set of council approved plans and specifications);

- (v) evidence that the builder is registered, holds all necessary licences and has contractors all risks insurance (*including* workers compensation related insurance) in an amount acceptable to us;
  - (vi) an adequate and appropriate insurance policy in your name for the period of construction for the contract price of the building work; and
  - (vii) where required by us, a surveyor's certificate and a consulting engineer's certificate, each in a form satisfactory to us; and
- (c) we have registered all *securities* which we require to be registered;
  - (d) you make the first draw down within 6 months from the *disclosure date* of your *contract*.

### GENERAL REQUIREMENTS FOR *CONSTRUCTION LOANS*

#### 2.3 If you have a *construction loan*:

- (a) you must start construction without unreasonable delay and ensure that all *works* on the property are carried out only in accordance with plans and specifications approved by us and in accordance with all laws, requirements of authorities and Australian Standards;
- (b) you alone are responsible for ensuring that all plans are followed and that materials and workmanship are satisfactory even if we also monitor the *works*. (If we do so, it is only for our own purposes, and even if we make a *loan advance*, it does not mean the *works* are necessarily satisfactory). We are not liable for the quality of, or any delays in, the *works*;
- (c) you must not have any changes made to the council approved plans and specifications without our written consent and relevant council approvals. You must ask for our consent in writing, and pay our costs of those changes;
- (d) you must comply with our directions about the plans and specifications or about the *works*;
- (e) you must ensure that the *works* are completed and the scheduled final loan advance made within 6 months after the date of the first *loan advance* or such further period we agree to;
- (f) notwithstanding clause 2.5 of this Part B, you are responsible for any payments made to your

builder. We have no contractual relationship or obligations to your builder;

- (g) we must be satisfied with the *works* upon their completion; and
- (h) you must tell us in writing if you are not satisfied with the *works*. If you do not tell us, you authorise us to make payments to your builder.

2.4 If you have a construction loan and the works have not yet been completed, and if are aware or should be aware, of any of the following things happening to your builder:

- (a) your builder (if it is a corporation) is or becomes *insolvent* or steps are taken to make your builder *insolvent*;
- (b) your builder (if it is a corporation) is or becomes deregistered, or steps are taken to deregister your builder;
- (c) a *controller* or a receiver is appointed to any part of your builder's property; or
- (d) a *person* is appointed to investigate or manage your builder's affairs,

you must replace your builder with another builder acceptable to us and you must ensure that, if requested by us, you and your replacement builder enter into a tripartite deed with us in the form we require.

## LOAN ADVANCES UNDER A CONSTRUCTION LOAN

- 2.5 We make the *loan* advances for *works* to your builder, or to you if you are an owner-builder. The number of *loan* advances, the approximate amount of each *loan* advance and the *works* which must be completed before each *loan* advance, are to be stipulated in the building contract, or as otherwise agreed in writing between you and us.
- 2.6 You agree that you cannot make any claim against us on the basis that we have made *loan* advances for *works* to your builder.
- 2.7 We may only make a *loan* advance:
- (a) if you ask us to in writing at least 3 *business days* before you want us to make the *loan* advance;
  - (b) if the terms in clause 1 and 2.2 of this Part B and clause 3 of Part A are satisfied at the time the *loan* advance is requested;
  - (c) if we are satisfied with the inspection of the stage of *works* and you have provided any receipts requested by us for materials and labour; and
  - (d) in an amount determined by us. If our determination is less than the amount you ask for, you must separately arrange with the builder for this to be paid.

2.8 In addition to the debiting of interest as described in clause 10.3 of Part A, interest under a *construction loan* is also debited to your account on the date the final *loan* advance is paid to your builder.

2.9 The making of any advance shall not be construed as proof or admission that the *works* or any part of the *works* have been undertaken in accordance with this *contract*.

## INSPECTIONS UNDER A CONSTRUCTION LOAN

2.10 We may require an inspection of the *works* at any time. The inspection may be conducted by us or a consultant that we nominate. If we monitor *works* (such as inspecting or accepting any part of the *works* construction or approving plans), we will be doing so for our own purposes. We do not owe you any duty to exercise care or skill in doing so and we need not tell you the results of any inspection.

## REQUIREMENTS BEFORE THE FINAL LOAN ADVANCE UNDER A CONSTRUCTION LOAN

- 2.11 We need not make the final *loan* advance unless the following additional requirements are all satisfied:
- (a) the Valuer or project supervisor nominated by us has inspected the site and certified that the *works* have been satisfactorily completed in accordance with the council approved plans and specifications provided to us;
  - (b) you provide us with a certificate of compliance or occupancy or similar certificate in relation to the completed *works*, if we have requested such a certificate;
  - (c) acting reasonably, we are satisfied with the cost of the *works*;
  - (d) you have paid to your builder any money owing to the builder which exceeds the balance of the *loan amount*;
  - (e) you tell us in writing that you are satisfied with the *works*; and
  - (f) we are satisfied that you have insurance noting our interest.

## DEFAULT UNDER A CONSTRUCTION LOAN

2.12 In addition to what can happen when you are in default as set out in clause 16 of Part A, if you are in material default under a *construction loan* we may complete the *works* in any way we consider appropriate. We do not have to. We may change plans and specifications. We may employ any consultants or builders we consider appropriate.

You must pay our costs in doing any of the things referred to in clause 2.11 of this Part B.

### 3. REPAYMENTS

- 3.1 You must make monthly *repayments* unless you are in an *interest prepaid period* or the Schedule stipulates otherwise. We may agree to accept *repayments* more frequently.
- 3.2 The day of your first *repayment* is stipulated in the Schedule. All following *repayments* are due on the same day in each following month as the first *repayment* unless the Schedule stipulates otherwise.
- 3.3 If you are in an *interest prepaid period* you must make *repayments* in accordance with clause 11 of this Part B.

### 4. MORTGAGE OFFSET

- 4.1 If your *loan* is eligible for mortgage offset and you are in a *variable rate period* or a 1 year *fixed rate period*, we will grant to you, at your request, a mortgage offset facility to link your *loan* to a transaction account nominated by you ("mortgage offset account"). Where you have more than one *loan* with us that is eligible for mortgage offset, you must nominate to us the relevant eligible *loan* that should be linked to your mortgage offset facility.
- 4.2 The daily interest on any credit balance in your nominated mortgage offset account will be calculated using the *annual percentage rate* applying to your relevant *loan* linked to your mortgage offset account. The daily interest earned on any credit balance in your mortgage offset account will then be offset against the daily interest charges on your relevant *loan* that is linked to your mortgage offset account.
- 4.3 No interest will be earned (and consequently no offset against interest charges on your *loan* will arise) in respect of credit balances in your mortgage offset account that exceed the *balance owing on your account*.
- 4.4 The mortgage offset account must be in your name (or if more than one of you, in one or both of your names).
- 4.5 The mortgage offset facility will be cancelled upon the occurrence of any of the following:
- (a) we receive from you the *total amount owing*; or
  - (b) your mortgage offset account is closed; or
  - (c) you (and if more than one, any of you) ask us to; or
  - (d) you switch your *loan* to a type that is not eligible to have a mortgage offset facility.

### 5. REPAYING EARLY

#### VARIABLE RATE PERIOD

- 5.1 During a *variable rate period*, you may repay early as much as you choose, at any time, without notifying us in

advance. You can do this by:

- (a) paying one or more lump sums; or
- (b) increasing the amount of your *repayment*.

- 5.2 Once you make an early *repayment*, you may only *redraw* any amount repaid early under the *redraw* provisions in clause 18 of Part A.

#### FIXED RATE PERIOD OR INTEREST PREPAID PERIOD

- 5.3 If you are in a *fixed rate period* or an *interest prepaid period*, to avoid incurring *break costs*, you may only repay early:
- (a) the *loan amount* or part of the *loan amount* at the end of the *fixed rate period*, or *interest prepaid period*; or
  - (b) part of the *loan amount* during the *fixed rate period* or *interest prepaid period* provided that the extra payments which are in addition to your agreed *repayments* are less than the *extra payment limit*. If you repay early in any other circumstances *break costs* may apply (see clause 9 of this Part B).
- 5.4 You may not *redraw* any amount repaid early during a *fixed rate period*, *construction period* or *interest prepaid period* and clause 18 of this Part A does not apply during a *fixed rate period*, *construction period* or *interest prepaid period*.

#### EFFECT OF EARLY REPAYMENT

- 5.5 If you repay part of the *loan amount* early, your *repayment* does not change, (unless we specifically agree to your request for a change) but it may mean you repay your *loan* quicker.

### 6. ANNUAL PERCENTAGE RATE - DURING A FIXED RATE PERIOD

#### FIXED RATE PERIODS ONLY

- 6.1 Clause 6 of this Part B applies only to *fixed rate periods*. It does not apply to *interest prepaid periods*.

#### EFFECT OF FIXING

- 6.2 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* remains *fixed* at the rate stipulated in the Schedule or as agreed between you and us even if our other interest rates rise or fall.

#### SELECTING THE FIXED RATE OPTION

- 6.3 You may choose to fix the *annual percentage rate* either:
- (a) at the start of the *term* except during a *construction*

*period;*

- (b) during the term, except during a *construction period*; or
- (c) if you have a *construction loan*, any time during the *term* after we have made the final *loan* advance.

## FIXED RATE AT THE START OF THE TERM

6.4 If you choose to fix the rate for the *loan* at the start of the *term* during the *term*, except during a *construction period*; or:

- (a) the *fixed rate period* begins on the *lending date*; and
- (b) the *annual percentage rate* that applies for the *fixed rate period* is either:

- (i) where *rate lock* applies

the *annual percentage rate* stipulated in the Schedule, where you have elected and we have agreed to apply a *rate lock*, and the *lending date* is not more than 100 days after the date you requested to *rate lock*; or

- (ii) where *rate lock* does not apply

the *annual percentage rate* for the applicable *fixed rate period* as at the *lending date* and the *annual percentage rates* stipulated in the Schedule are only a guide. The actual *annual percentage rate* applying to your *loan* may change before the *lending date*.

## WHAT HAPPENS AT THE END OF THE FIXED RATE PERIOD?

6.5 At the end of the *fixed rate period* (whether you choose this at the start of the *term* or whether you change to it during the *term*), you may choose a further *fixed rate period* by giving us notice in writing at least 10 *business days* before the end of the current *fixed rate period*. However, you may only enter into a further *fixed rate period* if:

- (a) we are offering a further *fixed rate period* at the time you request it; and
- (b) we agree at our absolute discretion to your request.

6.6 Subject to clause 6.7, the *annual percentage rate* of any further *fixed rate period* may be higher or lower than or the same as the rate which applied for any previous *fixed rate period* and is effective from the first day of the new *fixed rate period*.

6.7 If you have:

- (a) elected and we have agreed to apply a *rate lock* prior to the end of the current *fixed rate period*; and
- (b) the first day of the new *fixed rate period* is not more than 100 days after the date we agree to apply a *rate lock*, the *annual percentage rate*, as stipulated in our agreement to apply a *rate lock*, will be effective from the first day of the new *fixed rate period*.

- (c) Any further *fixed rate period* is separately agreed between us and you as a change to the terms of this *contract*.

## 7. ANNUAL PERCENTAGE RATE - DURING A VARIABLE RATE PERIOD

During any *variable rate period*:

- (a) we can change the *annual percentage rate* applying to your *loan* at any time;
- (b) the *annual percentage rates* stipulated in the Schedule are only a guide. The actual *annual percentage rate* applying to your *loan* may change before or after the *lending date*;
- (c) we will tell you of a change in the *annual percentage rate* applying to your *loan* in accordance with this *contract*; and
- (d) a change in the *annual percentage rate* applying to your *loan* may be reflected in a change to the amount of your *repayment*.

## 8. CHANGING ANNUAL PERCENTAGE RATE OPTIONS

### AUTOMATIC CHANGE - FIXED RATE TO VARIABLE RATE

8.1 If you do not provide us with the notice required by clause 6.5 of this Part B, or we do not agree to a further *fixed rate period*, the *annual percentage rate* applying to your *loan* automatically changes to the variable *reference rate* (plus or minus any relevant margin) as stipulated in the Schedule.

### CHOOSING TO CHANGE - VARIABLE RATE TO FIXED RATE

- 8.2 You may change the loan from a *variable rate period* to a *fixed rate period* by contacting us.
- 8.3 However, you may only change your *loan* to the *fixed rate period* if:
  - (a) we are offering the *fixed rate period* at the time you request to change; and
  - (b) we agree at our absolute discretion to your request to change to the *fixed rate period*.
- 8.4 If we agree to a *fixed rate period* you must pay us the switching fee stipulated in the Schedule.
- 8.5 Any change from a *variable rate period* to a *fixed rate period* is separately agreed between us and you as a change to the terms of this *contract*.
- 8.6 The *fixed rate period* begins on a day that has been agreed between you and us.
- 8.7 Subject to clause 8.8, the *annual percentage rate* which

applies for the *fixed rate period* is the *fixed reference rate* at that date that applies for that period at the start of the *fixed rate period*, unless you and we have agreed another rate.

8.8 If you have:

- (a) elected and we have agreed to apply a *rate lock*; and
- (b) the start of the *fixed rate period* is not more than 100 days after the date we agree to apply a *rate lock*, the *annual percentage rate*, as stipulated in our agreement to apply a *rate lock*, will be effective from the start of the *fixed rate period*.

## CHOOSING TO CHANGE - FIXED RATE OR INTEREST PREPAID RATE TO VARIABLE RATE

8.9 You may break your *fixed rate period* or *interest prepaid period* and revert to a *variable rate period*. However, you may have to pay *break costs* in accordance with clause 9 of this Part B.

8.10 If you break an *interest prepaid period*, before calculating and (where necessary) charging *break costs* and the break cost administration fee, we will calculate and refund to you the unused interest you have prepaid (for the period starting on the date you break your *interest prepaid period* to the date the *interest prepaid period* was due to end).

## PROCEDURE FOR CHOOSING TO CHANGE FROM FIXED RATE OR INTEREST PREPAID RATE TO VARIABLE RATE

8.11 To break a *fixed rate period* or *interest prepaid period* and revert to a *variable rate period* you must tell us in writing. We will make the change to a *variable rate period* within 5 *business days* after you tell us you want to change.

## 9. BREAK COSTS

9.1 If we have agreed to fix the *annual percentage rate* applying to your *loan* for a *fixed rate period* or we have accepted a *yearly advance interest repayment*, we have done so on the understanding that you will continue to make *repayments* calculated on the fixed *annual percentage rate* applying to your *loan* for the whole of the *fixed rate period* or on the understanding that you will not want to end any *interest prepaid period* prematurely.

We generally arrange our own funding position on this understanding. As a result, that funding position will change and we may make a loss from re-arranging our own funding if you break a *fixed rate period* or *interest prepaid period* by:

- (a) repaying the *total amount owing*;

- (b) repaying more than the total of your *agreed repayments* plus the *extra payment limit* in any 12 month period;
- (c) changing to a *variable rate period* during a *fixed rate period* or *interest prepaid period*; or
- (d) defaulting on your *loan*, in which case the *total amount owing* becomes immediately due for payment.

The estimated amount of that loss will be passed on to you as *break costs*.

- 9.2 If *break costs* are payable you will also need to pay a break cost administration fee.
- 9.3 To work out whether you need to pay us *break costs* we will use a formula. This formula is an estimate of our loss as a result of any of the events described in clause 9.1(a) to 9.1(d) of this Part B.
- 9.4 The calculation does not necessarily reflect the actual transactions that we may enter into at the time the *fixed rate period* or *interest prepaid period* is broken. We manage our funding position on a portfolio basis. Therefore there will not necessarily be a specific transaction referable to your *loan*.
- 9.5 In general terms you will need to pay us a 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.
- 9.6 The wholesale interest rate is the rate at which we determine we can get fixed rate funds from the money market on the relevant day. The wholesale interest rate does not *include* any customer margin.

Among other things, the formula takes into account:

- (a) the wholesale interest rate that applied on the first day of the *fixed rate period* or *interest prepaid period* (the original wholesale interest rate);
- (b) the wholesale interest rate for the remaining part of the *fixed rate period* or *interest prepaid period*, using rates which apply at the time the *fixed rate period* or *interest prepaid period* is broken (the current wholesale interest rate);
- (c) the amount of principal that was paid during your *fixed rate period* or *interest prepaid period* or the amount of principal outstanding at the time you break your *fixed rate period* or *interest prepaid period*;
- (d) the *extra payment limit* we allow you to prepay before we impose *break costs*;
- (e) the amount of any unpaid interest, fees and charges and any default interest which was debited to your *account*;
- (f) the timing, dollar amount and frequency of *repayments* required under this *contract*; and



(g) the remaining *fixed rate period* or *interest prepaid period*.

- 9.7 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.
- 9.8 When using this formula, we may assume the wholesale interest rate which applies on the date of calculation is the current rate on the date you break the *fixed rate period* or *interest prepaid period*.
- 9.9 Our calculation of the *break costs* is conclusive and binding on you. If we work out there is a cost, you will need to pay us that cost when the *fixed rate period* or *interest prepaid period* is broken, or we may debit it to your *account*.
- 9.10 We will not 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*.
- 9.11 If you would like to see a description of the formula used to work out the *break costs*, please contact us.
- 9.12 You can find out the amount of any *break costs* before breaking your *fixed rate period* or *interest prepaid period* by contacting us.

**WARNING: WE SUGGEST YOU ASK US FOR AN ESTIMATE OF THE *BREAK COSTS* AND SEEK INDEPENDENT FINANCIAL ADVICE BEFORE YOU REPAY EARLY DURING A *FIXED RATE PERIOD* OR *INTEREST PREPAID PERIOD* OR BREAK YOUR *FIXED RATE PERIOD* OR *INTEREST PREPAID PERIOD*.**

## 10. LOAN TYPE

- 10.1 Your *loan* type is stipulated 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 the subject of your *loan*. If your *loan* type is “investment” this means that you are not an owner occupier.
- 10.2 You may switch your *loan* type from a “personal” *loan* to an “investment” *loan* at any time (*including* after the first *loan* advance) by notifying us in writing and paying the appropriate fee.
- 10.3 You may switch your *loan* type from an “investment” *loan* to a “personal” *loan* by notifying us in writing and paying the appropriate fee. However you may not switch unless you are an owner occupier.
- 10.4 If your *loan* type is “personal” or if we switch the *loan* at your request from “investment” to “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, we may treat your *loan* as an “investment” *loan*

and change the *annual percentage rate* applying to your *loan* as a result.

- 10.5 The *annual percentage rate* applying to your *loan* will change when you switch *loan* type. Your *annual percentage rate* will change to the rate applicable to the *loan* type you have switched to. If you are in a *fixed rate period* and the *loan* type you have switched to is lower, you will be charged *break costs*.

## 11. INTEREST PREPAID LOANS

- 11.1 If you have an *interest prepaid loan* we will debit your *nominated transaction account* with the *yearly advance interest repayment* on each *interest prepayment date*.
- 11.2 You are not required to make any other principal or interest payments during an *interest prepaid period*.
- 11.3 At the start of the *election period*, we will notify you that you must elect whether you wish to continue with an *interest prepaid period* or switch to a *variable rate period*. When we notify you we will give you an estimate of the *yearly advance interest repayment* for the following *interest prepaid period*, based on our interest prepaid rate offered by us at the time. This estimate may change between the time we notify you and the end of the *election period*. If you elect an *interest prepaid period*, we will confirm with you the *yearly advance interest repayment* before the *interest prepayment date*.
- 11.4 You are entitled to a maximum 10 consecutive *interest prepaid periods*.
- 11.5 If you:
- (a) fail to notify us of your election as required by clause 11.3 of this Part B;
  - (b) fail to pay the *yearly advance interest repayment* when due, *for example* you do not have sufficient cleared funds in your *nominated transaction account* on the *interest prepayment date*; or
  - (c) you have had 10 consecutive *interest prepaid periods* your *loan* will automatically revert from an *interest prepaid loan* to a variable investment home loan rate and the *annual percentage rate* applying to your *loan* will change in the manner stipulated in the Schedule. You must then commence making *repayments* of principal and interest in accordance with the Schedule and clause 3 of this Part B.

## 12. SALE OF PROPERTY

If we have informed you in writing prior to settlement of your *loan* that you must sell property and reduce the *loan amount*, you must sell the property stipulated and reduce the *loan amount* by the amount and within the time stipulated.

# Part C: Information Statement

This Part applies if you are an individual or a strata corporation and, the credit to be provided or intended to be provided is wholly or predominantly for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes or to re-finance such credit.

## THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

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

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, your credit provider's external dispute resolution scheme, or get legal advice.

## THE CONTRACT

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

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

- your contract is entered into; or
- you make an offer to enter into the contract;

whichever happens first.

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

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

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

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

### 3. Can I terminate the contract?

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

- you have not obtained any credit under the contract; or

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

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

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

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

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

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

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

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

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

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

Yes, but only if your contract says so.

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

That depends on the type of change. For example –

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

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

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

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

If that is not successful, you may contact your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your credit provider's external dispute resolution provider is the Financial Ombudsman Service Limited and can be contacted at:

Telephone: 1800 367 287  
Online: [www.fos.org.au](http://www.fos.org.au)  
Postal address: GPO Box 3, Melbourne VIC 3000

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

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

## INSURANCE

**10. Do I have to take out insurance?**

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

**11. Will I get details of my insurance cover?**

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

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

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

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

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

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

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

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

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

## MORTGAGES

**15. If my contract says I have to give a mortgage, what does this mean?**

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

**16. Should I get a copy of my mortgage?**

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

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

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

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

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

See the answers to questions 22 and 23.

Otherwise you may –

- if the mortgaged property is goods - give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first;

OR

- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact their external dispute resolution scheme for help.

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

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

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

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

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

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

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

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

## GENERAL

**22. What do I do if I cannot make a repayment?**

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

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

**23. What if my credit provider and I cannot agree on a suitable arrangement?**

If the credit provider refuses your request to change the repayments, you can ask the credit provider to

review this decision if you think it is wrong. If the credit provider still refuses your request you can complain to the external dispute resolution scheme that your credit provider belongs to. Further details about this scheme are set out below in question 25.

**24. Can my credit provider take action against me?**

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

**25. Do I have any other rights and obligations?**

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

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

**EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE FINANCIAL OMBUDSMAN SERVICE LIMITED AND CAN BE CONTACTED AT:**

Telephone: 1800 367 287  
Online: [www.fos.org.au](http://www.fos.org.au)  
Postal address: GPO Box 3, Melbourne VIC 3000

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

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