

**You won't want
to miss this.**

Well... that might be stretching it a bit.



Home loan and mortgage

Terms + conditions

About this booklet.

You've successfully applied for a home loan. That's sensational! You've also chosen us and we couldn't be more pleased.

We're pretty straight up and we keep things real. We also know you've got better things to do than go through this booklet with a fine-tooth comb and you'd rather be sipping lattés or heading to the footy and we get that. However, it's really important you understand the small print that applies to your home loan. That way there are no surprises.

If you'd like more information on this – or anything else – get in touch with us on **13 15 63**, Monday to Friday 8am–8pm, or Saturday 9am–5pm (AEST/AEDT).

Thanks for banking with us,

The team @ ME

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Important.

We are required to provide you with this information statement if the National Credit Code applies to this loan contract. The information statement does not apply if the purpose of the loan is wholly or predominantly for business purposes or investment purposes other than investment in residential property.

Information Statement.

Things you should know about your proposed credit contract.

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

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

The Contract.

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

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

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

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

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

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

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

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

3. Can I terminate the contract?

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

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

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

4. Can I pay my credit contract out early?

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

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

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

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

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

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

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

Yes, but only if your contract says so.

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

That depends on the type of change. For example –

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

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

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

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

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

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au Website: afca.org.au

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

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

Insurance.

10. Do I have to take out insurance?

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

11. Will I get details of my insurance cover?

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

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

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

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

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

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

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

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

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

Mortgages.

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

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

16. Should I get a copy of my mortgage?

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

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

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

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

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

See the answers to questions 22 and 23. Otherwise you may –

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

OR

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

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

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

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

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

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

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

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit

provider all the information you have so they can be traced.

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

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

General.

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

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

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

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

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the external dispute resolution scheme that your credit provider belongs to. Further details about this scheme are set out in question 25.

24. Can my credit provider take action against me?

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

25. Do I have any other rights and obligations?

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

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

EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH

AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS.

YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS AFCA AND CAN BE CONTACTED AT –

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Website: afca.org.au

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

Home loan – part B.

Additional terms and conditions for ME Flexible Home Loans, ME Standard Home Loans and ME Basic Home Loans.

This **Part B – Additional Terms and Conditions for ME Flexible Home Loans, ME Standard Home Loans and ME Basic Home Loans** sets out additional terms of our offer to enter into a loan contract with you. The terms of the offer and the information required to be given to you before you enter into the contract are set out in two parts:

Part A – Your Housing Loan Details contained in our offer letter; and this **Part B – Additional Terms and Conditions for ME Flexible Home Loans, ME Standard Home Loans and ME Basic Home Loans**.

Which features are available to me?

Some of the features described in this document will only apply to your loan if you have a ME Flexible Home Loan or ME Standard Home Loan.

Features which are only available to ME Flexible Home Loan or ME Standard Home Loan customers include the ability to:

- a) Link an offset account to a loan facility;
- b) Fix your interest rate;
- c) Split your loan account; or
- d) Use your loan for construction purposes.

Banking Code of Practice

The relevant provisions of the Banking Code of Practice apply to your home loan and mortgage. A copy of that Code is available on our website, or you can call us and we will send you a hard copy for free. Information about the current fees, charges and interest rate(s) that apply to your loan, at any time, is available from us on request.

Part B.

Additional terms and conditions for ME Flexible Home Loans, ME Standard Home Loans and ME Basic Home Loans.

Meaning of words.

In this loan contract, unless the context otherwise requires, the following words have special meaning:

Amount of credit means the amount specified as the 'Amount of credit' in the financial table and any additional amount of credit we provide to you under this loan contract or any variation to it;

Annual percentage rate, in relation to a facility, means the interest rate for that facility referred to in the 'Annual percentage rate' portion of the financial table, as varied from time to time;

Available funds at any time means the amount by which the aggregate of your actual payments up to that time exceeds the aggregate of your expected repayments up to that time less all amounts you have redrawn.

Building work means any work to be carried out to demolish, remove, construct, complete or alter an improvement on the property;

Business day means a weekday except a national public holiday or a public holiday in Victoria;

Credit fees and charges means fees and charges payable under this loan contract but does not include:

- interest charges (including default charges);
- government charges and duties on receipts or withdrawals; or
- enforcement expenses;

Credit legislation means the National Consumer Credit Protection Act 2009 (Cth) (incorporating the National Credit Code) including any amendments to or regulations under such legislation;

Daily facility balance means the facility balance at the end of a day;

Default amount means the amount of any payment due under this loan contract and remaining unpaid after the date on which you are required to pay it;

Default interest rate means the applicable current annual percentage rate plus 2% per annum;

Facility means a credit facility established under your loan contract and described in the financial table;

Facility balance means that portion of your loan balance attributable to a facility;

Financial table means Section 1 of Part A;

First repayment date means the date on which your first repayment is due as detailed in your Part A;

Fixed interest rate facility means a facility which is currently subject to a fixed interest rate period;

Fixed interest rate period means:

- the fixed interest rate period, if any, set out for a facility in the financial table; or
- any period agreed to between you and us during which a fixed interest rate will apply to a facility;

Guarantee means any guarantee and indemnity required by Section 3 of Part A;

Guarantor means the person or persons (if any) specified in Section 3 of Part A that must provide the guarantee and any other person who at any time guarantees repayment by you of the loan balance. If more than one person gives the guarantee, guarantor means each of those persons separately and all of them as a group;

Initial advance means the first drawdown of funds if we have agreed to allow you to draw the amount of credit over a period of time.

Interest debit date for a repayment period is the date interest charges are to be debited to your loan account for the repayment period being:

- the first day of the next repayment period (if any); and
- the maturity date or any other date you pay the loan balance in full;

Interest only period means a period during which your repayments cover accrued interest, but do not include any amount to repay the amount of credit and is:

- the interest only period, if any, set out for a facility in the financial table; or
- any period agreed to between you and us as the interest only period;

Lender's mortgage insurance is insurance taken out by us to protect us against losses which we may suffer if you do not repay your loan. It is not a policy which protects you, and if the insurer pays us, the insurer may have rights to recover from you the amount of any claim paid;

Linked facility means the facility linked to an offset account as specified in the financial table or as otherwise agreed by us;

Loan account means the account or accounts we open in your name on our books and records for the purposes of the facility or facilities established under this loan contract;

Loan balance means at any time the difference between all amounts debited and all amounts credited to your loan account up to that time;

Loan contract or credit contract means the agreement between you and us and which consists of:

- Part A – Your Housing Loan Details; and
- this document;

as may be varied from time to time;

Loan to valuation ratio or LVR means the amount of credit divided by the property value;

Maturity date means the day the final repayment is due;

ME means ME Bank – a division of Bank of Queensland Limited ABN 32 009 656 740 AFSL and Australian Credit Licence Number 244616 ('us', 'we' and 'our' has a corresponding meaning);

Mortgage means a first priority registered or registrable mortgage or mortgages over the property executed in our favour by you and/or any other person who is or will be registered as the proprietor of the property;

Mortgagor means the person or persons who are or will be registered as the owner of the property and will grant the mortgage;

Offer letter means our letter to you containing Part A and enclosing Part B;

Offset account means a ME Everyday Transaction Account or other eligible ME savings or transaction account which can be linked to a facility. An offset account linked to a facility will be the account specified in the offer letter or as otherwise agreed by us;

Part A means Part A – Your Housing Loan Details contained in the offer letter;

Part B means this document;

Property means the property or properties to be mortgaged to us specified in Section 3 of Part A, or any other property we agree with you is to be security for amounts owing under this loan contract;

Property value means, for each property:

- where the property is being purchased, the lesser of the purchase price of the property or the amount our valuer attributes to the property; and
- otherwise (for example, for a refinancing) the amount our valuer attributes to the property;

Redraw facility means the facility described in Section 4 for you to request a redrawing of your available funds;

Repayment means each amount you are required to pay us specified in the 'Repayment' portion of the financial table, as such amounts may be varied from time to time under clause 11.4 or by agreement between you and us;

Repayment date means the date on which repayments are due under this loan contract and:

- if your repayments are monthly, is the first repayment date and the corresponding day of each succeeding month during the term, provided that if there is no corresponding day in a particular month, the repayment date for such month will be the last day of such month;

- if your repayments are fortnightly, is the first repayment date and each fourteenth day after that; and
- if your repayments are weekly, is the first repayment date and each seventh day after that;

as such repayment dates may be changed under clause 11.4 or by mutual agreement between you and us;

Repayment period means the length of time between repayments (i.e. one week, a fortnight or a month, as the case may be);

Settlement date means the date we first provide funds to you and **settlement** has a corresponding meaning;

Split loan means that there are two or more facilities under your loan contract;

Term means a period beginning on the settlement date and continuing for the period referred to in the 'Repayments' portion of the financial table;

Trust, if you enter into this loan contract as a trustee of a trust, means the trust for which you act as trustee;

Trust beneficiary means any present or future beneficiary of the trust;

Trust constitution means the constitution or trust deed or other constituent document in respect of the trust;

Trust property means all the present and future rights, undertaking and property comprising the trust fund of a trust;

Trustee's indemnity means, if you enter into this loan contract as a trustee of a trust, your present and future interest in respect of:

- the administration of the trust;
- the right of indemnity from the trust property or from any trust beneficiary; and
- your equitable lien as trustee,

and all moneys paid or payable under or in respect of such interest;

Variable interest rate facility means a facility which is currently subject to a variable interest rate;

We means the person referred to as the 'credit provider' in Section 2 of Part A. 'Us', 'our' and similar parts of speech have corresponding meanings;

You means the person or persons referred to as the 'borrower' in Section 2 of Part A. If there is more than one person specified, 'you' means each of those persons separately and all of them as a group. '**Your**' and similar parts of speech have corresponding meanings;

Your nominated account means the account you nominate in writing to us for purposes of repayment to us by direct debit for a particular facility; and

Your state or territory means the state or territory in which you reside at the time this loan contract is entered into.

Section 1 – terms of offer.

We are only obliged to provide you with the amount of credit if the following conditions are satisfied:

- a) you have accepted our offer to provide funds to you;
- b) you have paid us or made arrangements satisfactory with us for payment of all the credit fees and charges that we require you to pay;
- c) a mortgage has been signed, delivered and will be first ranking upon registration or in the case of a further advance, will continue to be first ranking;
- d) if you are entering into this loan contract as the trustee of a trust, we are satisfied of the following matters:
 - that you (in your capacity as trustee of the trust) have the power to enter into, and perform the obligations under, this loan contract;
 - that all authorisations and consents necessary for you (in your capacity as trustee of the trust) to enter into, and perform the obligations under, this loan contract have been obtained; and
 - any other matter relating to the trust which we reasonably require to be satisfied about in order to protect our interests under this loan contract and the mortgage;
- e) if a guarantee is to be provided, the guarantee has been signed and delivered in an agreed form, and the guarantor has not withdrawn from the guarantee and in the case of any increase in liabilities, the guarantor has acknowledged that the guarantee and any mortgage given by the guarantor applies to the increased liabilities;
- f) we are satisfied the property meets our underwriting standards (including loan to valuation ratios) and in the case where we require lender's mortgage insurance to be taken out, meets the standards of our mortgage insurer;
- g) we have received satisfactory evidence the property is insured as required by the mortgage;
- h) where the purpose of the loan is to purchase the property, you have provided to us a legible copy of your contract of sale and any vendor's statement;
- i) there have been no covenants or other encumbrances registered over the security property, since we approved the facility, which may affect our rights as the credit provider or mortgagee;
- j) we have received a direct debit authority form acceptable to us (or we have agreed to accept a different method of repayment);
- k) no default has occurred under this loan contract or the mortgage;
- l) you and any guarantor have signed any authorisation or declaration we reasonably require as part of the application process;
- m) any other special conditions set out in the loan contract have been met;
- n) the purpose of the loan as advised by you to us has not changed; and
- o) where the purpose of the loan is to finance building work:
 - you have given us a complete copy of the building contract you have entered into, and the terms of that contract are satisfactory to us (acting reasonably);
 - you have given us the plans, specifications, appropriate authorisations and approvals in respect of the building work and we have approved such plans, specifications, authorisations and approvals;
 - you have given us evidence of the builder's insurance and the building work is covered by any housing guarantee available in your state or territory;
 - we are satisfied that the total of the amount of credit and other funds you have available to you is sufficient to complete the building work, (including all other costs associated with the building work and the settlement; and
 - you have satisfied any other reasonable conditions with respect to the building work we have notified to you prior to settlement.

1.1 General interpretation.

In this loan contract:

- a) the singular includes the plural and vice versa;
- b) references to a document or agreement include all variations, novations or replacements to it;
- c) a reference to a clause or a section is (unless otherwise indicated) a reference to a clause or a section of this Part B;
- d) references to any person (including you, us) include the person and the successors in title, transferees or executors of the person; and
- e) the use of the words 'including' and 'include' in a clause as an introduction to a list of things does not limit the clause to that list or to things of a similar type.

Section 2 – assumptions made when making this offer.

In calculating the repayment amounts and the total interest charges set out in the financial table:

- we assume settlement occurs on the disclosure date;
- we assume the amount specified in the financial table is drawn on the settlement date;

- we use the current annual percentage rate or rates shown in the financial table and assume the rate or rates remain unchanged through the term of the loan or in the case of fixed rates, the variable rate which applies after the fixed rate period is as stated in the financial table and does not change;
- we assume all repayments are made on the applicable repayment date even if it is not a business day and there are no prepayments; and
- we do not take into account credit fees and charges.

The actual repayment amounts and total interest charges may differ from the amounts stated in the financial table.

Section 3 – when you may borrow the amount of credit.

3.1 Drawdown.

We will require five business days' notice to arrange for the amount of credit (or the initial advance) to be made available to you or your agent(s).

The amount of credit (or the initial advance) is to be drawn down within 90 days after the date of this loan contract, or for construction loans, 150 days from the date of this loan contract, or such later date as we may agree. If you do not draw down the amount of credit within this period (or any longer period we agree to), we may ask you to draw down the amount of credit within a grace period we specify. If you do not draw down the amount of credit within the grace period we specify, then:

No draw down

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

Partial draw down

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

3.2 How you may borrow the amount of credit.

Unless we otherwise agree, you may only borrow the amount of credit in a single borrowing.

3.3 Construction loans.

This feature is only available under a Flexible Home Loan or Standard Home Loan.

If the loan is to be used in whole or in part to carry out building work, and we have agreed to allow you to draw the funds over a period of time, you may borrow the amount of credit by requesting specific amounts, subject to our being reasonably satisfied on each day an amount is requested that:

- a) the building work is proceeding on schedule and will be completed no later than eight months from the settlement date (or such other time period as we may agree);
- b) the total amount necessary to complete the building work, including all other remaining costs relating to the building work, does not exceed the amount of credit not yet drawn and other funds you have available to you;
- c) the conditions set out in Section 1 continue to be satisfied;
- d) for the final drawing, all building and occupancy certificates have been obtained;
- e) the drawing is requested no later than 30 days after the building work is completed; and
- f) all the other requirements we have notified to you have been met.

Section 4 – redraw facility.

4.1 Request for redraw.

You cannot redraw part or all of your available funds during your fixed interest rate period.

If you have a variable interest rate facility, you may request from time to time to redraw all or part of your available funds from the variable rate facility. You can only redraw all or part of your available funds if:

- a) the amount requested is not greater than your available funds;
- b) you are not in default under this loan contract or the mortgage;
- c) no guarantor has withdrawn from the guarantee;
- d) we have no reasonable suspicions that you or someone acting on your behalf is being fraudulent;
- e) the drawing is not made in connection with a business in which you are involved;
- f) the drawing would not cause loss to you or us;
- g) we have no reasonable suspicions that your loan account is being used to further a crime;
- h) the drawing would not be in breach of any provision of law;
- i) your financial situation has not significantly changed since the settlement date;
- j) we do not reasonably consider the transaction to involve any impropriety or misuse of a service;

- k) we do not reasonably consider the transaction to be suspicious; and
- l) clause 4.4 does not apply.

4.2 How you may redraw from your loan account.

You may redraw available funds by:

- a) instructing us by telephone to transfer your funds to your nominated account or to any other account chosen by you and which is acceptable to us;
- b) instructing us by internet banking to transfer funds to your nominated account or to any other account chosen by you and which is acceptable to us; and
- c) any other method agreed between us, such as by bank cheque.

We may acting reasonably impose a minimum redraw amount on redraws of available funds from your facility(ies), from time to time.

4.3 If there's more than one of you

If there is more than one of you, any one of you can redraw any amount available for redraw. If we allow the redraw we don't need to consult any other of you, unless the account can only be operated jointly, as provided in clause 17.14.

4.4 Our obligation to fund redraws.

We may assign our rights under your loan contract to a trust in accordance with clause 17.15. If we do this and the trust does not have sufficient funds available to it which may be used to meet redraws the trustee of the trust may decide not to pay to you all of the amount requested. In making this decision as to whether there are available funds and to pay your redrawing:

- a) the trustee of the trust will have regard to all of the trust's outstanding requests for redrawing of loans;
- b) the trustee of the trust may decide to pay or not pay any outstanding request in making the determination; and
- c) will take into account any drawings received from the trust under any facility made available to the trust for the purpose of funding redraws of loans and which can be used to fund all outstanding redraws.

Section 5 – interest charges.

5.1 Calculation of interest charges.

Subject to clause 5.2, you are required to pay interest on the loan balance from the first day funds are drawn down on the following basis:

- a) the interest rate which applies to each facility balance is the current annual percentage rate for that facility;
- b) the daily percentage rate for a facility balance is the current annual percentage rate for that facility divided by 365;

- c) interest charges are calculated on a daily basis by applying to the daily facility balance the applicable current daily percentage rate; and
- d) interest charged for your loan contract is calculated by adding together the interest charged for each facility.

5.2 Default interest rate.

If you do not pay us a repayment due under this loan contract on or before the date on which you are required to:

- a) the interest rate which applies to the default amount is the current default interest rate;
- b) the daily percentage rate for default interest is the current default interest rate divided by 365;
- c) interest charges on the default amount are calculated on a daily basis by applying the current daily percentage rate for default interest to the default amount until you actually pay it; and
- d) interest charges on the remainder of the loan balance are calculated in accordance with paragraphs (a) to (d) (inclusive) of clause 5.1.

5.3 Calculation of interest offset amount.

This feature is only available under a Flexible Home Loan or Standard Home Loan.

For the purposes of clause 5.4, we calculate the interest offset amount for a day by multiplying:

- the credit balance of the offset account on the day (except to the extent that the credit balance of the offset account is greater than the amount of the daily facility balance of the linked facility); by
- the daily percentage rate (which is the current annual percentage rate for your linked facility divided by 365).

5.4 Interest offset on your linked facility.

This feature is only available under a Flexible Home Loan or Standard Home Loan.

An offset account may only be linked to a facility if:

- you have a variable interest rate facility; and
- your offset account is opened in the same name and capacity, or if there is more than one borrower, in the same names and capacities.

If you have a split loan, your offset account can only be linked to one variable interest rate facility under your loan contract.

If you have linked an offset account to a facility, interest charges on your linked facility (calculated in accordance with clause 5.1) will be reduced each day by the interest offset amount (calculated in accordance with clause 5.3).

You can cancel the linking of an offset account to a facility at any time by contacting us.

5.5 Termination of offset arrangement.

Your offset account will no longer be linked to your loan and offset benefits will no longer apply if:

- you request the closure of your offset account
- we close your offset account in accordance with its terms and conditions
- you request that your offset account no longer be linked to your loan
- you repay your loan in full and close your loan account
- your loan becomes ineligible for an offset arrangement, for example:
 - you switch to another loan type
 - you fix the interest rate on your linked loan facility
- you ask us to calculate a payout figure for the purposes of a full discharge of your loan.

5.6 Debiting of interest.

Interest charges are debited to your loan account on each interest debit date.

Section 6 – your repayments.

6.1 Repayments.

You are required to repay the amount of credit and to pay interest debited to your account by making each repayment by its repayment date. A repayment will not be treated as being made until the date it is received in cleared funds.

6.2 Non business days.

If your repayment date falls on a day which is not a business day and the account from which you make repayments is:

- a ME account – we will process the repayment on that day; or
- a non-ME account – we will process the repayment on the next business day,

and in each case such repayment will be taken to be paid on the repayment due date.

6.3 Repayment on the maturity date.

On the maturity date, you must pay us:

- a) the entire remaining loan balance;
- b) any interest accrued on the loan balance but not yet debited to your loan account; and
- c) any fees and charges or enforcement expenses payable on or before the maturity date but not yet debited to your loan account.

6.4 How you make repayments.

- a) Unless we otherwise agree with you, you are to pay all repayments and other amounts you owe us under this loan contract by direct debit from your nominated account.
- b) If you wish to make an early repayment of all or part of the loan balance, you may pay such amount by:
 - a) bank cheque delivered to:
 - ME
 - GPO Box 1345
 - Melbourne VIC 3001
 - or to any other address we notify you of;
- c) direct debit from your nominated account;
- d) direct credit into your loan account(s); or
- e) in the manner agreed.

- bank cheque delivered to:

ME
GPO Box 1345
Melbourne VIC 3001

or to any other address we notify you of;

- If you have a split loan and you are repaying part (but not all) of the loan balance early, you must tell us how you want the early repayment applied to the facility(ies) (ie how much to each facility). If you do not tell us, we will apply the early repayment to any variable interest rate facility or, if there are more than one variable interest rate facilities, to the facility we choose.

- c) You must pay all repayments and other amounts you owe us under this loan contract in Australian dollars and without any deduction, set-off, counterclaim or condition.

By entering into this loan contract, you expressly waive any rights you may have to set-off any amounts which you may owe us against any amounts which we may owe you, whether under this loan contract or otherwise under any other agreement or arrangement between us.

6.5 Changes to repayments.

We may, from time to time vary the amount of your repayments without obtaining your agreement (for example, if an annual percentage rate changes).

We will give you notice in accordance with clause 11.4 of any such change.

6.6 Early repayment.

You may repay all or part of the loan balance at any time.

If you repay the entire remaining loan balance in full, you must also pay us any accrued interest, enforcement expenses and fees and charges not yet debited to your loan account.

6.7 Interest only period.

You may:

- a) ask to make interest only repayments for an interest only period; and
- b) during an interest only period, ask to make interest only repayments for a further interest only period.

We may agree to any such request in our absolute discretion.

If we decline your request, you must make principal and interest repayments.

6.8 Repayment holiday.

You can ask to suspend or reduce your repayments under the loan contract for a specified period of time and to set off each loan repayment as it falls due against your available funds if:

- a) your loan account has available funds sufficient to cover the suspension or reduction;
- b) you are not in default under the loan contract;
- c) any additional funds advanced to you within the preceding 12 months have not been, and will not be, used to increase your available funds to cover the requested suspension or reduction of repayments during the repayment holiday; and
- d) you meet any other conditions which we may specify from time to time.

If you make such a request, we may either:

- a) agree to the request; or
- b) decide not to permit the suspension or reduction of your repayments.

You are not eligible for a repayment holiday when a fixed interest rate applies (see Section 7).

If we agree to your request, during the period your repayments are suspended or reduced:

- a) we will set off each loan repayment as it falls due against your available funds;
- b) your available balance will reduce by the loan repayment amount we set off as it falls due; and
- c) if you redraw funds, you must ensure that the remaining available funds are sufficient to enable us to set off your required loan repayments against your available balance.

If you do not have sufficient available funds to enable us to set off your loan repayments as it falls due against your available funds during a repayment holiday, your repayment holiday will automatically end and you will need to make regular repayments in accordance with Section 6.

6.9 Overpayments

You cannot overpay your loan account by more than your loan balance and any accrued interest, enforcement expenses and fees and charges not yet debited to your loan account. Any overpayments on your loan account in excess of these amounts will be refunded to you. We may do this by:

- a) electronic funds transfer to your nominated account;
- b) sending a bank cheque to your last known address; or
- c) any other manner agreed by us.

Section 7 – special terms that apply to fixed interest rate periods.

This feature is only available under a Flexible Home Loan or Standard Home Loan.

7.1 Request for a fixed interest rate period or further fixed interest rate period.

If we are offering fixed interest rate periods at the time of your request and if we agree, you may request us to fix the interest rate for a fixed

interest rate period. If you ask to fix your interest rate, you must tell us the length of fixed interest rate period.

Prior to the end of a fixed interest rate period, if we are offering fixed interest rate periods at the time of your request and if we agree you may request us to fix the interest rate for a further fixed interest rate period commencing when the existing fixed interest rate period ends.

If the interest rate is not fixed for a further fixed interest rate period, a variable interest rate will apply commencing at the end of the fixed interest rate period. We will notify you of the variable rate prior to the end date.

7.2 Prepayment limit – agreed prepayment limit.

During a fixed interest rate period in relation to an existing fixed interest rate facility, you may prepay up to a limit of \$30,000 for each fixed interest rate period without incurring a prepayment fee under clause 7.4. Unless we agree otherwise, the agreed prepayment limit under this clause 7.2 will only apply to one fixed interest rate facility at a time.

7.3 Prepayment limit – prepayments above the agreed prepayment limit during fixed interest rate periods.

For any prepayment exceeding the prepayment limit specified in clause 7.2, you will need to contact us to organise prepayment in a way that we agree. If we agree to such prepayment, you may incur an early repayment fee under clause 7.4.

If we decline your request and you prepay an amount above the prepayment limit, we will return that amount to you within 10 business days. We do not pay interest on this amount.

7.4 Prepayment fee – fixed interest rate periods.

Subject to clause 7.2, if during a fixed interest rate period:

- a) you prepay your fixed interest rate facility in whole or in part;
- b) at your request, the interest rate is changed to a variable interest rate;
- c) at your request, the existing fixed interest rate period is ended and a new fixed interest rate period begins;
- d) at your request, a fixed interest rate facility is ended;
- e) at your request, we make an additional advance to you or agree to a change in your repayment; or
- f) you are in default under this loan contract and any part of the facility balance is repaid early (for example, through enforcement of the mortgage);

and we incur a loss due to the early repayment during a fixed interest rate period, you must pay us the prepayment fee referred to in the financial table.

Section 8 – application of payments.

8.1 Order of application.

Repayments received by us under this loan contract may be applied to any amounts you owe us (and to any facility) under this loan contract in any order. If the law requires us to pay the money in a particular way, then we will do so.

Section 9 – your loan account.

9.1 Statements.

We will provide you with statements of account every six months. You can ask us to provide statements of account to you more frequently (for example, quarterly). If you are in default and we have commenced enforcement proceedings against you we will give you a statement of account or an alternative (for example, a transaction history) if you ask for it.

9.2 Effective date of transactions.

For the purposes of this loan contract, a debit or credit to your loan account is taken to have been made, and has effect, on the date we assign to the debit or credit, which may be different to the date we process it.

9.3 Adjustments.

We may debit or credit to your loan account adjustments to transactions previously made (for example because of an error, because a cheque is dishonoured or because a transaction was not recognised in a daily facility balance for the purposes of interest calculations). If we do this, we may make consequential changes (including to interest charges).

9.4 Requesting to split or combine your loan facilities.

This feature is only available under a Flexible Home Loan or Standard Home Loan.

You may request us to split a loan facility into two or more facilities, or to combine two or more facilities into one loan facility.

Section 10 – security.

10.1 Secured agreement.

This loan contract is a secured agreement for the purposes of the mortgage. This means that the mortgage will be security for all amounts you owe us under this loan contract.

10.2 Compliance with mortgage.

From settlement, you must ensure that you, and any other mortgagors, comply with all the terms of the mortgage.

Section 11 – changes.

11.1 Changes to the loan contract by us

We may make changes to this loan contract at any time and without your consent as set out in this

Section 11. We will tell you about any such changes in accordance with this Section.

11.2 Changes to the annual percentage rate(s)

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

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

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

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

We may also change:

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

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

11.3 Changes to how we calculate or debit interest

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

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

11.4 Changes to repayments

We can change these aspects of your repayments:

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

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

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

11.5 Changes to credit fees and charges

We may change these aspects of our credit fees and charges:

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

and we can also introduce new fees and charges.

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

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

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

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

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

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

11.6 Other changes to this loan contract

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

- a) changes to comply with, or reduce the risk of non-compliance with, any laws, codes of practice, or regulatory guidance;
- b) changes to comply with a decision, recommendation or guidance of a Court, ombudsman, regulator or other similar body;
- c) changes to reflect a change in our systems or business procedures;
- d) changes to enhance the security of your loan account;
- e) changes to simplify this loan contract;
- f) changes that are administrative, or to correct a mistake or omission;
- g) changes to, or as part of a process to, enable us to move you from a loan product that has been, or is to be, discontinued to another loan product;
- h) changes to, or as part of a process to, migrate your loan account to a new system;
- i) changes to reflect amendments or improvements to the features of your loan account or how it operates;
- j) changes to the ways you can access your loan account;
- k) changes that we reasonably believe are beneficial to you;
- l) changes that in our reasonable opinion are necessary in order to manage a material compliance, prudential or operational risk; and
- m) any other changes that are reasonably necessary to protect our legitimate business interests.

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

11.7 Giving you written notice of changes

When we have to give you written notice of a change, we can do this in any of the ways described in clause 17.2.

11.8 Changes by agreement between us

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

Section 12 – things you tell us.

12.1 Our reliance on the things you tell us.

In making this offer to enter into a loan contract, we have relied, and will rely, on the statements you make in clause 12.2.

12.2 Things you tell us.

You make the following statements:

- a) you have read and understood the nature and effect of the loan contract (including both Parts A and B);
- b) you understand the legal consequences of any default or breach by any party under the loan contract and under the security (including the mortgage) to be taken for the amounts owing under the loan contract;
- c) you have accepted the loan contract freely and voluntarily;
- d) you have been advised to take independent legal advice before signing this loan contract and you have had an opportunity to do so;
- e) all information you have given us about yourself and the property was true when you gave it to us;
- f) nothing has happened since you gave us any information about yourself or the property which makes that information untrue or misleading;
- g) there is no information about yourself or the property which you have not given us which might reasonably be expected to have caused us not to enter into this loan contract; and
- h) all statements you make to us in this loan contract, or which we have relied upon when we offered to enter into this loan contract, are true and not misleading because of something you did not tell us.

12.3 You must tell us if anything changes.

You must tell us immediately if:

- a) there is a change in your personal circumstances or in your financial condition from those which you have told us about in clause 12.2;
- b) anything happens which makes any of the statements made by you in clause 12.2 untrue or misleading;

- c) you change your nominated account or it is closed; or
- d) the loan purpose is to carry out building work and there is any change in the building contract or building works are suspended due to any party's default.

Section 13 – things you must do.

13.1 General.

You must inform us immediately if any of the events referred to in clause 14.1 happens.

Section 14 – default.

14.1 When you are in default

A default occurs if a monetary default occurs or a non-monetary default occurs.

Monetary Defaults

A monetary default occurs if you don't pay any amount required under this loan contract or a mortgage given in relation to this loan contract when it's due.

Non-monetary defaults

A non-monetary default occurs if:

- a) you or a guarantor becomes insolvent;
- b) another creditor takes enforcement proceedings against you or a guarantor (or your or their assets);
- c) early repayment is required under another arrangement you or a guarantor has with us, or we take default-based action against you or a guarantor because of a default of a type described in this clause 14.1;
- d) we believe on reasonable grounds that you or a guarantor hasn't complied with the law or any requirement of a statutory authority that relates to this loan contract or a property, or it becomes unlawful for you or us to continue with this loan contract;
- e) you or a guarantor gives us information or makes a representation or warranty to us in relation to this loan contract or any guarantee relating to it which is materially incorrect or misleading (including by omission) and which has given rise to, or is likely to give rise to, a material increase to our risk in relation to the facility;
- f) you use the facility for a purpose we haven't approved;
- g) you or a guarantor deals with, or try to deal with, any property in breach of this loan contract, a mortgage or any other agreement with us, without our consent;
- h) you or a guarantor don't give us financial information required by this loan contract;
- i) you don't maintain any insurance this loan contract requires;
- j) If the facility is provided for business purposes:

- you or a guarantor don't maintain a licence or permit necessary to conduct your business;; or
- the legal or beneficial ownership, or management or control of you or a guarantor (or your or their business) changes without our consent; or

- k) the status, capacity or composition of you or a guarantor changes without our consent (e.g. if you are a partnership and it is dissolved, or you are a trustee and there is a change in trustee or the trust ends); or
- l) if you have a construction facility, you breach any of the terms of this loan contract relating to construction facilities.

14.2 What happens when you are in default

a) Before we act

We will only act on a non-monetary default if it is material or we reasonably consider it has or will have a material impact on:

- Your ability or a guarantor's ability to meet your or their financial obligations to us (or our ability to assess these)
- our security risk (or our ability to assess it), or
- our legal or reputation risk if the default is of a type referred to in subparagraphs d), e) or f) under 'Non-monetary defaults' in clause 14.1.

b) When we act

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

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

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

c) If you don't fix the default

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

- stop you from accessing any undrawn part of the amount of credit (including by allowing you to access any redraw facility, if applicable)
- require payment of all amounts owing under this loan contract (including the total amount owing)
- take legal action (such as sue you for the unpaid amounts or take any enforcement proceedings)

- enforce any mortgage (including taking possession of the property)
- exercise any other legal rights we may have.

Section 15 – fees and charges.

15.1 Fees and charges payable.

You must pay us:

- a) the credit fees and charges referred to in the financial table, as varied under clause 11.5;
- b) any new credit fees and charges we notify you of under clause 11.5; and
- c) if we notify you, any government charges and duties on amounts received from you or credited to your loan account whether or not you are primarily liable for them.

15.2 When fees and charges are payable.

If any fee or charge is payable under this loan contract, we may either:

- a) debit the fee or charge to your loan account; or
- b) require you to pay us the fee or charge upon demand.

15.3 Government charges.

We can debit government charges and duties provided for in clause 15.1(c), to your loan account at any time an amount is received from you or credited to your loan account.

15.4 Up front rate lock fee.

If you have entered into a rate lock agreement with us, that agreement forms part of this loan contract and you are required to pay a rate lock fee. The rate lock fee that you are required to pay is set out in the rate lock agreement.

15.5 Up front fees are non-refundable.

If:

- a) you do not accept our offer; or
- b) this contract is terminated prior to settlement for any reason (including under the circumstances described in clause 3.1),

we do not have to return to you any amounts you have already paid us (unless the expense has not been incurred by us), including any rate lock fee paid under the circumstances described in clause 15.4.

Section 16 – resolving disputes.

- a) This section 16 does not apply to hardship notices given under section 72 of the National Credit Code or postponement requests made under section 94 of the National Credit Code. We will comply with our obligations under those sections in relation to such notices and requests.
- b) If you have a complaint or believe an error or unauthorised transaction has been made on your loan account, you must tell us immediately;

- c) It is essential that you give us all the information you have to help us to resolve your concerns. If we cannot resolve your concern immediately, we may ask you to put your complaint in writing and send it to our Customer Relations department by:

- secure email via our internet banking service, addressing the email to 'Customer Relations Manager'; or

- mail:

ME Customer Relations Manager
Reply Paid 1345
Melbourne VIC 8060

- d) If we are unable to resolve your complaint within 21 days of receiving it we will tell you that we need more time to investigate the complaint. If the complaint relates to a default notice, clause 16(f) will also apply.
- e) Unless there are exceptional circumstances, we will complete the investigation of your complaint:
 - if it relates to a default notice, within 21 days of receiving it; or
 - otherwise, within 30 days of receiving it.
- f) If we are unable to resolve your complaint within the time provided for in clause 16(e), we will inform you in writing about:
 - the reasons for the delay;
 - your right to complain to the Australian Financial Complaints Authority (AFCA) and AFCA's contact details; and
 - the date by which you can reasonably expect to hear the outcome of our investigation, and we will then provide you with monthly updates on the progress of the investigation unless you have not responded to requests for additional information from us and your non-response is preventing us from dealing with your complaint.
- g) When we have completed our investigation we will inform you in writing of:
 - the outcome of our investigation and the reasons for our decision; and
 - your right to complain to AFCA and AFCA's contact details, provided that we will not do that, unless you request us to, if your complaint has been resolved to your complete satisfaction within 5 business days of us receiving it.

Section 17 – general.

17.1 Notices to you about changes.

We may from time to time as provided in Section 11, notify you of a change in the terms of this loan contract. We may address such notice to you under the heading 'Flexible Home Loan', 'Standard Home Loan', 'Basic Home Loan' or like terminology.

17.2 How notices are given to you.

Except as otherwise stated in the loan contract, every notice under or in connection with this loan contract must be:

- a) in writing; and
- b) can be sent or delivered to you:
 - 1) at a postal or residential address you have nominated;
 - 2) at a residential address that we believe is then your current residential address; or
 - 3) by electronic communication to your nominated electronic address, electronic equipment or device or by making such information available to you for retrieval from our website or via internet banking. We will only use this method if you have agreed and if we follow the requirements of any applicable law or code of conduct that we subscribe to.

Unless notified otherwise, all notices to us should be sent to:

ME
GPO Box 1345
Melbourne VIC 3001

or to any address we notify you of.

17.3 When notices are taken to be given.

- a) Notices delivered personally will be treated as given at the time of delivery.
- b) Notices sent by pre-paid post will be treated as given on the date it would have been delivered in the ordinary course of post, even if not received for any reason.
- c) Notices sent by fax will be treated as given when the machine from which they were sent indicates that they have been successfully transmitted.
- d) Any other electronic notices are taken to be given on the day that the electronic communication containing the notice or notifying you that the notice is available for retrieval enters your information system.

17.4 Your liability if there are more than one of you.

If there is more than one of you applying for this loan contract, you are jointly and severally liable for the obligations under this loan contract. This means that:

- a) each of you will be individually liable for the full amount of the loan;
- b) we can claim the whole amount payable under the loan contract from any one of you, or all of you, or any combination of you; and
- c) we can require any one of you, or all of you, or any combination of you, to perform any of the obligations under this loan contract.

17.5 Liability if you are a trustee.

If you enter into this loan contract as a trustee of a trust, you are also personally liable to us to the full

extent of your obligations under the loan contract. Your liability is not limited to the assets of the trust.

17.6 Representations, warranties and undertakings if you are a trustee or trust beneficiary.

If you enter into this loan contract as a trustee of a trust, you represent and warrant to and for our benefit that:

- a) you enter into this loan contract as trustee of the trust and in your own right;
- b) the trust is duly constituted and is not void, voidable or otherwise unenforceable;
- c) the trust is not a managed investment scheme under Chapter 5C of the Corporations Act 2001 (Cth);
- d) you have power as trustee to execute, and perform your obligations under, this loan contract;
- e) you have complied, and will comply, with your obligations under the trust constitution and applicable laws;
- f) except where Part A states otherwise, you are the sole trustee of the trust and will ensure that you remain the sole trustee of the trust;
- g) all the trust property is held by you as trustee of the trust under the trust constitution and no trust beneficiary has, or will have, the right to possession or control of any trust property;
- h) you have the right under the trustee's indemnity to be fully indemnified out of the trust property in respect of your obligations under this loan contract and such right has priority over the rights of the trust beneficiaries;
- i) you have not released or disposed of any rights under the trustee's indemnity, and you will not do anything which detrimentally affects those rights;
- j) the trust property is, and will at all times be, sufficient to satisfy all of your rights under the trustee's indemnity;
- k) the trust property is not, and will not be, mixed with any other property;
- l) the trust is not terminated and, subject to law and/or our prior written consent, no steps have been taken or will be taken to terminate the trust, resettle any of the trust property or the trust, distribute the trust property or vary the terms of the trust constitution;
- m) you will not, without our prior written consent:
 - 1) do anything which changes or would change the application of the laws relating to income tax to the trust;
 - 2) give any guarantee as trustee of the trust other than under this loan contract;
 - 3) enter into any partnership, joint venture, joint ownership, common enterprise or profit sharing arrangement or similar arrangement.

If you are a trust beneficiary and you enter into this loan contract jointly with the trustee of the trust, you:

- consent to the trustee entering into this loan contract and performing and observing the trustee's obligations under this loan contract;
- waive any right that you have against us or the trustee in so far as the trustee's execution and performance of the trustee's obligations under this loan contract breaches the trust or the trustee's obligations (including those owed to you as a trust beneficiary).

You must ensure that a person does not do or fail to do anything which would cause any representation, warranty or undertaking in clause 17.6 to be otherwise than true and correct in all respects.

17.7 Representations and warranties if you are a corporation.

If you enter into this loan contract as a corporation, you represent and warrant that you are duly incorporated in accordance with the laws of your place of incorporation, the corporation validly exists under those laws and has the capacity to sue and be sued in its own name and to own its property and conduct its business as it is being conducted.

17.8 Change of details.

You must notify us as soon as possible if you change your details (including your name, residential or postal address and any electronic address you have provided to us) and provide supporting documents as requested by us.

17.9 Credit legislation.

a) If the Credit legislation applies to this loan contract and:

- 1) the legislation would otherwise make a clause of this loan contract illegal, void or unenforceable; or
- 2) a clause of this loan contract would otherwise contravene a requirement of the legislation or impose an obligation or liability which is prohibited by the legislation,

this loan contract is to be read as if that clause were varied, or the amount of the obligation or liability reduced, to the extent necessary to comply with the legislation or, if necessary, omitted.

b) If the Credit legislation does not apply to this loan contract (for example, if the amount of credit is to be applied wholly or predominantly for business purposes or investment purposes other than investment in residential property):

- 1) the information statement: **'Things you should know about your proposed credit contract.'** does not apply; and
- 2) the reference to the information statement in the box immediately above the place for your signature in Part A does not apply.

17.10 Counterparts.

This loan contract may be signed in any number of counterparts. All counterparts taken together constitute one document.

17.11 Date of loan contract.

The date of this loan contract is the date of our offer letter.

17.12 Our liability as trustee.

If we enter into this loan contract in our capacity as trustee of a trust, our liability to you is limited to the assets of that trust which are available to us to enable us to satisfy that liability.

The preceding limitation of liability clause does not apply to the rights which you have:

- pursuant to any Credit legislation; or
- pursuant to any provision inserted into this loan contract in order to satisfy the requirements of any Credit legislation, and does not seek to avoid or modify the effect of any Credit legislation.

17.13 Account operations – either to operate.

If there is more than one of you, you nominate and authorise any one of you to operate on the loan account, including:

- a) changing your repayment frequency;
- b) amending your repayment amount;
- c) amending your repayment dates;
- d) initiating electronic direct debits or direct credits;
- e) drawing or requesting bank cheques (where available);
- f) cancelling or modifying a redraw request;
- g) removing any redraw facility or reducing the available funds under a redraw facility to enable your minimum payment to be reduced;
- h) changing your loan to a split loan by splitting a facility into two or more facilities;
- i) merging your split loan into a single loan by merging together two or more facilities into a single facility;
- j) adding or removing an offset transaction account;
- k) requesting a repayment holiday;
- l) requesting a fixed interest rate period;
- m) requesting the ability to make a prepayment during a fixed interest rate period;
- n) changing from an interest only loan to a principal and interest loan; and
- o) if you have a construction loan – requesting a draw down payment during a construction period.

17.14 Account operations – all to operate.

If there is more than one of you, any one of you may revoke the authorisation given under clause 17.13 so that the account may only be operated by all of you acting jointly.

Any such change in authorisation will only apply to the loan account and will not apply to a linked offset account.

A separate change of authorisation must be given in relation to any linked offset account.

If you wish to reinstate the authorisation given under clause 17.13 so the account can again be operated by any one of you, then all of you must give this authorisation in a form acceptable to us.

17.15 Assignment.

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

17.16 Additional requirements.

If we reasonably believe it is necessary to enable us to comply with any law, regulatory requirement or internal compliance program that we are legally required to have:

- you must provide us with any information or assistance we request; and
- we may disclose your information to third parties, including government or regulatory bodies, law enforcement bodies and other financial institutions.

17.17 Account combination.

We may set-off any liability that we have to you (including liability in respect of any deposit) against amounts that are due and payable by you to us under this loan contract but have not been paid.

However, if you have an account that relates to any amount you owe us under a loan that is regulated by the National Credit Code, we may not combine that account with another account:

- a) while we are actively considering your financial situation under either paragraph 167 of the Banking Code of Practice or under the hardship provisions of the Credit legislation; or
- b) while you are complying with an arrangement you have made with us after we have considered your financial situation; or
- c) if doing so breaches the Code of Operation: Recovery of Debts from Department of Human Services Income Support Payments or Department of Veterans' Affairs Payments.

We do not have to give you advance notice of when we are going to combine accounts, but we will tell you promptly after we do so.

17.18 Blocking your loan account.

We may block access to your loan account, or delay or block a transaction to or from your loan account, without notice if:

- we are required to do so by law;
- we reasonably suspect that you or someone else is being fraudulent in connection with your loan account;

- we reasonably believe that further use of your loan account may cause you or us loss or is not authorised by you;
- we reasonably believe that your loan account has been or is being used to further a crime;
- you have a joint account and we become aware that you and your joint account holder are in dispute; or
- we become aware that the sole account holder has died.

17.19 GST

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

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

17.20 Account not to be in credit

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

Annexure A – Fixed interest rate prepayment fee.

If you have decided to fix the interest rate on your loan you have ensured your loan repayments will not change for a fixed period of time. The primary benefit of this is the security of knowing exactly what your loan commitments are going to be. The benefit to a credit provider of providing fixed interest rates is knowing exactly how much interest they can expect to receive.

If during a fixed interest rate period you decide to repay either the entire loan or a portion of your loan you will change the amount of interest you pay and the credit provider actually receives. The fixed interest rate prepayment fee is a form of compensation to the credit provider if they do not receive the amount of interest they were expecting.

The formulae for calculating the prepayment fee on your fixed interest rate facility are detailed below. Any prepayment fee quote provided to you is only valid on the day of the quote.

Prepayment fee formulae.

For purposes of calculating the prepayment fee in relation to a fixed interest rate facility the following terms in the formulae have the following meanings:

loan balance means the facility balance being repaid;

repayment means the portion of your repayment attributable to the facility being repaid;

interest rate means the annual percentage rate that applies to the facility being repaid.

Prepayment of entire loan balance.

$$PF = [P - R] \times \frac{1 - [1 + I/F]^{-n}}{I/F}$$

where:

PF= the prepayment fee (our loss);

P = your current repayment;

R = what your current repayment would be if the interest rate were I and assuming you are not in default;

S = the wholesale market rates on the date of early termination of the fixed interest rate period by an Australian trading bank we choose;

M = our lending margin as at the date of the fixed interest rate period or at the date of a rate lock;

I = S plus M;

F = the number of repayment periods per annum (expressed as a fraction, if necessary); and

n = the number of repayment periods remaining from the next repayment date after the date of early termination of the fixed interest rate

period until the expiration of the fixed interest rate period being broken.

Note: 'current' refers to your loan details immediately prior to the early termination of the fixed interest rate period.

Partial prepayment.

If you repay only part of your loan balance or a facility balance, the partial prepayment formula set out below will apply.

$$PF = [T - V] \times \frac{1 - [1 + I/F]^{-n}}{I/F}$$

For explanation of the equation symbols please refer opposite and in addition:

T = what your repayment would be with your current fixed interest rate if your loan balance were equal to the amount of your partial repayment;

V = what your repayment would be if your loan balance were equal to the amount of your partial repayment and the interest rate were I.

Other cases.

In all other cases (for example, if an interest rate is converted to a variable interest rate, a new fixed interest rate period commences or we make an additional advance to you), you will be considered to have prepaid the entire fixed interest rate facility balance, and therefore a prepayment fee may be payable.

Annexure B – Direct debit request service agreement.

What we mean.

1. Definitions

In this agreement, unless the context requires otherwise:

- **Agreement or this agreement** means this Direct Debit Request Service Agreement between you and ME, including any amendments to this agreement;
- **Business day** means a weekday except a national public holiday or a public holiday in Victoria;
- **DDR** means a Direct Debit Request completed and signed in accordance with your account Terms and Conditions;
- **Drawing** means the amount debited from your nominated account pursuant to a DDR and this agreement;
- **Drawing arrangement** means your specific instructions set out in, or given to us in accordance with, a DDR as they relate to a drawing and your nominated account;
- **ME account** means the ME account specified by you in the DDR to which amounts are to be credited;
- **Nominated account** means the account that is nominated by you in the DDR from which amounts are to be debited;
- **Us, we, our and ME** means ME Bank – a division of Bank of Queensland Limited ABN 32 009 656 740;
- **You and your** means the person or persons who signed the DDR;
- **Your financial institution** means the financial institution at which the nominated account is held; and
- **Your Account Terms and Conditions** means the terms and conditions that apply to the ME account.

The low down.

2. Debiting your nominated account

By signing a DDR you authorise us to arrange for funds to be debited from your nominated account as follows:

- any amounts that we are instructed to draw in accordance with your Account Terms and Conditions;
- any amounts owing in relation to your ME account which we are entitled to draw under your Account Terms and Conditions; and/or
- in accordance with specific instructions set out in the DDR.

If a drawing is due to be made on a day that's not a business day, we may direct your financial institution to debit your nominated account on

the following business day. If you're uncertain as to when the drawing will be processed, contact your financial institution.

If a drawing arrangement is returned unpaid by your financial institution you:

- must arrange for the drawing arrangement to be made by another method or arrange for sufficient clear funds to be in your nominated account by an agreed time so that we can process the drawing;
- may be charged a fee and/or interest by your financial institution; and
- may also be charged a fee imposed or incurred by us.

We reserve the right to cancel your drawing arrangements if three or more drawings are returned unpaid.

We will not disclose any details of your DDR unless:

- the disclosure to a financial institution is necessary to enable us to act in accordance with your drawing arrangements or to investigate a disputed transaction;
- we are required or permitted to make the disclosure by law or you consent to the disclosure;
- our financial institution requires the disclosure in connection with a claim on it relating to a claimed incorrect or wrongful debit.

We'll keep you in the loop.

3. Changes to this agreement

We may change any details of this agreement or of a DDR by giving you 14 days' written notice.

Have it your way.

4. Your rights

You may ask us to alter or defer your drawing arrangements, stop an individual drawing or cancel this agreement by giving us at least one business day's written notice by mailing it to: ME Account Services, GPO Box 1345, Melbourne VIC 3001, or by faxing it to (03) 9708 4635. Alternatively, call the team @ ME on 13 15 63.

You can also ask your financial institution to stop an individual drawing, cancel this agreement or change your drawing arrangement by giving us your new nominated account details.

If you believe that a drawing has been initiated incorrectly, you should call us and confirm this by notice in writing ASAP. You may also direct any claims to your financial institution.

If we conclude as a result of our investigations that your nominated account:

- has been incorrectly debited, we will arrange for your financial institution to adjust your nominated account (including interest and charges) accordingly;
- has not been incorrectly debited, we will provide you with reasons and any evidence for this finding.

Stuff you need to know.

5. Your obligations

It's your responsibility to:

- make sure that your nominated account can accept direct debits (direct debiting may not be available on all accounts). If you're not sure, check with your financial institution before completing the DDR;
- have sufficient clear funds in your nominated account by the due date to enable drawings to be made;
- make sure that the details you give us of your nominated account are correct by checking them against a recent statement. If you are uncertain, check with your financial institution before completing the DDR;
- ensure that the authority given to us to draw on your nominated account is consistent with the account authority or signing instructions held by your financial institution for that account;
- tell us if the details of your nominated account change in any way; and
- check your statement to verify that the amounts debited from your nominated account are correct.

Credit guide.

Our details.

ME Bank – a division of Bank of Queensland Limited
Reply Paid 1345
Melbourne VIC 8060
13 15 63
mebank.com.au

Your credit assessment.

We need to assess everyone who applies for credit to determine their ability to service the credit we provide without causing substantial hardship.

Under the National Consumer Credit Protection Act 2009 credit providers are required to act in a fair and honest manner and living by these values is a big part of who we are.

If a credit contract is unsuitable for you, we must not enter into the contract or increase the credit limit of the contract.

A contract is unsuitable if, at the time of the assessment, it's likely that by entering into the contract with you or increasing the credit limit:

- you won't be able to comply with your financial obligations under the contract or could only comply with substantial hardship; or
- the contract won't meet your requirements or objectives.

We might also decline your application for other reasons.

Your assessment.

If your assessment is successful, we're required to keep a copy of it for seven years from the day we enter into the credit contract with you, or increase the credit limit.

Get in touch if you'd like a copy of your assessment and we'll give you one without charge. Based on the time you made your request we'll send you a copy:

- before you enter the contract or increase the credit limit if you ask us to before this time;
- within seven business days if you ask us within two years of entering into the contract or increasing your credit limit; or
- within 21 business days if you ask us more than two years after entering into the contract or increasing your credit limit.

We don't have to provide a copy of the assessment if the contract is not entered into or if the credit limit increase is not approved.

Information for a guarantor:

A guarantor can also request a copy of the assessment, free of charge.

Resolving disputes.

- a) Tell us straight away if you've got a complaint or you think an error or unauthorised transaction has been made on your account.
- b) It's really important that you give us all the information you can to help us resolve your concern.

If we can't find a solution immediately, we may ask you to put your complaint in writing to our Customer Relations team. You can do this by secure email through our internet banking service or by mailing it to:

ME Customer Relations Manager
Reply Paid 1345
Melbourne VIC 8060

- c) When we receive your complaint we'll investigate it based on the available evidence. Within 21 days of receiving your complaint we'll either:
 - finish the investigation and let you know of the outcome in writing; or
 - let you know in writing that we need more time to finish the investigation.
- d) Unless there are exceptional circumstances, we'll finish the investigation of your complaint within 30 days of receiving it. If an investigation takes longer than 30 days we'll:
 - let you know in writing why it's been delayed and your right to have the matter reviewed by AFCA;
 - provide you with monthly updates on the progress of the investigation; and
 - give you a date by which we can reasonably expect to reach a decision.
- e) When we've finished our investigation we'll write to you with the outcome and the reasons for our decision. If the complaint hasn't been completely resolved in your favour we'll also let you know of any further complaint resolution options available to you.
- f) If you're still not satisfied after the investigation has finished, you can contact our external dispute resolution scheme, AFCA by:
Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Email: info@afca.org.au
Website: afca.org.au

Terms of mortgage.

Important – read this carefully.

This is an important document. It sets out the terms of the mortgage over your property you will grant to the mortgagee. Under the mortgage, you give us a number of significant rights. One of them is to sell your property in certain circumstances. You also agree to restrict the way in which you may use the property, and the things you can do to it. Before you sign the mortgage:

- Read this document and the mortgage carefully.
- We recommend that you obtain independent legal advice and raise any concerns.

This document is incorporated into your mortgage as follows:

NSW	Memorandum filed in New South Wales Land Titles Office as number 2567496.
VIC	Memorandum of Common Provisions retained by the Victorian Registrar of Titles in number AA558.
QLD	Memorandum filed in the Queensland Office of the Registrar of Titles as number 701627621.
ACT	Memorandum of Provisions filed in the Australian Capital Territory Office of the Registrar General as number 1013529.
SA	Memorandum filed in the South Australian Office of the Registrar General as number 8195183.
WA	Memorandum of Common Provisions registered with the Office of Titles, Perth, Western Australia as number G315872.
NT	Memorandum of Common Provisions registered and retained by the Land Titles Office, Darwin, Northern Territory as number 362762.
TAS	Memorandum of Provisions filed in the Land Titles Office as number M370.

Part 1 – meaning of important words.

1.1 Words with special meanings

In this mortgage:

Authority means any government, or any government or semi-government authority, administrative, fiscal or judicial body or person or other like body or person;

Body corporate means a body corporate, community corporation, community association, corporation or company created by, or on registration of, a plan, or responsible for managing common property subject to a plan;

Building work means any building, excavation or demolition work on or to the property or any renovations or repairs which affect the structure of the property;

Credit legislation means the Consumer Credit Code or other consumer credit legislation implementing or contemplated by the Uniform Credit Laws Agreement 1993, including any amendments to, or regulations under, such legislation;

Event of insolvency means in relation to a company, any of the following events:

- a) a receiver, manager, receiver and manager, administrator or similar officer is appointed to the company or any of its assets;
- b) a liquidator or provisional liquidator is appointed to the company;
- c) any application is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - i) appointing a person referred to in paragraph (a) or (b) above;
 - ii) winding up the company; or
 - iii) proposing or implementing a scheme of arrangement in respect of the company; or
- d) the company becomes, or admits in writing that it is, or is deemed under any applicable law to be, insolvent or unable to pay its debts;

Law means common law, principles of equity and laws made by parliament (and includes regulations and other instruments under laws made by parliament);

Money you owe us means all money which any one or more of you:

- a) owe us now or in the future;
- b) may come to owe us if a particular event occurs or a particular circumstance comes to exist; or
- c) owe a person to whom this mortgage is assigned or transferred and that becomes owing after the date of the assignment or transfer;

under this mortgage or any secured agreement;

Mortgage means:

- a) the form headed “Mortgage”, “Memorandum of Mortgage” or a similar title signed by you which incorporates by reference these Terms of Mortgage (the “mortgage form”); and
- b) these Terms of Mortgage;

Mortgage manager means Members Equity Bank Limited (ABN 56 070 887 679) and any person we appoint from time to time to manage this mortgage for us;

Plan means a unit, building units, group title, community title, community division, stratum or other plan which is required to be or may be registered under law providing for the subdivision of land or buildings;

Property means the land (including any estate or interest in the land) mortgaged by this mortgage, together with all fixtures and improvements on it and all rights attaching to it;

Secured agreement means any agreement which:

- a) you and we enter into which states that it is a secured agreement for the purposes of this mortgage; or
- b) is expressed to be collateral to this mortgage or any agreement referred to in paragraph (a);

Subdivision means a subdivision or division of land or buildings for any purpose under law providing for strata, cluster, precinct or other subdivision or division of land or buildings;

Trust deed means the deed or deeds and other documents evidencing or constituting a trust;

We means the person referred to as the "Mortgagee" in the mortgage form. Us, our and similar parts of speech have corresponding meanings;

Working day means a week day on which trading banks are open for business in Melbourne; and

You means the person or persons referred to as the "Mortgagor" in the mortgage form. If there is more than one person referred to, you means each of those persons separately and all of them as a group. Your and similar parts of speech have corresponding meanings.

1.2 General interpretation

In this mortgage:

- a) the singular includes the plural and vice versa;
- b) references to a document or agreement include all variations, novations or replacements to it;
- c) references to a law or any provision of a law include statutory modifications, re-enactments or substitutions; and
- d) references to any person (including you, us and our mortgage manager) include the person, and the successors in title, transferees or personal representatives of the person.

Part 2 – things you must tell us.

2.1 Our reliance on the things you tell us

In deciding to enter into this mortgage and any secured agreement, we have relied, and will rely upon the statements by you in clauses 2.2, 2.3 and 2.4.

2.2 Things you tell us – general

You make the following statements:

- a) all information you have given us about yourself and the property was true when you gave it to us;

- b) nothing has happened since you gave us any information about yourself or the property which makes that information untrue or misleading;
- c) there is no information about yourself or the property which you have not given us which might reasonably be expected to have caused us not to accept this mortgage or enter into any secured agreement;
- d) you are, or will be shortly after you sign this mortgage, the legal and beneficial owner (or if you are the trustee of a trust, the legal owner) of the property and have (or will have) an absolute and indefeasible title to it which is not affected by any other right or interest except those you have told us about or which are known to our solicitors prior to the date you sign this mortgage;
- e) no one else has any rights over the property (for example, under a lease, an easement, a trust or another mortgage) other than those you have told us about or which are known to our solicitors prior to the date you sign this mortgage; and
- f) all statements you have made or make to us in any secured agreement, or which we have relied upon when we entered into any secured agreement, are true and not misleading because of something you did not tell us.

2.3 Things you tell us – companies

If you are a company, you make the following statements:

- a) the entering into of this mortgage and any secured agreement and you performing your obligations under them, does not or will not breach your memorandum and articles of association;
- b) having regard to the benefits and detriments to you of entering into this mortgage and any secured agreement and you performing your obligations under them, and to all other relevant matters, it is in your best interests to give this mortgage and to enter into the secured agreements;
- c) you are able to pay all of your debts, as and when they become due and payable, and you will not become unable to do so because of, or because of matters including, the entering into of this mortgage and any secured agreement;
- d) this mortgage and each secured agreement constitute, and will constitute at all times while the money you owe us is or may become owing, legally binding obligations, enforceable against you in accordance with their terms;
- e) you have filed or registered all documents required with any applicable regulatory authority, and all those filings and registrations are current, complete and accurate; and
- f) the most recent financial statements you have given to us have been prepared in accordance with generally accepted Australian accounting

principles, and the Corporations Law, and give a true and fair view of your financial position.

2.4 Things you tell us – trusts

If you enter into this mortgage or any secured agreement as trustee of a trust, you make the following statements:

- a) the trust is solely constituted and evidenced by the trust deed, a true and complete copy of which you have given to us before the date you sign this mortgage;
- b) the trust has been validly created and is in existence at the date you sign this mortgage and each secured agreement;
- c) all stamp duty payable on the trust deed has been paid;
- d) you have been validly appointed as trustee of the trust and are presently the only trustee;
- e) a date has not been declared under the trust deed as the date on which the trust will be vested or come to an end;
- f) you have power under the trust deed to enter into and perform your obligations under this mortgage and each secured agreement;
- g) it is in the best interests of the trust that you enter into this mortgage and each secured agreement;
- h) you are entitled to be indemnified or exonerated from the assets of the trust in respect of your liabilities under this mortgage and each secured agreement, and you have not done anything to prejudice or limit that entitlement;
- i) you are not aware of any circumstances which may lead any beneficiary of the trust to seek to remove you as trustee of the trust; and
- j) all information you have given us about the trust was true when you gave it to us.

2.5 You must tell us if anything changes

You must tell us immediately if:

- a) there is a change in your personal circumstances or in your (or if you are a trustee, the trust's) financial condition or business affairs from those which you have told us about in clauses 2.2, 2.3 or 2.4;
- b) anything happens which makes any of the statements made by you in clauses 2.2, 2.3 or 2.4 untrue or misleading; or
- c) anything happens which materially reduces the value of the property or the value of this mortgage as a security for the money you owe us.

Part 3 – things you must do.

3.1 General

You must do all of the following things, unless we agree at any time that you need not:

- a) pay us the money you owe us when due and do all of the other things you agree to do under this mortgage and under each secured agreement;

- b) give us, as soon as possible after we ask for it (and in any case within 14 days), whatever information and documents you have in your possession which we ask for about the property or anything affecting the property, such as a lease or any building work;
- c) comply with all of the following things which affect the property:
 - i) all laws;
 - ii) all requirements of any authority; and
 - iii) all restrictions, conditions or easements;
- d) pay on time all rates, taxes, charges and other outgoings payable on or in respect of the property;
- e) give us copies of all notices you receive from any authority which might adversely affect the property or its value promptly after you receive them;
- f) if an authority issues any notice, order or claim in respect of the property under any law relating to pollution or the protection of the environment you must do any remedial work required by the notice and within any period of time specified in the notice;
- g) if we reasonably believe an authority is entitled to issue a notice referred to in paragraph (f), you must have an environmental examination of the property done by an appropriately qualified person approved by us, and have any remedial work recommended by that person done within such time as we reasonably require;
- h) tell us immediately if any of the events referred to in clause 11.1 happen; and
- i) deal with the mortgage manager for all purposes of this mortgage and each secured agreement until we tell you otherwise.

3.2 Additional things you must do if you are a company

If you are a company, you must:

- a) give to us promptly after we ask for it any information we require about your business or financial condition; and
- b) give to us promptly after we ask for it a statutory declaration made by one or more (as we require) of your directors stating whether to the best of the knowledge of those directors, you are in default under this mortgage, and if so any steps you have taken to remedy the default.

3.3 Additional things you must do if you are a trustee

If you enter into this mortgage as trustee of a trust, you must:

- a) notify us immediately in writing if:
 - i) you cease to be the trustee of the trust; or
 - ii) the trust is terminated, vests or ceases to exist;
- b) not distribute any capital of the trust fund until the money you owe us has been repaid in full;
- c) give to us promptly after we ask you to:

- i) copies of an up to date balance sheet and profit and loss account of the trust; and
 - ii) any other information we require about the business or financial condition of the trust;
- d) not do anything which limits, prejudices or disposes of all, part of or an interest in your right to be indemnified or exonerated from the trust fund; and
- e) comply with all of the terms of the trust deed.

3.4 Repair and maintenance of property

You must:

- a) keep the property in a condition which is generally as good as its condition on the date you sign this mortgage;
- b) if you make improvements to the property by doing any building work, keep those improvements in good repair and condition; and
- c) repair and maintain the property as necessary to preserve its value.

3.5 Encroachments

If the property encroaches into any adjoining land, you must either:

- a) rectify the encroachment; or
- b) get an easement from the owner of the adjoining land to allow it to continue.

3.6 Documents of title

You must deposit with us the Certificate of Title (if any) and any other documents of title to the property (including leases), unless:

- a) some other person already has a mortgage over the property which you have told us about; and
- b) that person has the Certificate of Title and the other documents of title to the property under that mortgage.

3.7 Caveat

If a caveat is registered against, or recorded or lodged in relation to the property without our consent, you must make sure that it is removed as soon as practicable.

3.8 Body corporate

If the property is a flat, unit or lot in a plan and there is a body corporate, you must:

- a) if we give you instructions, vote at any meeting of the body corporate in accordance with those instructions; and
- b) give any proxy or notice which we ask you to give which is required to enable us to vote at meetings of the body corporate or exercise any other rights which we may have under law as mortgagee of the property.

3.9 Leases

If you lease all or part of the property, or give another person the right to occupy the property, you must not transfer, or give a mortgage or charge over, the right to receive any rent or other money payable to you by the lessee or the person to whom you give that right of occupation.

Remember, you may need our consent before you lease the property or give another person the right to occupy it – see clause 6.1(b).

3.10 Further assurances

You must do everything which we require at any time (for example, signing any additional documents or answering any requisitions) to make this mortgage more effective as a security for the money you owe us.

Part 4 – insurance.

4.1 Keep property insured

You must keep the property insured for at least its full replacement and reinstatement value against:

- a) fire and other usual risks; and
- b) any other risks which we reasonably require.

4.2 Body corporate

However, if the property is:

- a) located in Victoria and:
 - i) is a flat, unit or lot in a plan and there is a body corporate;
 - ii) the body corporate has insured the land (including the property and the common property affected by the plan); and
 - iii) our interest as mortgagee is noted on the body corporate's insurance policy, you must keep the property insured only for the amount by which the money you owe us is greater than the amount of insurance taken out by the body corporate that applies to the property and your share of the common property; or
- b) located anywhere other than in Victoria and is a flat, unit or lot in a plan and there is a body corporate, you must keep the property insured only for an amount equal to the money you owe us, and any other amount secured by a security concerning the property.

4.3 Terms of insurance

The terms of each insurance policy, and the insurer must be satisfactory to us in our reasonable discretion, and our interest as mortgagee must be noted on each insurance policy.

4.4 Insurance policies

Whenever we ask, you must give us copies of all insurance policies and evidence that they are all current.

4.5 You must maintain insurances

You must not do anything, omit to do anything, or let anything be done, which results in:

- a) the amount payable under any insurance policy being reduced or the policy being cancelled, or not enforceable against the insurer; or
- b) the insurer being entitled to reduce the amount payable under or cancel any insurance policy.

4.6 Making claims

You must tell us promptly if you make any insurance claim, or are entitled to make any

insurance claim under any policy covering the property.

4.7 Use of claim money

If you receive any money in payment of a claim on the insurances on the property, you must (unless you are required by any law to use that money in a different way):

- a) use that money to repair the damage for which the claim was made or carry out other work on the property approved by us; or
- b) pay the money to us in reduction of the money you owe us.

4.8 We may exercise rights to insurances

If we choose to, we have the right to settle and receive payment of any claim on the insurances on the property.

We may do this in our name or in your name (as your attorney under the power of attorney in part 13) as we see fit, provided that we act in good faith, and we may use the money for any of the purposes referred to in clause 4.7(a) or (b).

Part 5 – building work.

5.1 How you must do building work

If you do any building work on the property, you must:

- a) submit to us the plans and specifications and appropriate authorisations and approvals in respect of the building work;
- b) obtain our approval to the plans and specifications and the authorisations and approvals;
- c) construct the building work in accordance with the plans and specifications, the authorisations and approvals, and all laws and in a proper and workmanlike manner;
- d) construct the building work in a regular and continuous manner and complete the building work no later than:
 - i) the date you tell us the building work will be completed;
 - ii) the date for completion shown on any schedule you provide to us; or
 - iii) the date we require that the building work be completed (as notified to you in writing);
- e) permit any person we nominate to at any time enter the property to inspect and supervise the building work; and
- f) provide to us at our request building and occupancy certificates, a valuation report and a surveyor's certificate in relation to the property upon (or if we so request, before) the completion of the building work.

Remember, you need our written consent before you do any building work – see clause 6.2(d).

5.2 Our right to complete works

If you are not complying with clause 5.1, we may, if we choose to, take over the building work and either finish it, vary it, or stop it. We may do any of these

things as we see fit, and will have no liability to you provided that we act in good faith.

5.3 Your responsibility for building work

All building work is your responsibility. We will have no responsibility for any building work, even if we give our consent to or approval of the building work, either before it is carried out or while it is being carried out.

Part 6 – things you must not do without our consent.

6.1 Matters where we may withhold consent

You must not do any of the following things unless you first get our written consent:

- a) mortgage or charge all or part of the property to anyone else or allow any other mortgage or charge over the property to exist;
- b) give any lease or other right to occupy all or part of the property;
- c) do anything which reduces the value of the property; or
- d) do anything which reduces the value or effectiveness of this mortgage as a security to us.

We may reject a request by you for our consent to do any of these things, or impose whatever conditions we see fit if we give our consent. We do not have to give you any reasons.

6.2 Matters where we may withhold our consent (but not unreasonably)

You must not do any of the following things unless you first get our written consent. We will not unreasonably withhold our consent to you doing any of these things, or impose any unreasonable conditions on any consent we give:

- a) sell all or part of the property;
- b) create or dispose of any other interest in all or part of the property;
- c) remove any fixtures or improvements on the property; or
- d) do any building work on the property (other than minor works).

Part 7 – our right to inspect.

7.1 Access for inspection

If we ask, you must give us access to the property so that we can:

- a) inspect it;
- b) check that you are complying with this mortgage; or
- c) do anything which we are entitled to do under this mortgage.

7.2 Notice to inspect

We will give you reasonable notice if we want access to the property, but in an emergency, you must give us access immediately.

Part 8 – our right to correct defaults by you.

If you do not do any of the things you must do under this mortgage, we have the right to do them instead.

Part 9 – when we release this mortgage.

9.1 Release if you owe us no money

If there is no money you owe us, and there is no secured agreement under which there may be money you owe us, we will release the property from this mortgage when you ask us to.

9.2 Effect of release

If we release the property from this mortgage, that release will not by itself release you from any obligations you have to us under any secured agreement.

Part 10 – our right to transfer this mortgage.

We may transfer this mortgage or dispose of any of our rights under it at any time and in any way we see fit. We need not tell you if we do.

Part 11 – default.

11.1 What constitutes a default

You default under this mortgage if:

- a) you do not pay us any of the money you owe us when you have to;
- b) you do not do something you must do under this mortgage or any secured agreement;
- c) you do something which you must not do under this mortgage or any secured agreement;
- d) any of the statements you make in part 2 is not true;
- e) you are an individual and you die;
- f) you are an individual and you become or are deemed to be unable to pay your debts or an order is made for the management of your affairs under any law relating to mental health;
- g) you are a company and an event of insolvency occurs in relation to you;
- h) any execution, attachment or other process in an amount exceeding \$5,000 is issued or enforced against any of your assets and is not set aside within 7 days;
- i) you default under any other mortgage or security affecting the property;
- j) another person has guaranteed, or given us another security for the money you owe us, and that person:
 - i) defaults under that guarantee or security, becomes bankrupt or an order is made for the management of his or her affairs under any law relating to mental health; or

ii) dies;

- k) this mortgage or any secured agreement or other guarantee or security held by us as security for the money you owe us is or becomes unenforceable;
- l) we form a reasonable opinion that there has been a material adverse change in your personal circumstances or in your financial condition or business affairs from those which you told us prior to granting us this mortgage;
- m) you enter into this mortgage or any secured agreement as trustee of a trust and, without our prior written approval:
 - i) any other trustee of the trust is appointed;
 - ii) you cease to be trustee of the trust;
 - iii) there is any variation to the trust deed;
 - iv) a date is declared under the trust deed as the date on which the trust will be vested or come to an end;
 - v) there is a breach of trust by you; or
 - vi) you do anything to prejudice or limit your entitlement to be indemnified or exonerated from the assets of the trust in respect of your liabilities under this mortgage and each secured agreement;
- n) all or part of the property is resumed or you are required by law or court order to transfer it to another person or an authority and either:
 - i) you receive no compensation or compensation which in our reasonable opinion is not substantially equal to any reduction in the value of the property caused by the resumption or transfer; or
 - ii) you do not pay us the amount of the compensation you receive in reduction of the money you owe us; or
- o) if the property is a flat, unit or lot in a plan and there is a body corporate:
 - i) the body corporate does not comply with its obligations under any law;
 - ii) the plan is varied or terminated without our consent; or
 - iii) anything happens (for example, the passing of a resolution or the making of a court order) in relation to the plan or the body corporate which reduces the value of the property or affects or changes the use of any common property.

11.2 Our rights if you default

If you default under this mortgage, we may (after complying with any notice or other requirements under law) do any one or more of the following things:

- a) give you a notice stating that all the money you owe us is due and payable, at which time you must pay us all the money you owe us immediately;
- b) take possession of the property;

- c) evict you and any other occupants of the property from it;
- d) sell the property;
- e) do anything which the owner of the property could do, as if this mortgage had not been signed;
- f) do anything else which the law permits us to do as mortgagee of the property;
- g) appoint someone else (for example a receiver or agent) to do any of these things (or terminate any such appointment).

11.3 Exercise of power of sale

For the purpose of legislation in each State or Territory regulating the exercise by a mortgagee of its power of sale:

- a) the period for which a default under this mortgage must continue before we can serve a notice to remedy that default is 1 day; and
- b) the period for which that default must continue after serving that notice and before we can exercise the power of sale is:
 - i) if the property is located in Victoria, Northern Territory, Australian Capital Territory, Western Australia or Tasmania, 1 day;
 - ii) if the property is located in South Australia, 1 day, unless the property is deemed to be appropriated for domestic or agricultural use under the Law of Property Act 1936 (SA) and you are a natural person, in which case 1 month; and
 - iii) if the property is located in Queensland or New South Wales, 1 month.

11.4 How we will use money we receive

We will use the money which we receive as a result of exercising our rights under this mortgage (except for the proceeds of a claim on the insurance on the property) in the following order (unless we are required by law to use them in another order):

- a) first, in paying all costs and expenses incurred by us (or a receiver or agent we appoint) in exercising our rights;
- b) secondly, in paying any person with a claim to that money which ranks ahead of our rights (for example, a person who has a prior mortgage over the property);
- c) thirdly, in paying the money you owe us in any order we choose (for example, we may use the money to pay principal before interest, or to pay later instalments before earlier ones); and
- d) fourthly, in paying any balance to any other person entitled to it (for example, a person who has a subsequent mortgage over the property); and
- e) fifthly, in paying any balance to you.

11.5 When you get credit

You will be given credit only from the date we actually receive any money under this mortgage,

and then only to the extent that we are not subsequently obliged to repay that money.

Part 12 – enforcement expenses.

12.1 If you are an individual

If you are an individual, when we ask, you must pay us any amount we, the mortgage manager, or an attorney or receiver reasonably incur or expend in enforcing this mortgage after you are in default. These may include expenses incurred in preserving or maintaining the property – such as insurance, rates and taxes payable for the property and, if you do any building work on the property, may also include any expenses incurred in finishing or varying or stopping that building work.

12.2 If you are a company

If you are a company:

- a) you must pay all costs and expenses (and in the case of legal costs, on a full indemnity basis) which we, the mortgage manager, or an attorney or receiver incur or expend in or as a result of taking any action which we are entitled to take if you fail to do anything which you are obliged to do under this mortgage or any secured agreement or if you are in default; and
- b) you must indemnify us for all losses we suffer or costs we incur as a result of a default under this mortgage.

Part 13 – power of attorney.

- a) You appoint us as your attorney (with power to appoint substitutes) to execute all documents and do everything:
 - i) which you must do under this mortgage;
 - ii) which we are entitled to do under this mortgage; or
 - iii) for protecting or preserving our interest in the property.

You cannot revoke this power of attorney until you have paid to us all of the money you owe us. You agree to ratify and confirm anything which we do in exercising this power of attorney.

- b) If the property is located in Queensland, you declare that the power of attorney cannot be revoked and is given to secure your obligations to us. You make this declaration under section 174(3) of the Property Law Act 1974 (Qld);
- c) You also agree to give us on request a separate power of attorney on substantially the same conditions as the power of attorney in this mortgage. The power of attorney must be in registrable form and in a form which complies with all relevant legislation concerning powers of attorney.

Part 14 – notices and communications.

14.1 How given

Every notice, certificate, request and other communication under or in connection with this mortgage (“notice”) must be:

- a) in writing; and
- b) given by one of us to the other by:
 - i) delivering it personally to the address we have most recently notified to each other;
 - ii) sending it by pre-paid post to that address; or
 - iii) sending it by fax to a fax machine at that address.

14.2 When notices taken to be given

- a) Notices delivered personally will be treated as given at the time of delivery;
- b) Notices sent by pre-paid post will be treated as given on the second working day after posting, even if not received for any reason;
- c) Notices sent by fax will be treated as given when the machine from which they were sent indicates that they have been successfully transmitted.

Part 15 – certificates we give you.

If we give you a certificate which states any amount payable or any other matter relating to this mortgage, the certificate will be sufficient evidence of these matters unless it is proved to be incorrect.

Part 16 – credit legislation.

16.1 Application of credit legislation

This part 16 applies to the extent that credit legislation applies to this mortgage.

16.2 Severance

If:

- a) any credit legislation would otherwise make a provision of this mortgage illegal, void or unenforceable; or
- b) a provision of this mortgage would otherwise contravene a requirement of that legislation or impose an obligation or liability which is prohibited by that legislation;
- c) this mortgage is to be read as if that provision were varied, or the amount of the obligation or liability reduced, to the extent necessary to comply with that legislation or,

if necessary, omitted.

16.3 Money you owe us

If any credit legislation makes this mortgage void to the extent that it secures certain amounts, the money you owe us does not include any such amounts.

Part 17 – crown lease of property.

- a) This clause applies if you hold the property under a Crown lease;

- b) You represent to us that the following are true and correct (and not misleading):
 - i) you have given us a full and complete copy of the lease;
 - ii) the lease is valid and current;
 - iii) you have the right under the lease to mortgage the lease to us and you are not in breach of the terms of the lease by your entry into the lease;
 - iv) you have not done anything or allowed anything to happen that would cause the lease to end or allow the landlord to bring the lease to an end; and
 - v) you have complied with all the provisions of the lease and of any agreement referred to in the lease and any legislation governing Crown leases.
- c) You must:
 - i) comply with all the terms of the lease and any legislation governing Crown leases;
 - ii) not surrender the lease;
 - iii) if the property is held under a Crown lease in the Australian Capital Territory, not make application for any approvals to conduct controlled activities under the Land (Planning and Environmental) Act 1991 (ACT) unless we give our prior written consent in writing;
 - iv) apply for, and do everything that you have to do to get a new lease of the property, if you are able to apply for a new lease and we ask you to do so; and
 - v) give us as further security for the secured money,
a new mortgage over any new lease of the property, in the form required by us, as soon as you get it.
- d) If you have the right under any legislation at any time
- e) to get full title (known as the “fee simple”) to the property you will promptly tell us and, if we ask you to do so, you will get that full title to the property and give any further title documents for the property to us as soon as you get them;
- f) If you get the full title to the property, you will immediately give us a mortgage over it and over any other interest you may have in the property, in the form required by us, as further security for the secured money.

Part 18 – miscellaneous matters.

18.1 Continuing security

This mortgage is a continuing security for the money you owe us.

18.2 Our other rights

Our rights under this mortgage are in addition to any other rights and remedies we have under any secured agreement or under any law.

18.3 No waiver of other rights

If we do not exercise any right we have under this mortgage, any secured agreement or any law, that does not prevent us from exercising it later, or from exercising any other rights we have.

18.4 Our discretion as to exercise of other rights

We may exercise our rights under this mortgage and any secured agreement in any way and in any order we see fit.

18.5 Exclusion of moratorium laws

Subject to part 16, you agree that, to the fullest extent permitted by law, any law (whether now in force or which comes into force) which:

- a) lessens or varies your obligations under this mortgage; or
- b) delays or prevents us from enforcing our rights under this mortgage, does not apply to this mortgage.

18.6 Counterparts

If we sign one copy of this mortgage, and you sign another copy, both copies together will be taken to be one document, even if no single copy is signed by each of us.

18.7 Liability if there is more than one of you

If there is more than one of you, you are jointly and severally liable for the obligations in this mortgage. This means that we may require any one of you, or all of you, or any combination of you, to perform any of the obligations, or pay any amounts owing, under this mortgage.

18.8 Liability if you are a trustee

If you enter into this mortgage or a secured agreement as trustee of a trust, you are also personally liable to us to the full extent of your obligations under this mortgage and each secured agreement. Your liability is not limited to the assets of the trust.

18.9 Mortgage manager

The mortgage manager is entitled (unless its appointment has been revoked) to exercise all of our rights under this mortgage.

18.10 Our consent

We may, where our consent or approval is required, withhold our consent or approval or give it conditionally or unconditionally, unless expressly stated otherwise.

Finito. Terminado. Finírisma. Done.

You made it! Now that you've read the fine print, hang on to this handy booklet.

In fact, put it somewhere safe so you can look stuff up if you need to.

Or, just refer to it for a bit of light reading.

Questions?

We're always on the job. If you'd like further information on what you've just read, or to find out more about our straightforward, transparent products and genuine service, you know where we are. And if you don't, there's just two more lines to read.

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