# Macquarie home loans terms and conditions booklet

**EFFECTIVE OCTOBER 2026**

Macquarie Bank Limited ACN 008 583 542 AFSL and Australian Credit Licence 237502.

## Your loan agreement

Your Loan Agreement consists of two documents:

**Your Loan Offer document**
Details of the loan specific to you (and any guarantors) – accepted by all Borrowers.

**This Terms and Conditions booklet (Part A)**
See Part A of this booklet for terms and conditions for your home loan.

## The mortgage agreement

The Mortgage agreement consists of two documents:

**The Mortgage**
Details of the Mortgaged Property - signed by all mortgagors.

**This Terms and Conditions booklet (Part C)**
See Part C of this booklet for terms and conditions for the Mortgage.

If you have any questions, please contact your banking specialist or broker.

# Inside this booklet


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# A Home loan terms and conditions

Please read this document together with your Loan Offer to understand your Loan Agreement in full.


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# Key things to note

For further details, please read the loan terms and conditions in full.

| | |
|---|---|
| **Loan Offer** | This document does not contain all the terms of your loan or all the information we need to give you before you enter into this agreement.<br><br>**Further information is contained in your Loan Offer.** |
| **Defaults** | The most common default is failure to pay money on time. If there is default, we may:<br>• give you notice requiring you to remedy the default;<br>• refuse further advances or requests;<br>• require immediate payment of any money due;<br>• charge default interest;<br>• take legal actions, including take possession of and sell the Mortgaged Property.<br><br>If you default or think you might default, please contact us as soon as possible so we can try to find a solution acceptable to us both.<br><br>**For more information about defaults, see section 13.** |
| **Early repayment break costs for fixed rate loan** | Substantial break costs may be payable on early repayments during a fixed rate period. Ask for an estimate of break costs before you repay early a fixed rate loan.<br><br>**For more information about Break Costs, see section 6.** |
| **Banking Code of Practice** | This is a banking service to which the Banking Code of Practice ('**BCOP**') applies. The BCOP is an industry code which sets standards of good banking conduct for bank staff and representatives. The BCOP will apply to this Loan Agreement from 1 July 2019 if you are an individual or a small business (as defined in the BCOP), and to certain guarantors of individual or small business loans. |
| **Fees and Charges** | You can request information on our current standard fees, charges and interest rates by contacting your banking specialist or broker. |
| **Credit Assessment Report** | If your loan is regulated by the National Credit Code, you can request a copy of our credit assessment of your application by asking us. |
| **Financial Assistance** | If you are experiencing financial difficulty and require financial assistance, then you, or your representative, should contact us as soon as possible - this applies to guarantors also. We will discuss your situation and the options available to help you. The sooner you contact us, the sooner we can try to help.<br><br>If you are a joint borrower and you experience financial difficulty, then we may be able to assist you without involving the other borrower(s), at least initially. However, depending on the circumstances, we may need to involve the other borrower(s). |
| **ePayments Code** | The ePayments Code (Code) is an industry code administered by the Australian Securities and Investments Commission. The Code regulates electronic payments, including ATM, EFTPOS and card transactions, online payments, internet (online) and mobile banking, telephone banking, direct debits and BPAY®. It applies in addition to other regulatory and licensing requirements that apply to us. The Code does not apply to products designed and established primarily for business purposes. From the date of our adoption of the Code, we will comply with the Code in relation to personal transactions which are governed by it. |

| | |
|---|---|
| **Queries or Complaints** | If you have any general queries, please visit our Personal Help Centre (www.macquarie.com.au/help/personal) or contact us via chat. If you have a complaint about our products or services, please contact our Client Care team via our website www.macquarie.com.au/feedback-and-complaints.<br><br>We will review your situation and try to resolve any concerns you raise immediately. If we can't satisfy your concerns, you may have rights to escalate your matter to the Australian Financial Complaints Authority (AFCA). AFCA provides a free and independent complaint resolution service for financial services (certain terms of reference must be satisfied in order for AFCA to investigate your complaint). You can contact them as follows:<br><br>**Australian Financial Complaints Authority**<br>GPO Box 3, Melbourne VIC 3001<br>Phone: 1800 931 678 (free call)<br>Email: info@afca.org.au<br>Website: www.afca.org.au |

# Terms and conditions

## 1. Entering a legal agreement

Read this section to... Understand your rights and obligations before the settlement date and how legal agreements apply to all borrowers.

### 1.1 Settlement date

There is no binding legal agreement between us until the Settlement Date unless we agree on an earlier date.

We have the right to change the terms of your Loan Agreement, withdraw it altogether, or refuse to fund your Loan Facility in our reasonable discretion prior to the date we enter into the Loan Agreement. We will only advance funds once we are satisfied, acting reasonably, that all relevant conditions are met. Before the Settlement Date we will request you to provide supporting information and documents, and conduct searches and enquiries.

If you do not draw down the full credit limit on the Settlement Date, any borrowing of the balance is subject to our approval.

### 1.2 If settlement does not occur

If we decide not to proceed for any reason, you may be liable for costs, and we will not be liable for any resulting loss, damage, or cost.

### 1.3 Multiple borrowers

If there is more than one of you, then your Loan Agreement applies to and binds each of you jointly and separately.

Usually, any one of you can do anything in relation to your Loan Agreement or any Security, such as request an advance, or make a redraw request.

We may accept instructions from all of you to send a copy of joint Loan Account information (which may include personal information) to a third party outside of Macquarie in accordance with clause 7.5. However, this clause does not prevent us from making any disclosures in accordance with clause 15.3.

If any one or more of you does anything in relation to your Loan Agreement or any Security all of you will be responsible for the transaction, even if you didn't authorise the transaction.



**WARNING**
**Multiple borrowers**
Each one of you can be required to pay the whole amount even though you may have another arrangement among yourselves or not all of you benefit equally.

If you have a joint account, from which either you or another account holder can make withdrawals, you can ask us to change the account authority so that you all have to approve any future withdrawals. This may be relevant to you if you are vulnerable.

If you no longer wish to be a joint borrower, you may end your liability under the Loan Agreement by giving us a written request to do so in the following circumstances:

a. where we have not advanced the funds to you or the funds are not being relied upon by any joint borrower; or
b. for any future advances (e.g. redraw) under the Loan Facility, but only where we can terminate any obligation we have to extend further credit to any other joint borrower under the same Loan Facility.

# 2. Changes to the agreement

Read this section to... Understand how your loan agreement can be changed by us or by you.

## 2.1 What we can change

Acting reasonably, we can change any term of your Loan Agreement (such as introduce new terms, or change or delete any existing term):

a. that deals with the pricing of your loan, such as your interest rate, fees and charges, and repayments (but subject to any specific fixed rate period);
b. that deals with the day you make repayments or we debit interest to your account;
c. to accommodate a change in law or market practice;
d. to accommodate a change in technology or other ways of communication;
e. to accommodate a change in payment methods;
f. to accommodate a change in how we make disclosures to customers or present our loan documents;
g. to deal with any unforeseen event that may arise; or
h. to make any other change.

Apart from changes to interest rates and the amount or frequency of repayments, and subject to the next sentence, if we believe a change is unfavourable to you, we will give at least 30 days' notice. We may give you a shorter notice period, or no notice, of an unfavourable change if:

a. it is reasonable for us to do so to manage a material and immediate risk; or
b. there is a change to, or introduction of a government charge that you pay directly, or indirectly, as part of your banking service. We will tell you about the introduction or change reasonably promptly after the government notifies us of it (unless the government publicises the introduction or change).

If you are not satisfied with any change or variation, you may repay your loan in accordance with the early repayment provisions in your Loan Agreement.

## 2.2 Notification of changes

Where we make a change that we do not believe is unfavourable to you, we will notify you of the change before or when we provide your next statement of account (which may be after the change has taken effect).

We will notify you of all other changes in accordance with the following table:

| Change Type | Notice Period | Method of Notice |
|---|---|---|
| **Change to the Reference Rate** | On or before the day that the change takes effect | Either by publishing the change in a manner which is accessible and reasonably prominent (for example, by publishing a notice on our website) or by writing to you (including by electronic means) |
| **Changes to the interest rate (including any discount), other than as a result of a change in the Reference Rate** | | |
| **Impose a new Credit Fee or Charge** | 30 days prior | |
| **Change the amount of an existing Credit Fee or Charge** | | |
| **Change the frequency of payment of an existing Credit Fee or Charge** | | |
| **Change the amount or frequency of repayments** | 20 days prior | By writing to you (including by electronic means) |
| **Change the manner in which interest is calculated or applied under this Loan Agreement** | 30 days prior | |
| **Any other change (e.g. a general update to these terms and conditions)** | 30 days prior | Either by writing to you (including by electronic means) or by publishing the change in a manner which is accessible and reasonably prominent (for example, by publishing a notice on our website) where permitted |

## 2.3 Interest rates and repayments

The interest rates and repayments shown in the Loan Offer are correct at the Disclosure Date but may change before or after the Settlement Date.

## 2.4 Changes you request

You may request a variation to your Loan Account such as a split or product switch (e.g. a switch from a variable to a fixed rate). This may require you to pay a fee and pay interest on or around the change date. Where you have a fixed rate, you may also be subject to break costs.

We are not obliged to approve any request. Separate repayment and interest debit dates may apply to any varied Loan Account.

# 3. Interest charges

Read this section to... Understand how interest is calculated and charged.

## 3.1 How interest is calculated

Interest is calculated on each Loan Account by applying the interest rate applicable to that Loan Account to the balance of that Loan Account at the end of each day in Sydney, New South Wales. The daily interest rate is the applicable rate divided by 365.

**Example 1** How daily interest is calculated

If your account balance is $140,080 at the end of the day, and your interest rate is 5.50% p.a. then the daily interest will be:



| Daily percentage rate* | x Daily account balance | = Daily interest charge |
|---|---|---|
| 5.5% ÷ 365 | $140,080 | $21.11 |

*Your interest rate ÷ 365

## 3.2 Interest accrues daily

Interest accrues on a daily basis from the day we advance money.

## 3.3 Interest rates

If more than one interest rate applies to your Loan Accounts, we will apply the applicable daily percentage rate to the relevant portion of the Total Amount Owing.

## 3.4 When interest is debited

Interest charges are normally debited to your Loan Account monthly in arrears from the Settlement Date, and become part of the balance on which future interest charges are calculated.

If you have a Loan Account in an interest only period, interest charges are debited to that Loan Account at the same frequency as your interest only repayment.



**WARNING**
**Interest only repayments**
You derive no benefit from making your interest only repayment more frequently than monthly while you have a Loan Account which is in an interest only period.

## 3.5 Interest debited on weekends and public holidays

If interest is scheduled to be debited on a weekend or a national public holiday, interest will be debited on that day.

## 3.6 Other times interest may be debited

Interest may also be debited:

a. when a repayment is made;
b. the day after a fixed period ends;
c. immediately before you repay a Loan Account in full; and
d. on the day the final repayment is due.

### 3.7 Default interest rates

If any amount due by you is not paid on the due date, default interest may be charged on the amount in default until it is paid. Default interest is calculated and debited in the same way as ordinary interest. If the entire Loan Facility becomes due, you must pay interest at the default rate on the entire Loan Facility amount that is not repaid on time.

### 3.8 Reference rates

You can find out our current reference rates by contacting us.

## 4. Required repayments

Read this section to... Understand what repayments you must make and when.

### 4.1 Repayments required

You must make all payments specified in the Loan Offer and any other amounts that become due under your Loan Agreement. You must pay to us the Total Amount Owing, by the date specified in your Loan Offer or as agreed in writing. All repayments are to be made in Australian dollars from an account at a bank or financial institution acceptable to us, acting reasonably.

### 4.2 Government duties, taxes and other charges

You must pay us on request any government duties, taxes and other charges on receipts, debits or withdrawals that apply to your Loan Account.

You must pay these amounts whether or not someone else is liable to pay them and whether or not the loan is made. We may debit these amounts to your Loan Facility as and when they become payable, without prior notice.

### 4.3 Payments must be in full

All amounts payable by you under your Loan Agreement or any Security must be paid in full, on the due date and, to the extent permitted by law, free of any set-off, or counterclaim of any kind and free and clear of, and without, deduction or withholding of any kind. You cannot reduce a repayment if you are ahead of schedule, or if you think we owe you anything. You cannot assume that we will automatically 'top up' any part payment with funds you may have in another account with us, or from money we may owe you, and you cannot deduct or set off any amounts from your payment to us.

### 4.4 When payments are due

Your contractual repayments are due monthly, unless we agree to alternative repayment arrangements.

### 4.5 Payments on weekends and public holidays

If a payment is due on a weekend or a national public holiday, the payment will be debited on that day.

### 4.6 Payments may change

If the interest rate or other terms change, your repayments may change.

### 4.7 Court orders

If a court orders you to pay an amount due under your Loan Agreement, you must pay interest at the higher of

- the rate specified in the court order; and
- the rate payable under your Loan Agreement.

### 4.8 Direct debit authorisation

You must give us a signed direct debit authority or other authorisation to allow us to debit repayments until the loan is fully repaid.

### 4.9 We can debit your account

We can debit your Loan Account with any amounts lent to you or due under your Loan Agreement, or in accordance with any applicable code, law or agreement for mistaken internet payments received by you.

### 4.10 Delays in processing payments

If we receive instructions (e.g. from a third party) to debit money from your Loan Account, we can debit your Loan Account and charge interest on that amount immediately, even if there is a delay in processing that transaction.

### 4.11 Fees and other charges

You must nominate an account for us to debit fees and charges as they become due, and we may also debit any available redraw in your Loan Account. We may retain or require payment of any Credit Fees and Charges, per your Loan Offer, paid by you or incurred by us if you do not accept the Loan Offer or the Loan Agreement is terminated for any reason.

### 4.12 If a borrower dies

Unless other arrangements are made for the continuation of the loan to our satisfaction, the amount you owe us must be repaid within 365 days from the date you die (or if there is more than one borrower, the last borrower dies).

We will discuss this with your executor or beneficiaries and seek to agree to a mutually acceptable solution. If there is more than one borrower, and one of the borrower(s) dies, we may allow the surviving borrower(s) to continue with the loan, subject to our reasonable discretion.

Upon the notification of the death of the last borrower interest will continue to accrue on the loan, but we will no longer charge any fees.

## 5. Applying payments

Read this section to... Understand what happens when we receive payments for your account.

### 5.1 When payments are credited

We will credit payments to your Loan Account after we receive the cleared payment. We do not treat a payment as made until we credit the payment to your Loan Account. If in making a payment to us your direct debit is dishonoured, the payment will remain outstanding, and interest will continue to accrue on the total balance until the repayment is received.

### 5.2 How we treat multiple accounts

If you have more than one Loan Account, each Loan Account will be debited and credited separately, each will have its own balance, and we may send you a separate statement for each Loan Account.

### 5.3 If no instructions are provided

If you have more than one Loan Account and you make a payment without telling us in writing how to apply the payment, we can determine which Loan Account we will apply the payment to.

### 5.4 Clearing arrears

If you have any account with us with a credit balance or a redraw facility from which money can be withdrawn, we can (but are not obliged to) use that money to pay any amount due to us. We may exercise this right separately to the default processes set out in clause 13.

We may also close a Loan Account if that account is in credit. At the time of doing so, we:

a. will, if appropriate, give reasonable notice of the closure;

b. will pay you the amount of the credit balance; and

c. may charge an amount that is our reasonable estimate of the costs of closing the account.

### 5.5 Clearing repayments

If you have made additional payments in advance on a Loan Account, we may apply those funds to any missed repayments or arrears on any Loan Account, in our absolute discretion. We may exercise this right separately to the default processes set out in clause 13.

## 6. Early repayments

Read this section to... Understand the effects of repaying your loan early (e.g. if fees apply).

### 6.1 Additional payments

You may make additional payments or repay your Loan Facility in full or part at any time. If you repay all or part of a fixed rate Loan Account early, you must pay any fixed rate break costs that may apply.

### 6.2 What are fixed rate break costs ('break costs')?



**WARNING**
**Break costs**
If the fixed rate loan or any part of it is terminated early, break costs could be substantial. Ask for an estimate of break costs before you arrange to repay a fixed rate loan early. For information on when a break cost may be payable, see your loan offer.

When we agree to lend money to you for a fixed period at a fixed rate, we may enter into finance arrangements to assist us to provide that product. If you repay some or all of the fixed rate Loan Account early or switch to another product, we may need to terminate all or part of our finance arrangements and we may incur costs if wholesale interest rates have decreased since the day we entered into the arrangements. These costs are commonly known as break costs (which may include costs arising from termination of all or part of the finance arrangements entered into by us in relation to your loan) which we will pass on to you.

Break costs are payable irrespective of whether we entered into a specific finance arrangement to provide you with your fixed rate and irrespective of whether we terminate a specific finance arrangement when you repay some or all of your fixed rate Loan Account early.

There are a number of ways we may calculate break costs. We will act reasonably when calculating the break costs that are payable by you and will charge no more than a reasonable estimate of our loss arising from the early repayment plus our average reasonable administrative costs. Because of the changes that occur over time in financial markets, it is not possible to state the method of calculating break costs at the Disclosure Date.

See your Loan Offer for details about when break costs may be incurred.

### 6.3 Repaying more than the total amount

If you repay us more than the total amount outstanding, we may reject the payment, or return the excess to you. We will not pay you interest on that amount.

# 7. Loan account access

Read this section to... Understand how you can access your Loan Account and what your responsibilities are when using your loan account.

## 7.1 Electronic access

We may offer you access to your Loan Account by Electronic Banking. The Macquarie Banking Terms and Conditions which are available on our website sets out the terms that apply to your use of Electronic Banking. Pay Anyone and BPAY® payments made through Electronic Banking are available for all Loan Accounts.

## 7.2 Fees and restrictions

There may be fees that apply to transactions conducted on your Loan Account through Electronic Banking. Refer to your Loan Offer for details. Other restrictions (such as daily transaction limits) may apply.

## 7.3 Unauthorised Transactions

The Macquarie Banking Terms and Conditions deals with your liability for unauthorised and fraudulent transactions.

## 7.4 Allowing others to access your Loan Account

You may request to allow another person to access your Account by nominating that person in writing in a form required by us. We may ask for supporting information in considering your request.

## 7.5 Instructing us to send a copy of your Loan Account information to a third party

We may accept instructions from you to send a copy of your Loan Facility and Loan Account information (which may include personal information) on an ongoing basis to a third party outside of Macquarie where we offer data feed services. Separate terms apply to any such service(s) we may offer.

Unless otherwise required by law, we accept no responsibility for acts or failures of the third party or for any loss or damage suffered by you as a result of us sharing your Loan Account information in accordance with your instructions with the third party.

You can contact us at any time to change or terminate data feeds which have been established.

We may suspend or terminate any data feed service that we offer without notice where we reasonably believe the data service should be suspended or terminated, for example, doing so is reasonably necessary to protect our legitimate business interests.

# 8. Using offset accounts

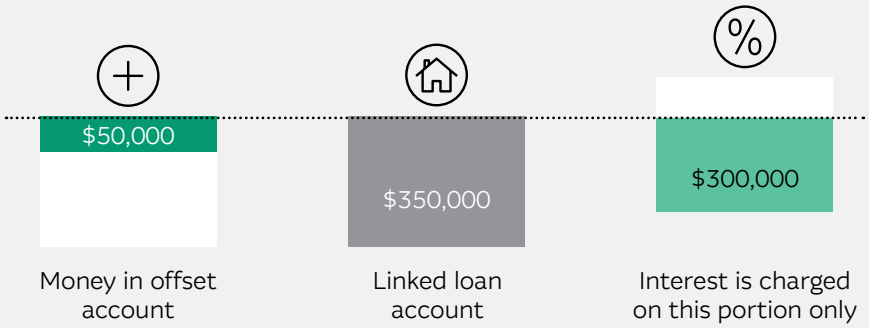
Read this section to... Understand how offset accounts work (e.g. how an offset account reduces interest charged on the linked loan account)

## 8.1 Provision of offset account

We may provide you with an Offset Account. Offset Accounts may not be available for all Loan Accounts. The separate terms and conditions that apply to the use of Offset Accounts are available on our website.

**Example 2** Using an offset account to reduce interest charges

If you have $50,000 in your account and the balance of the linked loan account is $350,000, then interest will be charged on $300,000.




## 8.2 Linking an offset account

Each Offset Account must be in the name of one or a combination of Borrowers and can only be linked to one Loan Account.

## 8.3 Interest on the offset account

Interest payable on each linked Loan Account on a variable interest rate will be calculated on the daily balance of that Loan Account minus the daily balance in the linked Offset Account. Offset benefits are not available while the linked Loan Account is on a fixed rate of interest.

The balance of an Offset Account can exceed the balance of the linked Loan Account, however we will not pay interest on the balance of the Offset Account.

## 8.4 Tax advice

We make no representation about the tax effectiveness of any Offset Account. You must obtain your own tax advice.

## 8.5 Our right to cancel, suspend or change

We may cancel, suspend or change an Offset Account in accordance with the terms and conditions that apply to the use of your Offset Account available on our website. Acting reasonably, we may also make changes to your offset arrangements (including to your Loan Account). For example, we may do this if:

a. your Offset Account is linked to a fixed rate Loan Account or is not linked to any Loan Account;
b. there was an error in establishing your Offset Account;
c. we believe this is necessary to prevent a fraud; or
d. we consider it reasonably necessary to protect our legitimate business interests.

If your Offset Account ceases to be linked to a Loan Account, it may become a Transaction Account.

Acting reasonably, we can apply any credit balance in an Offset Account in reduction of any money you owe us.

### 8.6 Liability

We are not liable for any loss suffered as a result of cancelling, suspending or changing an Offset Account or refusing any withdrawal from an Offset Account except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint.

## 9. Using redraw

Read this section to... Understand how redraw works.

### 9.1 Provision of redraw

We may provide you with access to redraw when you have a variable interest rate.

You cannot access redraw on a Loan Account during a fixed rate period. Any extra payments you make while your interest rate is fixed may only be available for redraw at the end of that fixed rate period. Redraw may not be available on a construction loan during the construction period.

### 9.2 When you can draw funds

If you have made payments above your minimum repayment amount, you may be eligible to redraw all or some of these amounts, subject to this clause 9.

### 9.3 Redraw amount

The amount you draw must be less than or equal to the total amount you have repaid early and not redrawn. We may reduce the amount available to redraw by the estimated amount of your next scheduled payment.

### 9.4 Do not draw more than available funds

If you redraw more than the available redraw amount, you must immediately repay the difference.

### 9.5 If no instructions are provided

If you have more than one account with redraw, and you do not specify which account you wish to debit when drawing money, we may decide which account to debit.

### 9.6 Our right to change a redraw or refuse a redraw request

Acting reasonably, we may cancel, suspend or change redraw (including refusing any redraw request) if we consider it reasonably necessary to protect our legitimate business interests. For example, we may do this if:

a. you are in default under this Loan Agreement;
b. you are under a financial assistance arrangement;
c. we believe this is necessary to prevent a fraud;
d. financial market conditions mean such action is necessary to protect our legitimate business interests; or
e. we are required to do so by law, regulation, industry code, or the requirement of a government or similar authority.

Acting reasonably, we can apply any available redraw amount in reduction of any money due and payable to us. We may exercise this right separately to the default processes set out in clause 13.

# 10. Construction or land loans

Read this section to... Understand your responsibilities if you have a construction loan, including the information you need to provide to us at different stages of the building works.

This section only applies to construction loans or land loans.

## 10.1 When we will advance payments

We will act reasonably when deciding whether to approve any advance or progress payment under your construction loan at any time. All advances will be made subject to our approval, including the status of the building works. Each advance made under the construction loan will be debited to your Loan Account.

If total construction costs are less than the agreed amount in your Loan Offer, we may reduce the amount we lend you accordingly.

We are under no obligation to make any progressive advances, and in particular can refuse to make any further advances if anything happens which in our reasonable opinion adversely affects the value of the Mortgaged Property or if the works are not proceeding satisfactorily.

## 10.2 First payment requirements

Before we advance the first progress payment, we may require you to give us certain documents and information, for example, a complete copy of the final or signed building contract with your builder, the builder's tax invoice, builder's insurances, council approved plans and specifications.

## 10.3 Progress payment requirements

Before each progress payment, we may require you to give us information and documentation, for example the builder's tax invoice and progress payment form.

We may also arrange for a valuer of our choice to perform a progress inspection on the building works before any progress payment is made.

## 10.4 Your responsibilities

You must also:

a. ensure that you commence and complete construction within the timeframe, if any, specified in the Loan Offer and that:
   i. building works are completed expeditiously in accordance with the best skills and practices to our satisfaction and in accordance with plans and specifications approved by us (acting reasonably); and
   ii. in line with the requirements of any responsible authority (e.g. a local council);
b. ensure that the agreed drawdown Loan Offer is observed and there is always a sufficient undrawn amount under your Loan Facility to complete construction;
c. promptly comply with any reasonable condition imposed by us in relation to any progress payment or the building works;
d. not vary or terminate the building contract without our prior written consent (which will not be unreasonably withheld); and
e. promptly after construction completion provide us with;
   i. a certificate of currency of household insurance noting the Lender's interest as mortgagee on terms satisfactory to us;
   ii. a certificate from the local council or other authorised certifier stating that the works have been completed in accordance with all relevant requirements; and
   iii. any other information or documentation we reasonably require.

## 10.5 We accept no responsibility for building works

You are still liable under your Loan Agreement if we make any advances without requiring any of the above documents and despite anything in relation to the construction.

We accept no responsibility for anything relating to the building works.

### 10.6 Who we pay

Generally, all progress payments will be made directly to the builder or service provider.

### 10.7 If construction costs vary

If total construction costs are less than the agreed amount in the Loan Offer, we may reduce the amount we lend you accordingly.

If construction costs are more than the approved amount, you must fund the excess from your own funds.

### 10.8 Construction period

See your Loan Offer for the details of your construction period if applicable.

### 10.9 Land loans

If a purpose of a loan is to buy residential land or to refinance another loan which was used to buy residential land, then:

a. you must begin building or erecting a dwelling on the land within 24 months from the Settlement Date;
b. you must complete that dwelling within 24 months of the commencement of the building works; and
c. we don't have to make credit available to you for the purpose of building or erecting a dwelling unless this purpose is stated in your Loan Offer.

### 10.10 Liability

We are not liable for any loss suffered as a result of refusing to make or any delay in making payment of an advance or progress payment under your construction loan or land loan, except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint.

## 11. Package loans

Read this section to... Understand how a package feature works.

This section only applies to loans that are eligible to receive Package benefits.

### 11.1 Eligibility

You may be eligible to receive Package benefits if your Loan Offer includes a Package feature and you meet our credit approval criteria.

### 11.2 Benefits

We may vary Package benefits or fees from time to time.

### 11.3 Package fees

Your Loan Offer will state the fees (if any) applicable to your Package.

### 11.4 Package cancellation by us

We may, in our reasonable discretion, cancel or suspend your Package immediately if:

a. your Loan Facility is no longer part of a Package;
b. you repay your Loan Facility in full;
c. you default under your Loan Agreement, or under the Macquarie Bank Credit Cards Conditions of Use, or any other agreements relating to a new Package product; or
d. you breach the terms and conditions that apply to your Offset Account.

### 11.5 Package cancellation by you

You may terminate your Package by contacting us. Any Package fees paid will not be refunded. Fees due will be debited to your Loan Account.

## 12. Not Used

## 13. Default

Read this section to... Understand what events lead to a default and the actions we may take if default occurs.

### 13.1 Breach of terms

If you breach any term of your Loan Agreement, we will not be obliged to provide you further advances or requests and we may rectify the breach by performing your obligations under your Loan Agreement.

### 13.2 When you will be in default

You will be in default if an event of default specified in clause 13.3 occurs. You must promptly inform us in writing if any event of default occurs under clause 13.3.

### 13.3 Events leading to a default

You will be in default if one or more of the following events occur:

a. you fail to pay any money due to us under your Loan Agreement or any other agreement by the due date;
b. if you are an individual:
   i. you become bankrupt; or
   ii. you make any arrangement with your creditors;
c. if you are a company:
   i. proceedings are commenced to wind up the company;
   ii. a receiver, manager, receiver and manager, administrator, controller, provisional liquidator or liquidator is appointed to any part of the company's assets; or
   iii. the company is, or is deemed or presumed by law or a court to be, insolvent;
d. you or a guarantor no longer have legal capacity;
e. enforcement proceedings are taken against you or a guarantor, or your or their assets, by another creditor;
f. you or a guarantor give us information, or make a representation or warranty to us, that is materially incorrect or misleading (including by omission), and is such that we would not have provided the loan, or would only have provided the loan on different terms, if we had known the correct information;
g. you use the loan for a purpose not approved by us, for an illegal or improper purpose, or to finance an illegal or improper activity;
h. your assets or a guarantor's assets are dealt with, or attempted to be dealt with, in breach of the terms of your Loan Agreement without our prior written consent (which will not be unreasonably withheld), including:
   i. any of the Mortgaged Property becomes subject to a mortgage or charge without a priority agreement being in place between us and the other security holder;
   ii. any of the Mortgaged Property becomes subject to a mortgage or charge without our prior written consent (which will not be unreasonably withheld); or
   iii. the amount secured by any mortgage or charge over the Mortgaged Property is increased without our prior written consent (which will not be unreasonably withheld);
i. you or a guarantor do not maintain insurance required by any Loan Agreement with us;
j. the Mortgaged Property is:
   i. substantially damaged or destroyed, and we consider in our reasonable opinion that the Mortgaged Property cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the Mortgaged Property; or
   ii. taken out of your control;
k. you, or any person on behalf of you, breach any material undertaking given to us or any condition imposed by us;
l. all repairs necessary to keep the Mortgaged Property in good repair are not made in a timely fashion;

m. any amount required to be paid in connection with the Mortgaged Property (including council rates, water rates, land tax or shared title contributions) is not paid within 90 days of due date.

## 13.4 What we may do if you are in default

Subject to clauses 13.5 and 13.6, if you are in default, we may refuse further advances or requests, or do any one or more of the following:

a. demand and require immediate payment of any money due under your Loan Agreement;
b. call up the Loan Facility and require payment of the entire balance owing under your Loan Agreement;
c. exercise any right, power, or privilege conferred by any law, your Loan Agreement, or any Security, including take possession of and sell the Mortgaged Property;
d. use any money of yours in any account with us to reduce the Total Amount Owing;
e. in the case of a construction loan under clause 10, complete the building works in any way we consider appropriate. We are not obliged to complete the building works. We may change the plans and specifications. We may employ any consultants or other builders we consider appropriate; and
f. give you notice requiring you to fix the default.

## 13.5 Material Impact

a. We will not take any action available to us under clause 13.4, unless:
   i. for all defaults:
      A. we have given you at least 30 days written notice of the default; and
      B. if the default is remediable, you have not remedied that default within 30 days; and
   ii. except for a monetary default (i.e. a default under clause 13.3(a)), we reasonably consider that the default event is material, either by its nature or because we reasonably consider that the event has had, or is likely to have, a material impact on:
      A. the ability of your or a guarantor to meet the financial obligations to us (or our ability to assess this);
      B. our security risk (or our ability to assess this); or
      C. our legal or reputational risk, where the default event is of a kind described in clauses 13.3(f) or (g).
b. If a default is remediable, and you remedy that default within 30 days, we may take any action specified in clause 13.4 if a default of the same type occurs during that period.

## 13.6 Notice before taking action

a. If your Loan Agreement is regulated by the National Credit Code, we do not need to give you a default notice or wait 30 days before commencing enforcement action if:
   i. we reasonably believe that we were induced by fraud by you or a guarantor to enter into your Loan Agreement;
   ii. we have made reasonable attempts to locate you or a guarantor but without success;
   iii. a court authorises us to begin enforcement proceedings; or
   iv. we reasonably believe that you or a guarantor has removed or disposed any Mortgaged Property (or intends to remove or dispose of any Mortgaged Property), or that urgent action is necessary to protect any Mortgaged Property.
b. If the mortgage is not regulated by the National Credit Code, we may give you less than 30 days notice or no notice if:
   i. the default is unable to be remedied;
   ii. it is reasonable for us to do so to manage a material and immediate risk relating to the nature of the relevant default event, your particular circumstances, or the value of the mortgaged property or any security; or
   iii. we have already given you a notice to remedy a non-monetary default and you have not remedied that default.

## 13.7 We can exercise our rights

We can exercise our rights with or without taking possession of any Security. If we hold more than one Security, we can enforce any Security first or all of them at the same time.

### 13.8 You may need to pay enforcement expenses

We may incur enforcement expenses if you default. We may debit your Loan Account with our reasonable costs in connection with any exercise or non-exercise of rights arising from any default when we incur them, including:

a. legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher; and

b. our internal costs.

We may then either require you to pay these costs immediately, capitalise them to your Loan Account, collect them with your regular repayments, or require them to be repaid by one or more repayments.

These costs will not exceed our reasonable enforcement costs including internal costs.

### 13.9 Other expenses

Enforcement expenses may include our reasonable expenses incurred in preserving or maintaining property forming the Security (including insurance, rates and taxes), collection expenses, and payment dishonour expenses. These expenses may be debited to your Loan Account at any time after they are incurred and deemed payable when they are debited.

### 13.10 Responsibility for loss or damage

You indemnify us from and against any expense, loss, loss of profit, damage, or liability which we incur as a consequence of a default occurring. We are not liable to you for any loss caused by the exercise, attempted exercise, failure to exercise, or delay in exercising any of our rights or remedies (excluding any losses which are caused by the fraud, negligence or willful misconduct of us, our employees or a receiver appointed by us).

## 14. How we deliver notices

Read this section to... Learn how we will send you information about your loan facility (e.g. account statements) and when you need to contact us.

### 14.1 Statements of account

We will give you statements of account at least every six months.

We may not send a statement of account if:

a. we are not required by law; or

b. you have been in default under this Loan Agreement during the statement period and we have commenced enforcement proceedings.

Your statement will contain important information and you should ensure that:

c. you keep records of all of your transactions and check them carefully against your statements; and

d. you contact us promptly if you believe entries or transactions are incorrect or not authorised.

We may charge you a fee for hard copy statements that are not repeat statements.

If you tell us, and we are reasonably satisfied, that you do not have access to electronic statements, then we will waive or refund that fee.

### 14.2 How we deliver notices

We may send you notices electronically, by personal delivery, post or any other way authorised by law to the address last known to us.

Any notices we send may be signed by our solicitors, agents or other persons we have authorised on our behalf.

### 14.3 When to contact us

You must promptly tell us if any of your contact details have changed or if you become aware of any information that could impact your ability to comply with your Loan Agreement.

# 15. Dealing with your loan agreement

Read this section to... Understand how your loan agreement can be dealt with and how it may affect you.

## 15.1 Our right to deal with your loan agreement

You consent to and agree that we may at any time assign, novate or otherwise deal with all or any part of our rights and obligations under your Loan Agreement and/or Security in any way we please. To help us do this, you must sign any document or do anything we require within reason. No dealing with our rights or obligations under your Loan Agreement will change your obligations.

## 15.2 Your right to deal with your loan agreement

You may not assign, novate, transfer or otherwise deal with your rights or obligations under your Loan Agreement and/or Security.

## 15.3 Disclosing information

We may disclose information (including any personal information) or report about you, your Loan Agreement and/or Security to anybody who has or may have a material interest in this Loan Agreement or your liability under this Loan Agreement (including, without limitation, any guarantor, our advisors, our related bodies corporate, credit enhancer, funder or ratings agency) in connection with the funding of your loan, or involved in an actual or proposed assignment, novation, transfer or other dealing by us of our rights under your Loan Agreement and/or Security.

In relation to guarantors and in line with BCOP, you agree to allow us to disclose the following documents to each guarantor named in your Loan Offer:

- a copy of any notice, including correspondence, to us or to you;
- any credit report received in relation to you;
- any financial statements you have given us;
- any notice of demand, or information regarding a dishonour, on any loan with us;
- information on any excess or overdrawing;
- a copy of your loan account statement; and
- any other information about you and your accounts with us.

Where a borrower's individual transaction or offset account(s) is linked to a Loan Facility with multiple borrowers, details of the account(s) (including balances) may be disclosed to all borrowers on that Loan Facility.

# 16. Laws and codes that apply

Read this section to... Understand which laws and codes apply to your loan agreement and what to expect if these change.

## 16.1 Governing law

If, when your Loan Agreement is entered into, each of you reside in the same Australian state or territory, your Loan Agreement is governed by the laws of that state or territory. Otherwise, your Loan Agreement is governed by the laws of the Australian state or territory in which we first provide the Loan Agreement.

You submit to the jurisdiction of the courts of the Australian state or territory whose laws apply to your Loan Agreement and the proper jurisdiction of any other court.

## 16.2 Consumer legislation and industry codes

To the extent that your Loan Agreement is regulated under consumer legislation (e.g. the National Credit Code or an industry code to which we have subscribed (e.g. the BCOP)) or any other law or code, any terms and conditions in your Loan Agreement which do not comply with that law or code have no effect, and to the extent necessary, your Loan Agreement is to be read so it does not impose obligations prohibited by that law or code.

## 16.3 Severance

If any of the terms of your Loan Agreement are illegal or not enforceable or become illegal at any time, the affected provisions will cease to have effect, but the balance of your Loan Agreement will remain in full force and effect.

# 17. General information

Read this section to... Understand other rights and obligations that apply between you and us under this loan agreement.

## 17.1 Security

Your Loan Agreement is secured by the Security listed in your Loan Offer.

## 17.2 Lenders mortgage insurance or a low deposit fee

If your Loan Agreement requires you to pay for lenders mortgage insurance or pay a low deposit fee, this insurance or fee protects us and not you.

The amount paid by you under your Loan Agreement is usually not refundable or transferrable if you repay your Loan Facility early.

If you default under your Loan Agreement, resulting in the sale of the Mortgaged Property, and the sale proceeds are less than the Total Amount Owing, we may incur loss. We may recover this loss under our lenders mortgage insurance policy or from our low deposit fee.

You are legally responsible for repaying the amount outstanding under your Loan Agreement because you are not protected by the lenders mortgage insurance policy or any other type of risk cover.

## 17.3 Trusts

Where you or any guarantor is at any time the trustee of any trust, whether disclosed to us or not, you represent and warrant that:

a. the trustee of the trust is liable under your Loan Agreement and any Security to which it is a party in its personal capacity and as trustee of the trust;
b. the trustee has free and full power to enter into your Loan Agreement and any Security to which it is a party in its capacity as trustee of the trust; and
c. it is to the commercial benefit of the trust that the trustee enters into your Loan Agreement and any Security to which it is a party in its capacity as trustee of the trust.

You must obtain our consent to:

a. a change of trustee;
b. a termination of the trust; or
c. a change to the terms of the trust.

Default occurs if there is a change of trustee, a termination of the trust, or any change to the terms of the trust without our consent. We can recover against the trust assets as well as against you.

## 17.4 Disclosing information to others

We may disclose any information about you, your Loan Facility or your Offset Accounts to other Borrowers and to anyone who guarantees repayment of your Loan Account, or as otherwise provided in your Loan Agreement.

## 17.5 Providing information to us

You must provide to us any information we require relating to your business, assets, tax affairs or financial affairs within a reasonable time following our request.

We may require this information to be certified or audited.

## 17.6 Valuations and reports

We may obtain, at your cost, independent valuations or other reports concerning any Security whenever we think it is reasonably appropriate. Any valuation or other report is for our use only, and we are not obliged to provide you with a copy or inform you of anything adverse contained in these reports. If you request a copy of any such report, we accept no responsibility if you rely on the report. You should obtain your own valuation in respect of any Security.

### 17.7 Identification requirements

You must promptly produce documents or other evidence we require to enable us to verify your identity or other information about you.

### 17.8 Financial Difficulty

We will make information publicly available about our processes for working with customers in financial difficulty.

## 18. Interpretation

### 18.1 Inconsistencies between documents

If there is any conflict between your Loan Offer and these terms and conditions, the terms of the Loan Offer prevail. If there is any conflict between any provisions of any Security or guarantee and your Loan Agreement, the terms of your Loan Agreement prevail.

### 18.2 Definitions

In your Loan Agreement the following words and phrases have defined meanings. The meanings of some other words and phrases are specified in your Loan Offer.

| Defined words | Meaning |
|---|---|
| **ADI** | Means any bank, building society, credit union or other authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cth). |
| **Authorised User** | A person authorised by you to access your Loan Account, including via Electronic Banking. |
| **Banking Day** | A day other than a Saturday, a Sunday or a public holiday in the governing jurisdiction. |
| **BCOP** | This refers to the version of the Banking Code of Practice which we have subscribed to. |
| **Borrower / you / your** | The borrower(s) listed in the Loan Offer under the heading 'who is involved in this Loan Agreement'. |
| **Business Day** | A day other than a Saturday, a Sunday or a public holiday or a bank holiday in the place concerned. |
| **Credit Fees and Charges** | The credit fees and charges set out in the Loan Offer, and any other fees and charges payable in connection with this Loan Agreement or any Mortgage, but does not include:<br>a. interest charges;<br>b. government transaction charges; or<br>c. enforcement expenses. |
| **Disclosure Date** | The date on which your loan disclosures are made. |
| **Electronic Banking** | Means either or both of Online Banking and Mobile Banking, as relevant. |

| Defined words | Meaning |
|---|---|
| **Lender / we / us / our** | The lender named in your Loan Offer, and any servicer if applicable. |
| **Loan Account** | Each account forming part of your Loan Facility. |
| **Loan Agreement** | Includes your Loan Offer, these terms and conditions, and any variation of your Loan Agreement. |
| **Loan Facility** | The arrangements provided pursuant to this Loan Agreement. |
| **Loan Offer** | The other document forming your Loan Agreement. |
| **Mistaken Payment** | A pay anyone payment that is made by you or your. Authorised User(s), via Electronic Banking to an unintended recipient. |
| **Mobile Banking** | Our secure mobile banking service that allows you and any Authorised User to access certain banking services through a smartphone application on compatible mobile phones or personal electronic devices. |
| **Mortgage** | Each mortgage which at any time secures performance of the Loan Agreement. |
| **Mortgaged Property** | Any real estate subject to the Mortgage. |
| **Offset Account** | A Transaction Account linked to a Loan Account used to offset interest on the linked Loan Account. |
| **Online Banking** | Our secure online banking services that enable you and any Authorised User(s) to access and/or transact on your Loan Account over the internet. |
| **Package** | A combination of products, where benefits apply to the products inside the package. |
| **Reference Rate** | The standard variable reference rate as indicated in your Loan Offer for each Loan Account. These rates change from time to time. |
| **Security** | All the security specified in the Loan Offer and any other security given at any time to secure your performance of your Loan Agreement. |
| **Settlement Date** | The date when we first lend money to you under your Loan Agreement. |
| **Total Amount Owing** | The total amount outstanding from time to time in respect of each account in your Loan Facility including all accrued interest, fees and charges including those that accrue on repayment. |
| **Transaction Account** | A Macquarie Transaction Account issued by us. |

In your Loan Agreement, singular words include plural words and vice versa.

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# B Information statement

Part B only applies to loans that are regulated by the National Credit Code. Read Part B to understand rights and responsibilities for you and your credit provider.


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**Things you should know about your proposed credit contract**

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract. If you have any concerns about the contract, contact your credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

## The Contract

| | | |
|---|---|---|
| **1.** | **How can I get details of my proposed credit contract?** | Your credit provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before —<br>• your contract is entered into; or<br>• 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.<br>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 —<br>• within 14 days of your written request if the original contract came into existence 1 year or less before your request; or<br>• 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 —<br>• you have not obtained any credit under the contract; or<br>• 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.<br>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.<br>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. |

| | | |
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| **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 —<br>• 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 by your credit provider.<br>• you get 20 days advance written notice for —<br>– a change in the way in which interest is calculated; or<br>– a change in credit fees and charges; or<br>– any other changes by your credit provider;<br>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.<br><br>If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted by phone on **1800 931 678**, by email at **info@afca.org.au**, by website at **http://www.afca.org.au,** or in writing to GPO Box 3 Melbourne Vic 3001(Australia).<br><br>Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.<br><br>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.<br><br>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.<br><br>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. |

| | | |
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| **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

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|---|---|---|
| **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.<br><br>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 can not do with the property. |
| **18.** | **What can I do if I find that I can not afford my repayments and there is a mortgage over property?** | See the answers to questions 22 and 23.<br><br>Otherwise you may —<br>• 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;<br>• sell the property, but only if your credit provider gives permission first;<br>OR<br>• give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.<br><br>If your credit provider won't give permission, you can contact the AFCA scheme for help.<br><br>If you have a guarantor, talk to the guarantor who may be able to help you.<br><br>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 can not make a repayment?** | Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways —<br>• to extend the term of your contract and reduce payments; or<br>• to extend the term of your contract and delay payments for a set time; or<br>• to delay payments for a set time. |
| **23.** | **What if my credit provider and I can not agree on a suitable arrangement?** | If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.<br>If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25. |
| **24.** | **Can my credit provider take action against me?** | Yes, if you are in default under your contract. But the law says that you can not be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the AFCA scheme or ASIC, or get legal advice. |
| **25.** | **Do I have any other rights and obligations?** | Yes. The law will give you other rights and obligations. You should also READ YOUR CONTRACT carefully.<br>**IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING THE AFCA SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE.**<br>**THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED BY PHONE ON 1800 931 678, BY EMAIL AT INFO@AFCA.ORG.AU, BY WEBSITE AT HTTP://WWW.AFCA.ORG.AU, OR IN WRITING TO GPO BOX 3, MELBOURNE VIC 3001(AUSTRALIA).**<br>**PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.** |

# C Mortgage terms and conditions

Securing a loan with a *mortgaged property* comes with an additional set of legal obligations. Read this section to understand what mortgaging a property means for you.


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## Things to note

For further details, please read the Mortgage terms and conditions in full.

| | |
|---|---|
| **The mortgage** | Under your mortgage, the *debt* is secured against the title to the *mortgaged property*. Once the *debt* is repaid in full to our satisfaction, the mortgage can be discharged.<br><br>The *mortgaged property* includes the land and anything built on the land, including the fixtures and fittings.<br><br>**For the full definition of '*mortgaged property*', see clause 9.2.** |
| **Your obligations** | Your obligations include:<br>• keeping the *mortgaged property* insured;<br>• keeping the *mortgaged property* in good repair;<br>• paying all rates, taxes and other expenses in relation to the *mortgaged property;*<br>• not altering the *mortgaged property* or changing the use of the *mortgaged property* unless we have agreed in writing; and<br>• not dealing with the *mortgaged property* (e.g. mortgaging, selling or leasing the *mortgaged property*) unless we have agreed in writing. |
| **If you default** | The most common default is failure to pay money on time. If there is default:<br>• we may require you or your tenants to move out of the *mortgaged property*;<br>• we can deal with the property however we like (e.g. selling and leasing the *mortgaged property*);<br>• we can also sue you in the courts, which could cause you to become bankrupt.<br><br>**For more information about defaults, see clause 6.**<br><br>If you default or think you might default, please contact us as soon as possible so we can try to find a solution that's acceptable to both you and us. |
| **Defined words** | Words in *italics* may have defined meanings.<br><br>**For the list of definitions, see clause 9.2.** |

# Terms and conditions

## When do the terms and conditions apply?

These terms and conditions apply to mortgages that refer to the document registration numbers below:

| State | Registration number |
|---|---|
| New South Wales | AT505743 |
| Queensland | 722745752 |
| Victoria | AA9650 |
| Tasmania | M739 |
| Australian Capital Territory | 3270205 |
| Western Australia | P707795 |
| South Australia | 14120814 |
| Northern Territory | 372385 |

# 1. Required payments

Read this section to... Understand the mortgagor's obligations for paying the *debt*.

## 1.1 The mortgage

The mortgagor mortgages to the mortgagee the whole of the *mortgaged property* to secure payment of the *debt*.

## 1.2 Payment of the debt

a. The mortgagor must pay the *debt* to the mortgagee as described in the agreement between the mortgagor and the mortgagee or, if there is no agreement, when the mortgagee reasonably asks the mortgagor to.
b. Interest is payable on the *debt*:
   i. as set out in the agreement between the mortgagor and the mortgagee; or
   ii. if there is no agreement, at the rate set by the mortgagee, acting reasonably, and calculated on the daily balances of the *debt*, debited monthly on the first day of the month. The interest rate applied each day is equal to the annual interest rate divided by 365.

## 1.3 The mortgagor must pay the debt even if something happens to the mortgagor

a. Regardless of what happens to the mortgagor, the *debt*, or anything else (e.g. if the mortgagor is made bankrupt, or if the mortgagor is a company and the company is wound up), the mortgagor continues to have obligations and to be liable under the mortgage.
b. The mortgagee does not need to give a discharge of the mortgage until the mortgagee is reasonably satisfied that the mortgagor has paid the *debt*. If the mortgage is discharged and any of the *debt* is outstanding or becomes outstanding after discharge, the *debt* must still be paid.

## 1.4 Debit and set-off

a. The mortgagor must make all payments to the mortgagee in full. The mortgagee may debit any account the mortgagor has with the mortgagee with any money due to the mortgagee by the mortgagor or in accordance with any applicable code, law or agreement for mistaken internet payments received by the mortgagor, but the mortgagee is not obliged to do so. Even if the mortgagor has another account with the mortgagee that is in credit, or the mortgagee owes the mortgagor money, the mortgagor cannot deduct or set off these amounts from the mortgagor's payments to the mortgagee.
b. The mortgagee may combine two or more of the mortgagor's accounts into a single account.

## 1.5 Costs and stamp duty

a. The mortgagor must pay all costs, expenses and liabilities relating to the mortgage or any of the facilities the mortgagee provides the mortgagor. These costs, expenses or liabilities may include:
   i. stamp duty, bank fees, government charges and taxes of any kind;
   ii. the mortgagee's internal and external costs relating to the mortgage on a full indemnity basis, including valuers' fees, real estate agents' commissions and lawyers' fees, the mortgagee's costs relating to the mortgage, the *mortgaged property* or any collateral security;
   iii. the costs the mortgagee incurs exercising its rights under the mortgage; and
   iv. the costs the mortgagee incurs recovering the *debt* or dealing with the *mortgaged property*.
b. The mortgagee may debit the mortgagor's account with any of these costs, expenses and liabilities as at the date they are incurred, whether or not the mortgagee has demanded payment from the mortgagor or any other person.

## 1.6 GST

If GST or any similar tax is applicable on any payments to the mortgagee, the mortgagor must also pay the mortgagee an additional amount that is equal to that tax.

# 2. The mortgagor's responsibilities

Read this section to... Understand the mortgagor's responsibilities under a mortgage (e.g. the mortgagor must ensure the mortgaged property is in good condition).

## 2.1 Keep the mortgaged property insured

a. For as long as the *mortgaged property* is mortgaged to the mortgagee, the mortgagor must take out and maintain the following insurance:
   i. insurance for loss or damage by fire, storm, tempest and any other risk the mortgagee may reasonably specify, for an amount which is no less that its full insurable value;
   ii. public liability insurance; and
   iii. any other insurances the mortgagee may reasonably require.
b. The mortgagor must:
   i. take out insurance policies with insurers reasonably approved by the mortgagee;
   ii. pay all premiums on time;
   iii. have the mortgagee noted as mortgagee on all policies relating to the *mortgaged property*; and
   iv. provide evidence that the insurance is current if the mortgagee asks for it.
c. The mortgagor must not do anything which could prejudice, cancel, or increase the premium for these insurances. Regardless of any minimum insurance requirement specified by the mortgagee, it is the mortgagor's responsibility to ensure that the *mortgaged property* is adequately insured for its full insurable value.

## 2.2 Speak to the mortgagee if loss or damage occurs

a. If a claim needs to be made against the mortgagor's insurance, please speak to the mortgagee. The mortgagee must agree to any settlement with the mortgagor's insurer and any money paid by the insurer must be paid directly to the mortgagee.
b. The mortgagee may apply that money:
   i. to repair or rebuild the *mortgaged property*;
   ii. towards repayment of the *debt;* or
   iii. as additional security for the *debt.*

## 2.3 Make necessary repairs

The mortgagor must keep the *mortgaged property* in good condition, and make all appropriate repairs. The mortgagor must promptly attend to any repairs that the mortgagee reasonably requires the mortgagor to undertake.

## 2.4 Contact the mortgagee if the mortgagor wishes to alter the mortgaged property

The mortgagor must not demolish or make structural changes to the *mortgaged property* without the mortgagee's prior written consent (which will not be unreasonably withheld). The mortgagor must not do or allow anything to be done which adversely affects the value of the *mortgaged property.* Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose.

## 2.5 Pay all rates and taxes

The mortgagor must pay on time all rates, taxes, charges, outgoings and assessments (including council rates, water rates and land tax) payable or assessed in respect of the *mortgaged property*.

## 2.6 The mortgagor must notify the mortgagee of certain things

The mortgagor must promptly notify the mortgagee in writing if:

a. default under the mortgage occurs;
b. there is any serious or material damage to the *mortgaged property* (including the contracts and other property included in the definition of *mortgaged property*); or
c. if anything happens which materially and adversely affects the *mortgaged property* or its value.

### 2.7 Protect the environment

The mortgagor must make sure that the *mortgaged property* does not cause contamination or environmental damage. If this clause is breached, the mortgagor must promptly take any action the mortgagee reasonably requires to rectify the breach.

If the mortgagee reasonably believes that this clause has been breached or is likely to be breached, the mortgagee may require a report on environmental issues to be prepared at the mortgagor's cost.

### 2.8 Provide access to the mortgaged property

If the mortgagee reasonably requires, the mortgagor must give the mortgagee access to the *mortgaged property* so that the mortgagee can:

a. inspect the *mortgaged property*;
b. check that the mortgagor is complying with the mortgage; and
c. do anything which the mortgagee is entitled to do under the mortgage.

The mortgagee will give the mortgagor reasonable notice if the mortgagee needs to access the *mortgaged property*. However, if there is an emergency the mortgagor must give the mortgagee access immediately.

## 3. Dealing with the mortgaged property

Read this section to...
Understand:

- what the mortgagor's responsibilities are if there are dealings with the mortgaged property; and
- what the mortgagee's rights are in dealing with the mortgage.

### 3.1 When prior written consent is required

The mortgagor must have the mortgagee's prior written consent (which will not be unreasonably withheld) before dealing with the *mortgaged property* in any way. For example, the mortgagor must not do any of the following without the mortgagee's written consent:

a. sell, lease or licence the mortgaged property;
b. accept or permit a surrender, assignment or variation of any lease or any licence relating to the mortgaged property;
c. consent to or permit any sublease or assignment or variation of any sublease;
d. further mortgage, charge or encumber the mortgaged property; or
e. subdivide, or consolidate the mortgaged property;

Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose. If the *mortgaged property* is a residential property the mortgagor may lease the *mortgaged property* for a term of 12 months or less without the mortgagee's prior written consent.

### 3.2 Comply with all laws

The mortgagor must comply with all laws, rules, regulations, building codes and standards or anything else relating to the *mortgaged property*.

### 3.3 Provide information

The mortgagor must provide any information the mortgagee reasonably requests relating to the *mortgaged property*. The mortgagor must also tell the mortgagee if anything happens which materially adversely affects the mortgaged property (e.g. fire, damage, rezoning).

### 3.4 No noxious uses

The mortgagor must not permit any noxious, loud, illegal or offensive activity to occur on the *mortgaged property*.

### 3.5 Not change the use

The mortgagor must not change how the *mortgaged property* is used except with the mortgagee's prior written consent (which will not unreasonably be withheld). Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose.

## 3.6 Ensure business is conducted properly

If there is a business conducted on the mortgaged property, the mortgagor must ensure that:

a. the business is conducted in a proper and efficient manner;

b. the business is kept open at all usual times for that kind of business; and

c. any licences held or required in connection with the business are obtained and kept current.

## 3.7 Development or building approvals

If any approvals relating to the *mortgaged property* are required (e.g. development approvals, building approvals, licences), the mortgagor must ensure that these approvals are kept up to date. The mortgagor must take any action the mortgagee reasonably requires in relation to those approvals.

## 3.8 Subsequent mortgages

The mortgagor must not grant a mortgage or charge to another person or encumber the *mortgaged property* in any way, unless that person has entered into a written priority agreement with the mortgagee on terms satisfactory to the mortgagee (acting reasonably). Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose.

## 3.9 Caveats

A caveat is a notification to the land registry that another person has an interest in the *mortgaged property*. If any caveat is lodged on the *mortgaged property*, the mortgagor must take any action reasonably required by the mortgagee to remove it. Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose.

## 3.10 Encroachments

If any part of the *mortgaged property* encroaches on the mortgagor's neighbour's land, the mortgagor must do take any action reasonably required by the mortgagee to correct this. Any restraint in this clause will only be exercised by the mortgagee for a valid collateral purpose.

## 3.11 Tell the mortgagee about any compensation payments

The mortgagor must tell the mortgagee promptly if the mortgagor has the right to claim or receive any compensation payments as owner of the *mortgaged property* (e.g. compensation for the land being compulsorily acquired). If the mortgagor receives any compensation payment, it must be paid according to the mortgagee's reasonable directions, where the mortgagee has a legitimate business interest. This may include the payment being paid to the mortgagee to reduce the *debt*. The mortgagor must follow the mortgagee's reasonable directions regarding all aspects of the claim. The mortgagee may take over the mortgagor's rights relating to the claim.

## 3.12 The mortgagee may deal with the mortgage

The mortgagee may assign, novate, transfer or otherwise deal with the mortgage in any way the mortgagee wishes. The mortgagor must sign anything and do anything that the mortgagee reasonably requires to enable any dealing with the mortgage. Any dealing with the mortgage does not change the mortgagor's obligations under the mortgage.

## 3.13 The mortgagee may disclose information

In exercising its powers to assign, novate, transfer or otherwise deal with the mortgage, the mortgagee may disclose to any person any information about the mortgagor, the *mortgaged property* and the mortgage.

# 4. Shared ownership arrangements

Read this section to...Understand the additional conditions for shared ownership arrangements (e.g. a strata scheme or a community title scheme).

## 4.1 Shared ownership arrangements

This clause 4 applies if the *mortgaged property* is at any time:

a. a lot within a strata scheme;

b. a community title scheme; or

c. any other shared ownership arrangement.

## 4.2 The mortgagor's obligations

a. The mortgagor must pay on time all contributions and any other money due in relation to the shared arrangement (e.g. strata levies).

b. The mortgagor must comply with any obligations imposed on the mortgagor in connection with the shared arrangement (e.g. the by-laws).

c. The mortgagor must have the mortgagee's interest in the *mortgaged property* recorded in any appropriate records of the shared arrangement (e.g. the strata roll).

## 4.3 Insurance

The mortgagor must use reasonable endeavours to ensure that the shared arrangement takes out and maintains adequate insurance.

## 4.4 The mortgagee's voting rights

The mortgagee may exercise any voting rights in relation to the shared arrangements.

## 4.5 Obtaining information

The mortgagor authorises the mortgagee to obtain from any person any reasonable information relating to the shared arrangement.

## 4.6 Default under a shared ownership arrangement

A default under the mortgage occurs if:

a. anything happens (or is proposed) in relation to the shared arrangement which:

   i. materially and adversely affects the value of the mortgaged property; or

   ii. materially and adversely affects the mortgagor's ability to use the *mortgaged property* or any of the common property; or

b. there is any alteration, subdivision, consolidation or other dealing affecting any common property that the mortgagee has not consented to in writing (which will not be unreasonably withheld).

# 5. Building works

Read this section to... Understand what the mortgagor needs to do if construction is being planned or in progress on the mortgaged property.

## 5.1 The mortgagee's written consent

The mortgagor must have the mortgagee's prior written consent (which will not be unreasonably withheld) before commencing building works (including structural changes) on the *mortgaged property*.

## 5.2 Completing the building works

a. The mortgagor must ensure that the building works are completed:
   i. promptly, using good skills and practices to the mortgagee's reasonable satisfaction;
   ii. according to the plans and specifications that the mortgagee has reasonably approved; and
   iii. in compliance with the requirements of any responsible authority (e.g. a local council).
b. The mortgagor must comply with any obligations specified in any building contract and pay any money due in connection with the building works as it falls due.
c. The mortgagor must have the mortgagee's prior written consent (which will not be unreasonably withheld) to:
   i. enter into a contract with any person in relation to the works; or
   ii. alter the plans and specifications or building contract.
d. The mortgagor must require the builder to promptly and properly perform their obligations under any building contract.

## 5.3 After building works are completed

a. The mortgagor is required to provide evidence that the building works have been properly completed (e.g. a certificate issued by a local government department or council).
b. At the mortgagor's cost, the mortgagee may obtain any reports or other information reasonably required by the mortgagee during and upon completion of the building works.

## 5.4 If building works are not completed

a. If the mortgagor or the mortgagor's builder does not complete the building works for any reason the mortgagee may:
   i. decide to complete the works and the mortgagee may do anything and sign anything the mortgagee considers reasonably necessary in order to complete the building works. Any money that the mortgagee spends completing the building works forms part of the *debt* secured by the mortgage; or
   ii. decide not to complete the works, and the mortgagee may instead sell the *mortgaged property* in its existing state and condition.
b. The mortgagee may decide not to make additional advances until the mortgagee is reasonably satisfied with the progress of the building works.
c. The mortgagee is not responsible for the building works in any way, even if the mortgagee pays the builder directly.

# 6. Default

Read this section to... Understand what events lead to a default and the actions the mortgagee may take if default occurs.

Generally, default occurs if:

- the mortgagor fails to do something the mortgagor is required to do under the mortgage; or
- the mortgagor does something it is not permitted to do under the mortgage.

## 6.1 Events leading to a default

The mortgagor will be in default under the mortgage if any one or more of the following events occur:

a. the mortgagor fails to pay any amount due to the mortgagee under the mortgage or any other agreement relating to the *debt*;

b. if the mortgagor is an individual:
   i. the mortgagor becomes bankrupt; or
   ii. the mortgagor is unable to pay its *debts* as they fall due;

c. if the mortgagor is a company:
   i. proceedings are commenced to wind up the company;
   ii. a receiver, manager, receiver and manager, administrator, controller, provisional liquidator, and/or liquidator is appointed to any part of the company's assets;
   iii. the company is, or is deemed or presumed by law or a court to be, insolvent;
   iv. the company fails to maintain its company registration; or
   v. there is any change in ownership or control of the company or any change in the company director(s);

d. the mortgagor or a guarantor no longer has legal capacity;

e. enforcement proceedings are taken against the mortgagor or a guarantor or its assets, by another creditor;

f. the mortgagor or a guarantor gives the mortgagee information, or makes a representation or warranty to the mortgagee, that is materially incorrect or misleading (including by omission), and is such that the mortgagee would not have provided the *debt*, or would only have provided the *debt* on different terms, if the mortgagee had known the correct information;

g. the mortgagor uses the *debt* for a purpose not approved by the mortgagee, for an illegal or improper purpose, or to finance an illegal or improper activity;

h. the assets of the mortgagor or a guarantor are dealt with, or attempted to be deal with, in breach of the terms of the mortgage or any other agreement relating to the *debt* without the mortgagee's prior written consent (which will not be unreasonably withheld), including:
   i. any of the *mortgaged property* becomes subject to a mortgage or charge without a priority agreement being in place between the mortgagee and the other security holder;
   ii. any of the *mortgaged property* becomes subject to a mortgage or charge without the mortgagee's prior written consent (which will not be unreasonably withheld); or
   iii. the amount secured by any mortgage or charge over the *mortgaged property* is increased without the mortgagee's prior written consent (which will not be unreasonably withheld);

i. the mortgagor or a guarantor does not maintain insurance required by the mortgage or any other agreement relating to the debt with the mortgagee;

j. the *mortgaged property* is:
   i. materially damaged or destroyed, and the mortgagee reasonably considers that the *mortgaged property* cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the *mortgaged property*; or
   ii. taken out of the mortgagor's control;

k. all repairs necessary to keep the *mortgaged property* in good repair are not made in a timely fashion;

l. any amount required to be paid in connection with the *mortgaged property* (including council rates, water rates, land tax or shared title contributions) is not paid within 90 days of the due date; or

m. if the mortgagor is a trustee of a trust, there is a change of trustee, a termination of the trust, or any material change to the terms of the trust without the mortgagee's prior written consent (which will not be unreasonably withheld).

## 6.2 Actions the mortgagee can take

Subject to clauses 6.4 and 6.5, if default occurs, the mortgagee can take any of the actions below at any time:

a. Demand and require immediate payment of the *debt*.

b. Exercise any right, power or privilege conferred by any law, the mortgage or any collateral security.

c. Do anything the mortgagee considers appropriate to recover the *debt* and deal with the *mortgaged property*. For example, the mortgagee may:

   i. direct any tenants to pay rent to the mortgagee;

   ii. eject the mortgagor or any other occupants from the mortgaged property and take possession of the *mortgaged property*;

   iii. sell the *mortgaged property*, either all at once, or by separate lots;

   iv. cancel, rescind, vary or complete any contract to sell the *mortgaged property*;

   v. lease or licence the *mortgaged property* on any terms and for any length of time that the mortgagee considers reasonable (there are some restrictions as to the nature of leases the mortgagee may grant, but those restrictions do not apply to the mortgage);

   vi. subdivide or consolidate the *mortgaged property*;

   vii. repair, clean, repaint, demolish, rebuild, alter or construct new buildings or structures on the *mortgaged property*;

   viii. prepare plans and specifications and obtain approvals from any competent authority (e.g. a local government or council authority); or

   ix. acquire additional land for development, sale or lease together with the *mortgaged property*.

d. Remove any goods from the *mortgaged property* (e.g. furniture and personal belongings) and sell or otherwise deal with those goods without receiving any money for them, on the basis that the mortgagor has abandoned them;

e. Pay any money owing in relation to the *mortgaged property* or other property on the *mortgaged property* (any amounts paid by the mortgagee will form part of the *debt*).

f. Perform any of the mortgagor's obligations under the mortgage;

g. Appoint one or more persons separately or together to be agents, receivers, managers, or receivers and managers of the whole or any part of the *mortgaged property*. Those persons may exercise any of the mortgagee's powers under the mortgage or given to the mortgagee by law. Unless the mortgagee tells the mortgagor otherwise, any receiver the mortgagee has appointed is the mortgagor's agent. The mortgagee may set the receivers remuneration, remove a receiver and appoint a new or additional receiver. The mortgagor must pay the receiver's costs.

## 6.3 Enforcing the mortgagee's rights

a. The mortgagee does not need to act as soon as a default occurs and can take action at any time after the default occurs. Action can be taken by the mortgagee or its employees or agents.

b. The mortgagee does not lose any rights or forgive any defaults unless the mortgagee has done so in writing.

c. The mortgagee can exercise its rights with or without taking possession of the *mortgaged property*.

d. If the mortgagee holds more than one security for payment of the *debt*, the mortgagee can enforce any one of the securities first or all of them at the same time.

e. The costs the mortgagee incurs in exercising these rights will form part of the *debt* secured by the mortgage.

## 6.4 Before the mortgagee takes action

a. The mortgagee will not take any action available to it under clause 6.2 unless:
   i. for all defaults:
      A. the mortgagee has given the mortgagor at least 30 days written notice of the default; and
      B. if the default is remediable, the mortgagor has not remedied that default within 30 days; and
   ii. except for a monetary default (i.e. a default under clause 6.1(a)), the mortgagee reasonably considers that the default event is material, either by its nature or because the mortgagee reasonably considers that the event has had, or is likely to have, a material impact on:
      A. the ability of the mortgagor or a guarantor to meet the financial obligations to the mortgagee (or the mortgagee's ability to assess this);
      B. the mortgagee's security risk (or its ability to assess this); or
      C. the mortgagee's legal or reputational risk where the default event is of the kind described in clauses 6.1(f) or 6.1(g).
b. If a default is remediable, and the mortgagor remedies that default within 30 days, the mortgagee may take any action specified in clause 6.2 if a default of the same type has arisen during that period.

## 6.5 Notice before taking action

a. If the mortgage is regulated by the National Credit Code, the mortgagee does not need to give the mortgagor a default notice or wait 30 days before commencing enforcement action if:
   i. the mortgagee reasonably believes that it was induced by fraud by the mortgagor or a guarantor to enter into the mortgage;
   ii. the mortgagee has made reasonable attempts to locate the mortgagor or a guarantor but without success;
   iii. a court authorises the mortgagee to begin enforcement proceedings; or
   iv. the mortgagee reasonably believes that the mortgagor or a guarantor has removed or disposed any mortgaged goods (or intends to remove or dispose of any mortgaged goods), or that urgent action is necessary to protect any mortgaged goods.
b. If the mortgage is not regulated by the National Credit Code, the mortgagee may give the mortgagor less than 30 days notice or no notice if:
   i. the default is unable to be remedied;
   ii. it is reasonable for the mortgagee to do so to manage a material and immediate risk relating to the nature of the relevant default event, the mortgagor's particular circumstances, or the value of the *mortgaged property* or any security; or
   iii. the mortgagee has already given the mortgagor a notice to remedy a non-monetary default and the mortgagor has not remedied that default.

# 7. Laws that apply

Read this section to... Understand which laws and legislation apply to the mortgage and what to expect if laws change.

## 7.1 The laws that apply to the mortgage

The mortgage is governed by, and is interpreted according to, the law that applies in the jurisdiction where the *mortgaged property* is located. The courts of that jurisdiction can deal with any matter relating to the mortgage.

## 7.2 Consumer legislation for regulated credit

To the extent that the mortgage secures regulated credit (i.e. money due under a loan contract or under some other arrangement regulated by any consumer legislation), the mortgage only secures the amount authorised by that legislation in relation to that credit. For example, to the extent that the mortgage secures money due under a credit contract regulated by the National Credit Code or similar legislation, the mortgage only secures the amount due under that credit contract, any reasonable enforcement expenses, and any other money authorised by the National Credit Code or similar legislation. This clause does not restrict how the mortgage secures unregulated credit.

## 7.3 If terms and conditions are (or become) illegal

If any of the terms and conditions of the mortgage are (or become) illegal at any time, those terms and conditions will cease to apply, but all other terms and conditions of the mortgage will remain in full force and effect.

# 8. General information

Read this section to... Understand other rights and obligations that apply between the mortgagee and mortgagor (e.g. disclosing information).

## 8.1 How the mortgagees deliver notices

a. The mortgagee may give a notice to the mortgagor:
   i. by personal delivery or ordinary post sent to:
      A. the mortgagor's address shown on the mortgage;
      B. the mortgaged property;
      C. the mortgagor's registered office (if the mortgagor is a company); or
      D. the mortgagor's last address known to the mortgagee; or
   ii. at the email address last known to the mortgagee or via any other form of electronic communication, if permitted by law.
b. The notice may be signed by any employee, solicitor or agent on behalf of the mortgagee. The notice will be deemed to be validly served even if not received by the mortgagor.

## 8.2 Ensuring the mortgage is valid and secured

a. The mortgagor must sign anything and do anything that the mortgagee reasonably requires to ensure that the mortgage is valid or to allow the registration of the mortgage. The mortgagee may complete any blanks in the mortgage.
b. If the *mortgaged property* is held under laws relating to crown land and is converted into a title to which the mortgagor has rights:
   i. the mortgagor's right to the converted title is automatically mortgaged to the mortgagee; and
   ii. the mortgagor must sign anything and do anything to ensure registration of the mortgagee's interest in the title.

## 8.3 Power of Attorney when default occurs

To ensure that the mortgage is valid and to enable enforcement after default occurs, the mortgagor irrevocably and for valuable consideration appoints the mortgagee and any receiver, manager or receiver and manager appointed by the mortgagee and each of the mortgagee's directors and managers from time to time, separately or together, to be the mortgagor's attorneys to sign anything or do anything required in relation to the *mortgaged property*.

The attorneys can exercise any powers, authorities, duties or functions as a trustee if the mortgagor is a trustee and may sign things and do things which benefit the mortgagee.

## 8.4 Valuation and reports

The mortgagee may obtain an independent valuation or other report in relation to the *mortgaged property* whenever and as often as the mortgagee considers reasonable. The mortgagor must assist with the process by providing access to and information about the *mortgaged property* if requested by the mortgagee or any agent the mortgagee appoints.

These documents are for the mortgagee's use only and the mortgagee accepts no responsibility if the mortgagor relies on these valuation reports. The mortgagor should obtain its own valuations of the *mortgaged property*.

## 8.5 The mortgagee's liability as a trustee

If the mortgagee enters the mortgage in its capacity as a trustee of a trust, the mortgagee's liability is limited to the assets of that trust.

## 8.6 The mortgagor's liability as a trustee

If the mortgagor is at any time trustee of any trust, the mortgagor is liable under the mortgage in its own right as well as in its capacity as trustee of the trust. This means that the mortgagee can recover against the trust assets as well as recover directly from the mortgagor.

## 8.7 Waiving the mortgagee's rights

The mortgagee only loses the power to exercise any of its rights under the mortgage by an express written statement that the mortgagee waives that right.

# 9. Interpretation

## 9.1 How to read these terms and conditions

In the mortgage:

a. singular words include plural words and vice versa;
b. references to a person includes companies and trusts and any other kind of body; if there are two or more mortgagors, each mortgagor is liable on its own, and all of the mortgagors are liable jointly with any one or all of the mortgagors; and
c. headings in this agreement are for ease of reference only.

## 9.2 Definitions

In the mortgage, the following words have defined meanings.

| Defined words | Meaning |
|---|---|
| **Debt** | All money the mortgagor owes to the mortgagee now or in the future on any account whatsoever, including the principal sum, plus any interest, fees or charges on the principal sum. |
| **Mortgaged property** | The land comprised in the folio of the Register specified under the words 'Land Title Reference' on page 1 of the mortgage form, and for clarity includes:<br>a. all buildings fences, structures, carpets, floor coverings, light fittings, blinds, curtains and other objects attached to the land;<br>b. any contract or other rights relating to the land, including building contracts, leases, development approvals, building approvals, plans, specifications and consents relating to the use of the land and all income (such as rent) to be derived from the land at any time; and<br>c. any right to occupy, lease or licence relating to the land. |

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