

Consumer Mortgage Lending Products

Terms and Conditions
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Including the Usual Terms and Conditions for Consumer Mortgage Lending

Section 2 contains our Usual Terms and Conditions (UTC) for Consumer Mortgage Lending, including loans for investment purposes. They do not contain all the information we are required to give you before you enter into the Contract. If your loan is regulated by the Consumer Credit Code please read the Information Statement – Part F in Section 1. The rest of the information is contained in the Schedule. Please read the Schedule first before reading this booklet.

Other terms and conditions may also apply to the Loan Account by operation of law.

Important Information

Applications for finance are subject to the Bank's normal credit approval. Full terms and conditions will be included in the Bank's loan offer. Fees and charges are payable.

Commonwealth Bank of Australia ABN 48 123 123 124

About this booklet

Finding the information you want

This booklet contains information to help you make an informed decision about the consumer mortgage lending product(s) that best suit your needs, and to help you compare with others that you may be considering. The booklet also contains the terms which govern those products.

The booklet is organised in sections and should be read in conjunction with the separate brochure containing standard fees and charges for Home Loans, Investment Home Loans, Viridian Line of Credit/Line of Credit, Viridian Advantage/Equity Advantage, Equity Unlock Loan for Seniors and Mortgage Interest Saver Account.

Section 1 – Useful information

This section provides general information on the types of consumer mortgage lending products available through the Bank and significant features and benefits. It also tells you about Packages which offer benefits and savings, as well as Relationship Balance which offers other savings.

Section 2 – Usual Terms and Conditions

This section tells you about the general and specific terms and conditions that apply to all consumer mortgage lending products.

Section 3 – Packages

Specific terms and conditions for Packages, a banking product designed to save you money.

Section 4 – Mortgage Interest Saver Account (MISA)

Terms and conditions for MISA, an account available if you open a home loan account that is eligible for MISA.

Section 5 – Keeping you informed

How to make a complaint and where to get help.

Section 1: Useful information

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Consumer Credit Code

The Consumer Credit Code regulates all credit transactions for predominantly personal, domestic or household purposes that take place in Australia. It does not apply to borrowings used mainly for investment purposes nor loans to companies. Wherever you live, and however you use credit, you have the same standard coverage.

Under the Code we must tell you what your rights and obligations are before you enter into any credit arrangement. The law requires us to fully disclose all relevant information about your arrangement in a written contract, including interest rates, fees, commissions and other information.

The aim of the Code is to avoid credit problems faced by some consumers, as well as protect them if they get into trouble. As a credit provider we avoid making contracts with consumers who would find it difficult to meet their repayments. A court can also order changes to a contract if it is considered unjust. Further information about your contract is set out in Part F.

Code of Banking Practice

The Bank abides by the banking industry's *Code of Banking Practice*, a voluntary code of conduct which sets standards of good banking practice for us to follow when dealing with you. The Code applies to the banking product that we provide to you.

Better Banking Book

We have also prepared an information booklet, *The Better Banking Book*, which contains useful information on a range of banking matters including: the rights and obligations that arise out of the banker and customer relationship; account opening procedures; our obligations regarding confidentiality of your information; our complaint handling procedures; bank cheques; the importance of you informing us promptly when you are in financial difficulty; the importance to you of reading the terms and conditions applying to any banking service provided to you or in which you are interested; and how to use a cheque account.

Where to obtain a copy of ...

The Better Banking Book and/or *Code of Banking Practice*

- Any branch of the Commonwealth Bank
- Ask your Relationship Manager or Broker
- Visit our website **commbank.com.au**

Section 1: Useful information

About our contractual relationship

The Contract for your Loan is made up of the **Usual Terms and Conditions** (UTC) and a Schedule.

Section 2 of this booklet forms the UTC of the Contract between you and us, if you decide to enter into a loan agreement with the Bank.

Section 3 forms the terms and conditions for Packages.

Section 4 forms the terms and conditions if you open a Mortgage Interest Saver Account (MISA).

Please read this booklet before entering into a loan agreement. You will then know what to expect from us and what we expect from you. You can ask us questions about any of the terms and conditions you do not understand and so avoid misunderstandings. If you enter into a contract with us, then you should keep this booklet and all other documentation for future reference.

Updating this booklet

Information in this booklet is current as at the date we provide it to you, although from time to time it may be subject to change. If new information is not substantially different then we will not issue a new booklet or supplementary advice to you.

Where information is materially different, the Bank will either issue a new booklet or supplementary advice setting out the updated information.

For updated information visit our website at **commbank.com.au** – or you can call **13 2224** for non broker customers or **13 2407** for broker customers. If you ask us to, we will send you a paper copy of the information.


Information about your Schedule

The Schedule sets out the current particulars of the Loan. By signing and returning the Schedule to us you agree to be bound by the Contract. The Contract is made on the day we receive the signed Schedule back from you.

Item	Our terms	What it means?
Item A	Disclosure Date	The information in the Schedule is correct at this date.
Item B	Amount of credit/Credit limit	The maximum amount of credit we agree to lend you.
Item C	Interest rates	The name of the interest rate, the interest rate, any interest rate margin and any default interest rate.
Item D	Total amount of interest charges payable under the Contract	The total amount of interest payable assuming the interest rates do not change and you continue to make the repayments as shown in Item E.
Item E	Repayments	Your minimum repayments based on the interest rate shown in Item C.
Item F	Credit fees and charges	Details of our Credit fees and charges (please note transaction fees may also apply).
Item G	Total amount of credit fees and charges payable under the Contract	Total amount of fees and charges payable.
Item H	Frequency with which interest is debited to the Loan Account	How often interest will be charged.



Section 1: Useful information



Item	Our terms	What it means?
Item I	Credit-related insurance financed under the Contract	Usually not applicable.
Item J	Commission we pay in relation to the Loan Contract	Commission we pay a broker or an external party who introduces the loan to us.
Item K	Security	Details of the mortgage(s) and any guarantee(s) to secure your loan.
Item L	Other conditions and requirements	Any other conditions which apply.
Item M	We pay the amount of credit	How the loan funds are to be disbursed.
Item HLA	Interest only period	The period during which you only pay interest. Repayments of principal and interest commence one month after your last interest only payment.

Choosing a home loan

At the Commonwealth Bank we want to provide excellent customer service by responding to your needs. Whatever the banking product or service you purchase, we want you to be satisfied with your decision. We also want you to fully understand your rights and obligations before you enter into a contract with us. Making an informed decision is in your best interest – and ours.

All of the information in this introductory section – and the terms and conditions in Sections 2–4 is designed to help you as you consider the proposed credit contract with the Bank.

Borrowing money to fund a home loan is a big decision – and one that you need to make based on having the right information. When it comes to choosing which home loan, we can offer a range of information. Some of it you will find on our website at **commbank.com.au** or when you visit one of our branches or contact your broker.

If you do have questions about your home loan and need further assistance, please contact your lender or broker.



Money to buy your first home

If you've found your home then you'll need to choose a loan and apply for it. We can help you work out how much to borrow.



Money to buy a second home

Are you buying your second home or moving to a new home? We offer a portability option that lets you transfer your current home loan to your new home. If you prefer to find and buy your new home before you sell your existing home then we can offer a bridging loan.



Money to buy a property share

Some homebuyers prefer to buy a property with friends or family. We can offer separate loans for each person buying the property share. Each loan is secured against the property you buy together and you guarantee each other's loans. Property Share is not available on all loans, please speak to your lender or broker.

Section 1: Useful information



Money to refinance

Refinancing your home? You may want flexibility in a loan to take account of your changing needs. Or you may simply wish to combine your existing Commonwealth Bank loans under one facility. We may be able to offer a lower interest rate than your existing lender.



Your loan options

We offer different types of loans and interest options. If your contract permits it, we offer flexibility in the way you conduct your loan. The table in Section 2, clause 13 sets out some of the options available to you including whether you can switch between the various loan types.



Money to renovate

Renovating your home can be costly, but may be easier than moving. If you're thinking about, or in the process of, making improvements to your home, then you'll want to easily access your money to pay for the work or buy new materials. Ask us about money to renovate.



Ways to save money

We want to reward you for banking with us by saving you money on fees. We do this by offering you a Package and working out your Relationship Balance. Minimum balance and other criteria apply.



Packages

Whether you're a new customer or already have a home loan with us, you can save money on your banking through a Package.

For an annual fee you can simplify and streamline all of your financial needs and earn generous discounts and waivers on a range of banking products.

These include home loan interest rates, premium banking, investment and insurance products. Conditions apply.

For more information please refer to the *Package Fact Sheet* available at any branch or from your broker; and the terms and conditions of this booklet.



Lower fees and interest rates on loans

Savings on everyday banking products

Savings on investment advice and investment services

Savings on your insurance premiums

Bonus interest rates on Term Deposits



Relationship balance

Your Relationship Balance is the total of eligible loans and deposits you have with us. On the second last business day of each month we work out your Relationship Balance. If it is above a set amount we waive certain fees on any eligible transaction and savings accounts for the next month. For more information please see our booklet *Transaction, Savings and Investments Accounts General Information and Terms and Conditions* available at any branch.



Money to invest

This section applies only if you use all or part of the loan for investment purposes.

Before you borrow money

Before you borrow money from the Bank you should ask yourself:

- Do I understand the risks involved in investing?
- Is the Loan right for me?
- Do I understand the risks associated with the Loan?
- Do I understand the market value of the proposed investment?

Section 1: Useful information

Investing in property

The Bank's main concern when it makes an assessment of an application for finance is to consider:

- (i) the capacity of the borrower(s) to make loan repayments; and
- (ii) the total security to be provided.

Unless you pay for it, any valuation we obtain is strictly for the use of the Bank and we will not disclose it to you.

We strongly suggest that you bear in mind that the price paid for an investment property may far exceed the price paid by a local purchaser for a similar property.

In recent years this has been influenced by marketing schemes, such as seminar marketing, which makes it difficult to assess the market values of investment property.

Obtaining independent advice

When you make the decision to invest it is in your interest to seek independent legal, financial and specific professional advice. This will help you to better understand the risks and how to manage them. You should seek advice on the market value of the proposed investment and anticipated benefits, especially if you are not familiar with the local market.

Common risks of investing

Whether or not you consult an adviser, you should be aware of these common risks.

Volatile investment markets

The value of your investment in property and stock markets can fluctuate.

You may be worse off than before you invested

Borrowing money to purchase investments (gearing) can magnify the financial effect on you of any decrease in the value of the investment(s) you make.

You may not be able to repay the Loan

Income from your investments and the interest on your Loan Account may fluctuate which may affect your ability to repay the Loan. Also, you need to consider the timing of when you are required to make interest payments or the principal and interest repayments on your Loan Account. This may be different from when you earn investment income.

Repaying your loan in full

We may require you to repay all that you owe us. This may happen if you don't meet your payment(s) on the due date(s), and/or we consider that your financial position has reached the point where you may not be able to meet any obligation you have to us.

There may be other circumstances where we may ask you to repay your loan in full. See the relevant parts of the UTC.

Taxation and negative gearing

It may not always be possible to obtain a taxation benefit from negatively gearing investments you make with the Loan proceeds. We strongly advise that you seek the advice of an independent taxation expert who will tell you if you can deduct interest incurred by you on your Loan Account. Interest deductibility is dependent on your personal circumstances and whether the funds you borrow are used to earn assessable income.

Your responsibility as an investor

You alone are responsible for deciding what to invest in. We do not recommend any investments, and we will not give any opinion on the performance of investments, even if we are willing to lend money against those investments.



Money to use in retirement

If you're aged 65 or over and own your home, you could use the equity in that home to help you in retirement. The Equity Unlock Loan for Seniors lets you borrow money that can be used to purchase a new car, take a holiday, improve your home or supplement your income.

To access the equity in your property you will need to borrow money against it, which means you take out a mortgage on your property. You can receive the funds either through regular income or through a lump sum. You can repay the loan making voluntary repayments of any amount or you can defer payment until the property is sold, or you no longer live in the home.

The amount we may lend to you is dependent on your age and the value of your property. The Bank's 'no negative equity guarantee' means that if the loan amount exceeds the value of the property at the time of the loan being repaid, we will cover the difference.

The Bank is a voluntary member of Senior Australians Equity Release Association of Lenders (Sequal) and agrees to adhere to the Sequal Code of Conduct. Sequal is a not for profit association and was formed in January 2005 by a number of leading institutions to protect the interests of seniors who use the equity in their home to borrow money.

Section 1: Useful information

Information statement – Part F

This section is referred to as Part F in your Contract. This section does not apply to Norfolk Island borrowers or to borrowers of credit provided wholly or predominantly for business or investment purposes (or for both purposes).

THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

The Commonwealth Bank of Australia is your credit provider, and in this statement is referred to as “the Bank”.

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

If you have any concerns about your contract, contact the Bank and, if you still have concerns, your Government Consumer Agency, the Bank’s external dispute resolution scheme, or get legal advice.

THE CONTRACT

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

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

- your contract is entered into; or

- you make an offer to enter into the contract, whichever happens first.

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

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

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

If you want another copy of your contract write to the Bank and ask for one. The Bank may charge you a fee. The Bank has to give you a copy:

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

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the Bank 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 the Bank 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 the Bank 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 the Bank 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.

The Bank must give you the statement within seven days after you give your request to the Bank. 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 the Bank to charge one) and other fees.

7. Can my contract be changed by the Bank?

Yes, but only if your contract says so.

8. Will I be told in advance if the Bank 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 repayments.
- you get 20 days' advance written notice for:

- a change in the way in which interest is calculated;
- a change in credit fees and charges; or
- any other changes by the Bank,

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 the Bank. Discuss the matter and see if you can come to some arrangement. If that is not successful you could apply to the court or contact the Bank's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. The Bank's external dispute resolution provider is Financial Ombudsman Service Limited which can be contacted at telephone 1300 78 08 08, www.fos.org.au or GPO Box 3, Melbourne VIC 3001.

Contact the Government Consumer Agency or get legal advice, for example from your community legal centre, on how to go about this.

Section 1: Useful information

INSURANCE

10. Do I have to take out insurance?

The Bank 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 (the Bank calls this type of insurance “lenders’ mortgage insurance”) or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not.

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 the Bank. 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 the Bank then, within 14 days of that happening, the Bank 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 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?

The Bank 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 the Bank 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 Bank.

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 Bank has previously given you a copy of the mortgage document to keep.

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

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

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

See the answers to questions 22 and 23.

Otherwise you may:

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

If the Bank won’t give permission contact your Government Consumer Agency or Financial Ombudsman Service Limited (the Bank’s 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 the Bank even after the mortgaged property is sold.

19. Can the Bank take or sell the mortgaged property?

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

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

Yes. You have seven days after receiving the Bank’s request to tell the Bank. If you do not have the goods you must give the Bank all the information you have so they can be traced.

21. When can the Bank or its agent come into a residence to take possession of mortgaged goods?

The Bank 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 Consumer Credit Code.

GENERAL

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

Get in touch with the Bank immediately. Discuss the matter and see if you can come to some arrangement. You can ask the Bank to change your contract in a number of ways. For example:

- to extend the term of the contract and either reduce the amount of each payment accordingly or defer payments for a specified period; or
- to simply defer payments for a specified period.

Section 1: Useful information

23. What if the Bank and I cannot agree on a suitable arrangement?

If you have been **unemployed, sick** or there is **another good reason** why you are having problems with your contract, then your contract may be able to be changed to meet your situation.

You may be able to apply to the court. Contact your Government Consumer Agency or get legal advice on how to go about this.

There are other people, such as financial counsellors or the Financial Ombudsman Service Limited (the Bank's external dispute resolution scheme), who may be able to help.

24. Can the Bank take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact your Government Consumer Agency or the Australian Competition and Consumer Commission, 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 DOUBTS, OR WANT MORE INFORMATION, CONTACT YOUR GOVERNMENT CONSUMER AGENCY OR GET LEGAL ADVICE.

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

Section 2: These are the Usual Terms and Conditions (UTC) for Consumer Mortgage Lending

This section also includes the terms and conditions that apply to transacting on your Viridian Line Of Credit, Line of Credit and Equity Unlock Loan for Seniors.

General Terms and Conditions that apply to all Loans	Page 18
Home Loans (HL)	Page 48
Equity Unlock Loan for Seniors (C)	Page 62
Viridian Line of Credit and Line of Credit (O/LOC)	Page 67
Transacting on your Viridian Line of Credit, Line of Credit and Equity Unlock Loan for Seniors (T)	Page 71

Section 2: General Terms and Conditions that apply to all Loans

1. Meaning of words

If we use an example to show the meaning of a word, the meaning of the word is not limited to that one example or examples of a similar kind. A reference in this document to the singular includes the plural and vice versa.

Account Holder	The person(s) in whose name the account is held.
Administrative Fee	The fee you pay us so that we can recover our administrative costs when you make a Prepayment. The amount of the fee is stated at Item F.
Business Day	A day that is not: (a) a Saturday or Sunday; or (b) a public holiday, special holiday or bank holiday in the place any relevant act is to be done or may be done.
Building Works	The building works you tell us are to be carried out before we approve the Loan or as varied with our approval. These include building works referred to in any plans, specifications, building contract or estimate of costs or quantities which you provide to us.
Consumer Credit Code	The Uniform Consumer Credit Code 1994, the regulations made under the Code and any Commonwealth Act and Regulations replacing or adopting them (all as amended from time to time).
Contract	The Schedule you sign and the UTC.
Disclosure Date	The date we use to calculate the particulars of the Loan stated in the Schedule. The date is stated at Item A.
Early Repayment Adjustment	The adjustment we may make when you prepay the Loan Account in full or make a permitted partial Prepayment of a fixed interest rate Loan.
Final Funding Date	The date on which the last progressive Loan drawing is debited to the Loan Account.

Funding Date	The date (or if the Loan is funded by progressive Loan drawings, the first date) on which we debit any amount to the Loan Account other than for the payment of a credit fee or charge.
Initial Commitment Period	The period within three months (18 months for Off the plan purchases) of the Disclosure Date (for clause HL14) or the period within three months of the Disclosure Date (for clause C7 and O7/LOC7).
Interest in Advance Commencement Date	If your Loan Type is Interest in Advance, then this date is the first day of the period in which interest is payable in advance, which also may be the Funding Date.
Interest Offset Rate	The interest offset rate for: (a) eligible variable interest rate Home Loans and Investment Home Loans is 0% p.a. (100% offset); and (b) fixed rate Home Loans and Investment Home Loans is the interest rate that otherwise applies to the Loan under the Contract less an interest margin we apply to all fixed loans with interest offset facilities.
Interest Offset Account	A bank account that you have with us that we agree is to be linked to your Loan Account so that we can offset interest under clause HL7.
Item	An Item of the Schedule or any notice issued by us confirming any change to the Contract.
Loan	The credit, described on the front page of the Schedule, we give you under the Contract.

Section 2: General Terms and Conditions that apply to all Loans

Loan (Mortgage Interest Saver Account (MISA) only)	<p>The home loan/investment home loan for which you wish to establish the account but excludes:</p> <ul style="list-style-type: none"> • home loans/investment home loans conducted at a base variable rate (including 3 Year Special Economiser/Rate Saver) which have a Disclosure Date of 16 February 1998 or later; and • home loans/investment home loans conducted at a base variable rate which were approved or the loan offer was made prior to 16 February 1998, where the borrower has elected to take up the Repayment Redraw Facility in substitution for the Mortgage Interest Saver Account; and • interest in advance fixed rate investment home loans.
Loan Account	The account we keep in your name with which we debit the Loan or any part of the Loan.
Loan Term	The period of time (if any) at Item E(iv) of the Schedule.
Loan Type	The loan type as specified in the table in clause 13.
Our	Belonging to the Commonwealth Bank of Australia ABN 48 123 123 124.
Package Agreement	The agreement between us and you as a result of which you receive interest rate and fee concessions according to the terms and conditions in Section 3.
Parties	You and us.
PIN	Personal Identification Number.
Portability	Allows you to change an existing Security Property to a new Security Property without repaying the Loan provided we are satisfied with the valuation and title to the new Security Property.
Prepayment	A payment you make before it is due to be made.

Related Account	The account you must open with us or with a bank or financial institution acceptable to us and from which we may draw amounts you must pay us under the Contract.
Repayment Redraw Facility (RRF)	The facility described in clause HL9 under which we may make available to you, Special Repayments you have made to the Loan Account.
Schedule	The schedule (including any schedule replacing an earlier schedule signed by us) which records the particulars of the Contract or of the Contract as varied.
Secured Agreement	Any Contract we have with you that is secured by any Security.
Security	Any security (including any guarantee) stated at Item K of the Schedule or any security substituted for it at our request or with our prior written consent and any additional security (including any guarantee) which you or the Security Provider acknowledge secures your obligations under the Contract.
Security Property	The property mortgaged or charged to us by the Security.
Security Provider	Any individual or company providing Security.
Special Repayments	A repayment made in addition to the regular repayments we require you to make on the Loan Account.
Top Up	Where we and you agree to increase the amount of credit we provide to you under the Contract.
Usual Terms and Conditions (UTC)	The terms and conditions set out in Section 2.
We and Us	The Commonwealth Bank of Australia ABN 48 123 123 124 and its successors and assigns.

Section 2: General Terms and Conditions that apply to all Loans

You (Home Loans, Viridian Line of Credit/Line of Credit, Equity Unlock Loan for Seniors only)	The person or persons named in the Schedule. If there are more than one, you means each of them separately and every two or more of them jointly. You includes your executors, administrators and assigns. When two or more of you are Parties to the Contract your undertakings and agreements in the Contract bind you jointly and each of you separately. For example, we may ask any one of you to pay the full amount owing under the Contract.
You (Mortgage Interest Saver Account (MISA))	The person or person(s) in whose name the Mortgage Interest Saver Account is held.
You (Packages only)	The person (or corporate entity) in whose name the Package Agreement is established.

Note:

A reference to:

- (a) a person includes a reference to a body corporate;
- (b) a paragraph, sub clause or clause is a reference to a paragraph, sub clause or clause of the Contract;
- (c) a document or the Contract is a reference to the document or the Contract as varied or replaced from time to time;
- (d) the Loan in Part B includes (where the context requires) a reference to any fixed or variable interest rate portion of the Loan.

Where the Contract says something must be done on or by a particular day, and that day is not a Business Day, then that thing must be done on or by the next Business Day.

When the Contract says a payment or repayment must be made one month from or one month after a particular day, and that day is the 29th, 30th or 31st day of a month, the expressions “one month from” and “one month after” do not mean the 29th, 30th or 31st day of the next month, but mean the first day of the month after that.

Unless the Contract says otherwise, numbers, values and amounts for a day are estimated, calculated or determined immediately before close of business on that day.

2. Before we provide a loan

We will tell you what you need to do before we can give you a Loan. We will do this in writing or by electronic means. You must comply with our requirements before we can provide the Loan.

2.1 Things we need to check

Note: Conditions (d) to (j) of this clause 2.1 do not apply to Equity Unlock Loan for Seniors.

We will not provide a Loan unless we are satisfied that all of our requirements have been met, including any of the following conditions (a)–(j) that apply to your Loan:

- (a) **Proof of identity:** You must provide us with adequate proof of your identity and the identity of any person you authorise to operate on your Loan Account.
- (b) **Valuation and title:** The valuation of and title to the Security Property must be to our reasonable satisfaction in accordance with our usual prudent credit standards.
- (c) **Security interest:** You must give us the Security interest we require in the Security Property as stated in Item K of the Schedule. You must do all things and pay or arrange to pay all monies (including all government land titles office discharge and transfer registration fees) necessary to do this. Alternatively a Security Provider may do this on your behalf.
- (d) **Direct debit authority:** You must open a suitable banking account with us or with a bank or financial institution acceptable to us. You must give us a written authority (direct debit request) to draw or obtain by direct debit from that account, as required, the amounts you must pay us under the Contract.
- (e) **Lender's mortgage insurance:** We will determine whether in accordance with our usual prudent credit standards we need lenders' mortgage insurance. If so, the insurer must accept the insurance risk before we can provide the Loan.
Note: Lenders' mortgage insurance protects us, not you. If the Security Property is sold before the Loan is repaid, we may incur a loss if the proceeds are insufficient to fully repay the Loan. We may recover this loss under our lenders' mortgage insurance policy. However, you are still legally responsible for repaying the amount outstanding under the Contract, because you are not protected by the lenders' mortgage insurance.
- (f) **Guarantees:** We may ask you for a guarantee. If so the guarantee or the offer to guarantee must not be withdrawn or otherwise invalidated. The guarantor must not be an undischarged bankrupt.

Section 2: General Terms and Conditions that apply to all Loans

(g) **Representations and warranties:**

We will ask you to make representations and warranties for the Contract (for example, under clause 4 below). Your representations and warranties must be correct and not misleading.

(h) **Trustees:** Are you entering into the Contract as trustee of any trust? Or is the Loan to be secured by Security from a trustee of any trust? If so you must provide us with any information about the trust and its beneficiaries that we may ask for. In addition:

(i) **Trust assets as Security:** Are trust assets being offered by a third party as Security (irrespective of the amount of the Loan)? If so you must give us a copy of the trust instrument, by which the trustee was appointed, executed by the trustee, stamped (if necessary under the law governing the instrument) and certified by the trustee (or if the trustee is a company by either a director or the secretary of the trustee company) as being true and up to date. We will obtain legal advice that the trustee is empowered, under the trust instrument by which it is appointed, to enter into the Contract or give the Security and that other aspects of the trust are in order.

(ii) **Total trustee credit:** Is the aggregate amount of the Loan, together with all other existing credit facilities in your name as trustee of that trust, \$3,000,000 or more? If so the conditions at (i) apply. Otherwise, if we ask you must provide us with a trustee declaration addressed to us in a form we provide, certifying that the Loan and the Security are valid and enforceable against the trustee.

(i) **Corporations:** Are you a corporate entity? If so you must provide us with any information about your directors, officers and beneficial owners that we may ask for.

(j) **Overseas buyers:** Are you required to obtain advice from the Commonwealth Government under the *Foreign Acquisitions and Takeovers Act 1975*? If so we won't provide the Loan unless the Commonwealth Government confirms that you can acquire an interest in the Security Property. If the Commonwealth Government imposes conditions on your acquisition, the condition(s) must be acceptable to us.

2.2 You must pay the costs of checking

You must pay any costs we reasonably incur for checking the matters in clause 2.1, even if we don't give you the Loan. You must pay the costs on the date we incur them.

The costs may be ours, or they may be costs that we have to pay to a third party, or that we retain in reimbursement of an amount we have paid to a third party.

If your Contract is subject to the Consumer Credit Code your obligation to pay the costs is limited to those costs which are not in direct connection with the Contract or any mortgage stated at Item K of the Schedule. For example, you must pay any costs to enable registration of a transfer of a Security Property into the name of the Security Provider.

Note: If we give you the Loan you will also need to pay our fees and charges for managing the Loan. See clause 7.1.

3. What we require from you for the loan to operate

3.1 Evidence of your identity and finances

When we reasonably consider it necessary to ask you, you must:

- (a) fully and truthfully tell us your current financial position;
- (b) provide us with the information and documents necessary to establish your identity and the identity of any person you authorise to operate on your Loan Account; and
- (c) provide us with any further information we may reasonably require about your business or your conduct of this Loan.

3.2 Security for the Loan

Your obligations under the Contract are to be secured by the Security stated at Item K of the Schedule. The Security must be in the form or forms of our usual security documents and as we reasonably require. You agree that the Contract is a Secured Agreement for the purposes of any mortgage or other Security stated within the Contract or any variation to the Contract.

Section 2: General Terms and Conditions that apply to all Loans

3.3 If the Security already exists

If the Security is in existence at the date of the Contract, by signing the Contract you acknowledge that the Security extends to cover your obligations under the Contract.

3.4 If the Security does not already exist

If the Security is not in existence at the date of the Contract, you agree to give us the Security. You authorise us and any of our officers to complete any blanks in the mortgage or any other Security which we require to secure the Loan in accordance with clause 3.2.

3.5 Value of the Security

The value of and title to the Security Property must be to our reasonable satisfaction at all times during the term of the Contract. We may obtain a new valuation of any Security Property.

3.6 Compliance with any additional requirements

You must comply to our reasonable satisfaction with any other conditions and requirements stated at Item L of the Schedule.

If a condition or requirement stated at Item L is consistent with any of these Usual Terms and Conditions, both the UTC and Item L condition or requirement operate. Where they are inconsistent, the condition or requirement at Item L prevails.

3.7 Authority for us to operate the Loan Account

If reasonably required by us, you must sign our usual form of authority to operate on the Loan Account.

When you sign the authority you may be automatically registered for any related service we offer from time to time through a communication network, for example telephone and internet banking.

4. What you must tell us each time you ask for credit

Note: This clause 4 does not apply to Equity Unlock Loan for Seniors.

When you ask us for credit under the Contract we need to be sure that it is lawful for us to provide you with credit, taking into account any changes in your circumstances. To do this we rely on what you tell us about your circumstances – your representations and warranties.

You make these representations and warranties on your own behalf and on behalf of any Security Provider. References to you in paragraphs (a)–(g) are taken to include any Security Provider. Each time you ask for credit under the Contract you make the following representations and warranties to us:

- (a) **Not bankrupt:** You are not an undischarged bankrupt.
- (b) **Not assigning your estate or entering into any arrangement or composition for the benefit of creditors:** You have not assigned your estate or entered into any arrangement or composition for the benefit of your creditors.
- (c) **Age <18 years:** You have told us and any guarantor if you are under eighteen years of age.
- (d) **Corporations:** If you are a company, that a liquidator, receiver or an administrator has not been appointed, and no such appointment has been threatened or proposed.
- (e) **Trustees:** If you are obtaining the Loan or providing the Security as a trustee, that:
 - (i) you have full power and are legally entitled to enter into and perform your obligations under the Contract and the Security;
 - (ii) you have taken every necessary action to authorise your entry into the Contract and the Security, to authorise you to execute the Schedule and to authorise you to perform your obligations under the Contract and the Security; and
 - (iii) your execution and delivery of the Schedule and of the Security to us does not involve any breach of trust by you.
- (f) **Other agreements or court orders:** You are not in default (being a default that is material to the Contract or the Security) under any agreement or undertaking to which you are a party, or any court order which binds you. Also, no event has occurred which, with the giving of notice or lapse of time or both, would constitute a default by you (being a default that is material to the Contract or the Security) under any agreement or undertaking or any court order which binds you.
- (g) **Lawful instructions:** In instructing us in relation to any matter or transaction, you are not in breach of the laws of Australia or any other jurisdiction.

Section 2: General Terms and Conditions that apply to all Loans

5. Funding your loan

5.1 How we make your Loan available

We will make the full amount of the Loan available to you by a single Loan drawing unless the Contract provides otherwise or we agree to your request to fund the Loan by progressive Loan drawings.

5.2 How we fund the Loan

We will fund the Loan:

- (a) by paying each Loan drawing in accordance with the Contract and your written instructions or, at our discretion, your verbal instructions; or
- (b) in accordance with any instructions received from your solicitor or other financial institution to complete the purchase, sale or transfer of security; or
- (c) when you or anyone you authorise asks for credit in a manner approved by us (for example, by having a cheque presented to us for payment or by a withdrawal at an electronic terminal).

At the same time, we will record your debt with us by debiting the Loan Account.

5.3 Stopping funding

We will not fund the Loan if any of the following conditions (a)–(e) apply:

- (a) **Default:** You are in default under the Contract (see clause 9 to find out when this could happen).
- (b) **Conditions not met:** You fail to satisfy to our reasonable satisfaction our conditions for the provision of credit set out in clauses 2 or 3.
- (c) **Loan lapses:** The Loan lapses under clause HL14, C7 or O7/LOC7 of the Contract.
- (d) **Inability to pay:** We reasonably believe you may not be able to repay the Loan due to a change in your financial position since the date you applied for the Loan.
- (e) **Unsatisfactory credit report:** We are unable to obtain a credit report on you from a credit reporting agency or the credit report we obtain is unsatisfactory in our reasonable opinion.

5.4 Progressive Loan drawings

If the Loan is to be funded by progressive Loan drawings, you must also satisfy our reasonable requirements for the funding of each Loan drawing, including paying your own funds towards the costs of the Building Works before we advance our funds and only requesting payments at specific stages of the Building Works in accordance with the building contract.

5.5 One-off advance to pay stamp duty

We may agree in writing to advance to you an amount to pay the stamp duty needed to buy the Security Property. We would do this before your purchase of the Security Property is settled. You must use this payment to pay the stamp duty.

Before we advance you any further funds the requirements in clauses 2 and 3 must have been met to our reasonable satisfaction. In particular we will not advance any further funds to you until we are satisfied with the title to the Security Property.

5.6 One-off advance to pay stamp duty – delay in settlement

If your purchase is not settled within four months of the Disclosure Date, or within a longer period that we have allowed you in writing, we are not obliged to advance further funds to you, and you must:

- (a) repay the Loan on demand;
- (b) do all things reasonably necessary to apply to the Office of State Revenue, or equivalent, in your State or Territory, for a refund of the stamp duty; and
- (c) do all things reasonably necessary to pay any refund of stamp duty that you have received towards repayment of the Loan.

6. What interest do I pay?

6.1 Loan interest

You must pay us interest on all amounts debited to the Loan Account. Different interest rates may apply at different times during the lifetime of the Loan. We may change our interest rates in accordance with clause 10.

We calculate interest on all amounts that we debit to the Loan Account until those amounts are paid. Interest begins to accrue from the date we first debit an amount to the Loan Account and then accrues daily.

The rate of Loan interest you must pay is based on the annual percentage rate that currently applies to your Loan. The annual percentage rate as at Disclosure Date is stated at Item C of the Schedule. We calculate a daily percentage rate by dividing the annual percentage rate by 365. We divide by 365 even in leap years. You must pay interest on the unpaid daily balance of the Loan Account at this daily percentage rate. To obtain a copy of all of the interest rates we offer, call **13 2224** for non broker customers or **13 2407** for broker customers, or visit our website at **commbank.com.au**.

Section 2: General Terms and Conditions that apply to all Loans

6.2 Default interest

You must also pay us additional interest, called default interest on any amount you fail to pay by the due date under the Contract. We will calculate default interest on the overdue amount, i.e. any amount you fail to pay by the due date.

Default interest begins to accrue from the due date and then accrues daily until the amount is paid. The rate of default interest is equal to 2% per annum above the Loan interest rate applying at the time.

Note: Being in default may have other implications for how we manage the Loan. See clause 9.

6.3 How we charge this interest to your accounts

We debit the interest you must pay to the Loan Account, so it will add to the total amount you owe us. We will debit interest to the Loan Account at the frequency stated at Item H of the Schedule.

In addition, on the day the Loan Account is repaid in full, we will debit interest to the Loan Account. The interest we will debit will be all of the interest accrued up to the end of the previous day, including any default interest.

7. Fees and charges that may apply

You must pay us the fees and charges that are set out in Item F of the Schedule, as well as fees or charges for transactions on the Loan Account. To obtain a copy of all of our fees and charges call **13 2224** for non broker customers or **13 2407** for broker customers.

Note: Different fees and charges may apply at different times during the lifetime of the Loan. We may change our fees and charges. See clause 10.

7.1 What fees and charges are payable?

- (a) Fees and charges stated at Item F of the Schedule.
- (b) If applicable, government fees or charges relating to transactions on the Loan Account.
- (c) If applicable, our usual transaction fees listed in the following brochures:
 - (i) *Standard Fees and Charges – Summary of Common Banking fees we charge for consumer mortgage lending products;*
 - (ii) *Electronic Banking – General Information and Terms and Conditions.*

How we charge these fees and charges to your accounts

Usually we debit the fees and charges you must pay from the Loan Account, so they will be part of the amount you owe us. However, sometimes we debit the fees and charges to the Related Account.

The fees and charges stated at Item F of the Schedule are either for us (for example, the Establishment Fee) or for someone else (for example, stamp duty).

If the fee or charge is for someone else, you authorise us to pay it to that other person.

We will debit all fees or charges to the Loan Account or Related Account at our discretion, except during an interest only or interest in advance period. During that period we will debit it to the Related Account.

We will debit our usual transaction fees to the Loan Account.

How we use your payments to repay the Loan

We will apply any amounts we receive from you for crediting to the Loan Account to pay:

- (a) **First:** Any credit provided in respect of any insurance premium debited to the Loan Account.
- (b) **Second:** Any unpaid fees and charges.
- (c) **Third:** Any unpaid interest.
- (d) **Fourth:** The principal of the Loan.

7.2 When must fees and charges be paid?

You must pay the fees and charges stated at Item F as soon as they are due and payable. However if we change any fee or charge in accordance with clauses 10.4 or 10.5 you must pay the new amount when we tell you it will be payable or when we ask for it.

8. Capitalising unpaid interest, fees and charges

We charge interest on unpaid interest, fees and charges. That does not mean they are part of the principal sum. They only become part of the principal sum when we make a special entry in our books of account. We can do this at any time without telling you. Until we make that entry they are included in the outstanding balance of the Loan Account as unpaid interest, fees and charges, not as part of the principal sum. We do not show the items that make up the outstanding balance in any statement of the Loan Account unless you ask us in writing.

Section 2: General Terms and Conditions that apply to all Loans

9. Default

Note: This clause does not apply to Equity Unlock Loan for Seniors.

9.1 When you could be in default

You are in default under the Contract if any of the following conditions

(a)–(h) apply:

(a) **Overdue amount:** You do not pay on time any amount payable under the Contract.

(b) **Breach of Contract:** You do not keep to the other terms of the Contract or the terms of any Security.

(c) **Value or title unsatisfactory:** We are not reasonably satisfied with the value of or the title to the Security Property or the Security over it will be inadequate security for the Loan in accordance with our usual prudent credit standards.

(d) **Failure of Security Provider:** Any Security Provider does not keep to the terms of the Security.

(e) **False information:** You give us incorrect or misleading information in connection with the Contract before or after you sign the Contract and that information was or is material to our decision whether to provide you credit or to continue to provide you credit.

(f) **Goods surrendered:** You surrender to us goods mortgaged by the Security in accordance with any rights you have under the Consumer Credit Code and you do not make a written request for return of the goods within the time allowed by the Consumer Credit Code.

(g) **Power of sale:** A power of sale arises under the Security or under any other Security over the Security Property.

(h) **Proscribed Person:** You, a Security Provider or signatory appears to our reasonable satisfaction to be a Proscribed Person (as that term is defined in clause 11.23).

9.2 Notification of default

In most circumstances we will give you a notice. Our notice will tell you what the default is and ask you to fix the default, if it can be fixed. The notice will allow a period of time for you to fix the default. (If we give you notice under the Consumer Credit Code, you will have at least 30 days to fix the default.)

In some circumstances we do not have to give you a notice. For example, a court may excuse us from giving a notice or we may have made reasonable attempts to locate you without success. We do not have to give you a notice or wait for the default to be fixed where we believe on reasonable grounds that:

- (a) we were induced by your fraud to enter into the Contract; or
- (b) urgent action is necessary to protect the Security Property.

9.3 How being in default could affect your Loan

If you are in default and:

- (a) you do not fix the default in the time allowed by the notice we give you under clause 9.2;
- (b) the default cannot be fixed, and the time stated in the notice we give you under clause 9.2 elapses; or
- (c) we do not have to give you notice under clause 9.2,

THEN

- (d) provided in the notice (if any) we give you under clause 9.2 we have told you the amount required to pay out the Contract and that we can exercise our rights under this clause 9.3 if you do not remedy the default we may decide, without further notice, that all money owing by you under the Contract is due and payable immediately;
- (e) we may sue you for payment of the money you owe us;
- (f) we may exercise rights under the Security, including our right to sell the Security Property;
- (g) we will not be required to make available to you any undrawn portion of the Loan (if applicable) nor will we be required to comply with any other of our obligations under the Contract.

We can do any or all of the above things in any order.

Section 2: General Terms and Conditions that apply to all Loans

9.4 You must pay our costs

You must pay us any expenses we reasonably incur in enforcing our rights under the Contract or a Security. We will debit these expenses to the Loan Account. They are due and payable on the date when debited.

9.5 We may need to treat your repayment as a Prepayment under Part B

Has the Loan been repaid due to our exercising our rights following your default? If so we may adjust the Loan Account. If the Loan is a fixed interest rate Loan we will make the adjustment under clause HL11. For a variable interest rate Loan we will make the adjustment under clause HL12. We will make the adjustment as if you had prepaid the Loan in full under those clauses.

9.6 Adjusting deferred repayments

If we exercise our rights under clause 9.3 we may later agree to defer payment of the amount you owe us. If so we will tell you in writing what your new repayments are.

9.7 If an amount you owe becomes subject to a court order

If any obligation to pay us an amount under the Contract becomes merged in a court order, you must pay interest on that amount as a separate obligation. The interest rate we apply from time to time is the higher of:

- (a) the default interest rate at clause 6.2; and
- (b) the rate payable under the court order.

The interest accrues daily and is debited to the Loan Account as per clause 6.3.

10. Variations

10.1 Reference interest rates

Our reference interest rates are published on our website **commbank.com.au**

10.2 Changing our reference interest rates

From time to time we may reduce or increase our reference interest rates. We advertise any reduction or increase in the reference interest rates in leading daily newspapers in each State and Territory no later than the day on which the change takes effect.

10.3 Changing fixed, guaranteed and variable interest rates

During a fixed or guaranteed interest rate period we may vary the margin or interest rates on termination of concessions applying to the Loan, if we are entitled to do this under Item L of the Schedule. Otherwise we will not change the interest rate applying to a fixed or guaranteed interest rate Loan during a fixed or guaranteed interest rate period.

From time to time we may change the interest rate applying to a variable interest rate Loan. One way that this can happen is if the variable interest rate is based on a reference rate that changes.

If the interest rate is not set by reference to a reference interest rate, we either:

- give you written notice of any increase no later than the day the change takes effect; or
- advertise the increase in leading daily newspapers in each State and Territory no later than the day on which the change takes effect. We confirm the advertised interest rate to you with the next statement of account we give you under the Contract.

Notifying you of changes

We will give you written notice of any change to the margin or interest rate no later than the day on which the change takes effect.

10.4 Changing other aspects of the Loan

From time to time we may change any of the following:

- (a) The frequency interest is charged.
- (b) Any interest rate margin subject to clause 10.3.
- (c) Any link to any reference interest rate or how we describe it.
- (d) The basis for calculating interest.

From time to time we may impose a new fee or charge and debit it to the Loan Account and may also change any of the following:

- (aa) The amount of any fee or charge.
- (bb) The fee charging cycle.
- (cc) The basis for calculating any fee or charge.

From time to time we may change any of the following:

- (aaa) The frequency of repayments.

Section 2: General Terms and Conditions that apply to all Loans

(bbb) The Loan Account number. For example, we may change the number when the type of interest rate applying to the Loan or the Loan Type changes.

(ccc) Any other terms and conditions.

Notifying you of changes

We will give you prior written notice of the change. If the change relates to repayments, we will give you 20 days' notice. Otherwise, we will give you 30 days' notice. However if the change only:

- (a) reduces your obligations;
- (b) extends the time for payment of any amount under the Contract; or
- (c) is to the Loan Account number and does not otherwise change the Contract

we will instead notify you of the change before or when we send you the next statement of account we give you under the Contract.

Also if the change is to a credit fee or charge, our prior written notice may take the form of an advertisement in a leading daily newspaper in your State or Territory.

We will confirm any newspaper notice before or when we send you the next statement of account we give you under the Contract.

Note: *If we make a change which you do not like, you can cancel the Contract by repaying the Loan but, depending on your Contract, fees and*

*charges may be payable, including an Administrative Fee, Early Repayment Adjustment, Deferred Establishment Fee and Settlement Fee. Please refer to your Loan Schedule and clauses 7.1, HL11.4–HL11.6, HL12.2–HL12.4 and O4.1/LOC4.1 as applicable. To obtain a copy of all of our fees and charges call **13 2224** for non broker customers or **13 2407** for broker customers.*

10.5 How we notify you about changes to Government fees and charges

We will give you written notice of any change to government fees and charges, including the introduction of a new fee or charge, that occurs after the date of the Contract, but only if the government does not publicise the introduction or change. Our notice may take the form of an advertisement in a leading daily newspaper in your State or Territory.

10.6 If you want to change your Loan Type or invoke Portability

You may ask us to change your Loan Type (Switching), including splitting your Loan into two or more Loan Accounts or invoke Loan Portability. You can do this only if:

- (a) the table in clause 13 – Your Loan Options – does not prohibit it;
- (b) you are not in default; and
- (c) you pay any applicable fee and sign any new documentation where appropriate.

We may refuse your request if it involves an extension of the Loan Term and we reasonably consider that you will not be able to repay the Loan on or about the end of that extended Loan Term. We may refuse your request for Portability if we are not reasonably satisfied with the value of or title to the substitute Security Property.

How to change the Loan Type (Switching), including splitting your Loan into two or more Loan Accounts

You must ask for the change. Specifically, this request must be made by the person(s) authorised in accordance with the Loan authority you gave us under clause 3.7; or if no such authority has been given, then all of you must personally sign the request.

The change will apply from the date we process your request.

You may ask for a fixed interest rate to apply to the Loan Account. The new fixed rate will apply from the date we process your request or, if you have an existing fixed or guaranteed interest rate, from the end of that period; clauses HL1 and HL11 apply.

You may ask for your Loan to be changed from a fixed or guaranteed rate loan to any Loan Type – we will treat this change to your Loan Account as a Prepayment and an Early Repayment Adjustment may be payable in terms of clauses HL11.4 and HL11.5 or HL12.2 and HL12.3.

We may refuse your request to switch from a fixed or guaranteed rate loan to any Loan Type unless:

- (a) you arrange for us to debit your Related Account or another of your accounts with an Early Repayment Adjustment (if payable by you) and there are sufficient funds or credit available in that account; or
- (b) we are satisfied that the ratio of the resulting loan balance to the value of the Security Property meets our normal lending criteria, without the requirement for Lender's Mortgage Insurance resulting from an Early Repayment Adjustment being charged to your Loan Account (including where there are requirements for additional Lender's Mortgage Insurance).

You may ask us to apply the change you have requested to part of your Loan if the table in clause 13 indicates that a variable and fixed rate option is available.

If we issue a new Loan Account number this has no effect on your rights and obligations under the Contract and is in no way to be treated as a repayment or refinancing of the Loan.

How to invoke Loan Portability

All of you must request the change in writing. The settlement for the discharge of the existing Security must occur either simultaneously with or prior to the granting of the substitute Security. You can invoke Loan Portability if there is no change of borrower(s) or Security Providers.

Section 2: General Terms and Conditions that apply to all Loans

11. General

11.1 We can choose how and when we exercise our rights

We may exercise any right or remedy in any way we choose. If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.

11.2 We can refuse our consent or impose conditions

Whenever you ask for our consent, we will only refuse our consent if it is reasonable to refuse it. If we give our consent, we may impose reasonable conditions. You must comply with any reasonable conditions we impose in giving our consent.

11.3 We may decide how your Loan repayments are used to pay off the amounts you owe

Unless you tell us otherwise, after the payment of unpaid insurance premium, fees and charges and interest in accordance with clause 7.1, we may use money we receive under the Contract towards paying any arrears of principal repayments and then towards any of the amounts then due and payable by you under the Contract, as we reasonably choose.

11.4 You must pay our fees and charges even if you terminate the Contract early

If you terminate the Contract before obtaining or attempting to obtain any credit under the Contract, we may retain or require payment of the fees and charges we reasonably incurred before the termination and which would have been payable under the Contract.

11.5 We own our inspection reports and valuations

If any of our officers, or any person engaged by us, at our expense carries out any inspection or valuation of the property offered or taken as Security, they do so for our purposes only and not on your behalf. Any reports made as a result of an inspection or valuation done at our expense is our exclusive property and will not be disclosed to you. When we inspect or value a property, or do anything as a result of an inspection or valuation, or pay any Loan drawing under clause HL3, we are not obliged to tell you anything we learn and make no representation to you about the condition of the land, the construction of any building or the standard or value of any building on the property or the uses to which the property may be put.

11.6 You must make your own decisions or obtain independent advice

As obtaining a Loan is a major financial commitment, you should do your research and think carefully before deciding:

- (a) to enter into the Contract;
- (b) to obtain the Loan;
- (c) about the kind of interest rate (for example, fixed or variable interest rate) you want under the Contract;
- (d) to pay interest in advance (for Interest in Advance Loans only); or
- (e) to accept the purchase price for the property you intend to purchase using the Loan funds.

Our employees and agents do not have our authority to:

- (aa) make any predictions about what might happen to our or anyone else's interest rates;
- (bb) tell you what kind of interest rate would best suit you;
- (cc) give you any advice or comment on the taxation implications of the Loan; or
- (dd) make any other representation, prediction or statement of opinion about any other matter or thing affecting the Contract or the Security.

If you have any doubt at all about any of these matters you should seek help from a financial counsellor or obtain legal advice or do both.

11.7 You must ensure that there is enough money in the Related Account

You must ensure that there is enough money in the Related Account for us to draw the amounts you must pay us under the Contract. If there is not enough money in the Related Account at the required times, you authorise us to charge a dishonour fee on the Related Account under the terms and conditions applying to the Related Account. You may ask us to change the Related Account. This must be done by providing us with an authority acceptable to us.

11.8 We can adjust the Loan Account if a cheque is not honoured

Proceeds of cheques, whilst credited to the Loan Account, are subject to clearance. If you pay by cheque and the cheque is not honoured then we treat the payment as if it had never been made.

Section 2: General Terms and Conditions that apply to all Loans

11.9 Your liability to pay fees and charges may be limited by law

You do not have to pay fees and charges to the extent those fees and charges would result in you paying more than the maximum annual percentage rate set under a law for credit subject to the Consumer Credit Code. But you must pay all other fees and charges and interest due under the Contract. If any payment of fees and charges result in you paying more than any such maximum annual percentage rate, then we will treat such excess of the payment as a repayment of principal.

11.10 We only give and accept written notices

Notices, including certificates, consents and demands given or made under the Contract must be in writing except for notices which you have agreed can be given electronically to you.

11.11 How notices can be delivered

Notices and statements of the Loan Account may be:

- (a) given personally (if they are for us, to one of our employees at any branch or office we tell you).
- (b) left at the address last notified.
- (c) sent by prepaid post to the address last notified.
- (d) sent by facsimile transmission to the fax number last notified.

(e) given electronically by making them available on our website and sending you an email at your last notified email address informing you that the notice or statement can now be retrieved from our website. We may only give you a notice or statement electronically if you have specifically agreed to this, and you have not withdrawn your consent.

(f) given in any other way permitted by law.

11.12 When notices take effect

Notices take effect from the time they are received unless a later time is specified in them.

11.13 Notices sent by post

If notices are sent by post, they are taken to be received on the day they would be received in the ordinary course of post.

11.14 Notices sent by fax

If notices are sent by a facsimile machine which produces a transmission report, they are taken to be received at the time shown in a transmission report which indicates that the whole facsimile transmission was sent.

11.15 Notices sent by electronic communication

If notices are sent by electronic communication, they are taken to be received on the day that the email enters the information system of your internet service provider or the host of your email address.

11.16 You must tell us if you change your name or address

You must tell us as soon as possible if you change your name or address, including your email address if you have elected to receive notices electronically.

11.17 The term of the Loan can vary

The term of the Loan is fixed only if the interest rate is fixed for the whole of the term. Otherwise the term may be longer or shorter than the period (if any) stated at Item E(iv) of the Schedule. We only use the period (if any) stated at Item E(iv) to calculate repayment amounts at the Disclosure Date, whenever we exercise our right to re-set repayments and when we work out whether or not to make an Early Repayment Adjustment.

11.18 Payment of outstanding amounts

If there is no specific provision in the Contract for payment of an amount owing under the Contract, then you must pay us that amount when we ask for it.

11.19 We may assign our rights

We may assign or otherwise deal with our rights under the Contract in any way we consider appropriate provided that you then have and may exercise the same rights under your Contract against the assignee as you have against us.

11.20 If a trustee in bankruptcy or liquidator asks us for your money back

Under law, a trustee in bankruptcy or a liquidator may ask us to refund a payment we have received in relation to the Loan. To the extent we are obliged to, or we agree to, make a refund, we may treat the original payment as if it had not been made. We are then entitled to our rights against you under the Contract as if the payment had never been made.

11.21 Taxes

- (a) You must make all payments under the Contract without set-off or counter claim and free and clear of any withholding or deduction, unless prohibited by law.
- (b) If you are required by law to deduct or withhold any tax, duty or other impost of any kind (“taxes”) from any amount payable by you to us under the Contract, you must pay:
- (i) to the relevant authority, those taxes before the date on which penalties attach to them; and
 - (ii) to us, whatever extra amount required to ensure that the net amount we receive from you in satisfaction of your obligations under the Contract, equals the full amount we would have received if no such deduction or withholding had been made; and
 - (iii) to us, whatever extra amount equal to any taxes imposed on us or that we must pay for any other amount you paid under (ii) above, including any taxes payable because of a previous application of this clause.

If you have made a deduction or withholding from any amount you have paid us under the Contract and you have complied with the requirements of (i), (ii) and (iii) above, and we are able to apply for a credit to offset against our Australian tax liability for all or part of that deduction or withholding we will use our best endeavours to apply for this credit, we will pay you that credit amount if we obtain it.

11.22 We may keep the title documents

We may keep the title documents to the Security Property after you have repaid the Loan until you direct us otherwise. Unless your title document is in electronic form or is converted to electronic form, we will deliver those title documents to you, or at your written direction, on reasonable notice to us.

We may charge a fee to your Related Account if we keep the title documents. We may engage contractors to store the title documents and may move them to different locations. The service comes with a non-excludable warranty under consumer protection laws that it will be carried out with due care and skill and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation for any loss but to the extent (if any) permitted by those laws, our liability for loss or damage to, or delay in providing you with the title documents is limited to the reasonable costs of obtaining replacement title documents from the relevant government authority.

11.23 If you are deemed to be a Proscribed Person

A Proscribed Person is any person or entity:

- (a) that has been proscribed under the *Charter of the United Nations Act 1945 (Cth)*;
- (b) who is in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism;
- (c) who appears in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or
- (d) who acts on behalf, or for the benefit of, a person or entity listed above.

If we reasonably believe you to be a Proscribed Person then we may immediately:

- (aa) refuse to process any of your transactions;
- (bb) suspend the provision of a product or service to you;
- (cc) refuse to allow or to facilitate any assets of yours held by us or be used or dealt with;
- (dd) refuse to extend any further credit to you; and/or
- (ee) terminate your facility.

We will be under no liability to you if we do any or all of these things in good faith and in compliance, or purported compliance, with any legal requirement in relation to a Proscribed Person. Our rights under this clause are in addition to all other rights we may have under these terms and conditions.

11.24 Severance

If any part of a clause or provision of the Contract, is void or unenforceable (for example, if a court or other authority declares it so):

- (a) to the maximum extent possible, the remaining parts of the Contract will continue to have full force and effect and be interpreted as if the void or unenforceable part had never existed; and
- (b) we may change the UTC so as to achieve (as far as possible) the intention of the original clause or provision without it being void or unenforceable. We give you notice of any change under clause 10.4.

12. Insurance

If you ask us we will arrange insurance or the renewal of insurance for buildings, contents or a combination of buildings and contents. We will arrange this with our insurance company. In doing so we will act as the insurer's agent, not yours. Where we act as an agent for our insurance company, we receive a commission from them. You must pay the costs of the insurance. The premium may be debited to the Loan Account.

Note: While our insurance company is wholly owned by us it is a non-guaranteed subsidiary.

Section 2: General Terms and Conditions that apply to all Loans

13. Your Loan options

Loan Type	Low Doc	Extra Repayments Without Penalty	Repayment Redraw Facility (clause HL9)	Switching Loan Type* (clause 10.6)
Home Loans and Investment Home Loans				
Standard Variable Rate	✓	✓	✓ ²	✓
Guaranteed Rate	✗	✓	✓ ²	✓
Discounted Variable Rate	✗	✓	✓ ²	✓
Fixed Rate	✓	✓ ³	✗	✓
Interest in Advance (Investment only)	✓	✗	✗	✓
Base Variable Rate Home Loans and Investment Base Variable Rate Home Loans				
Economiser****	✓	✓	✓ ¹	✓
Special Economiser****	✗	✓	✓ ¹	✓

✗ – Option not available with this loan

✓ – Option available but extra fees and/or conditions may apply

NA – Not applicable to this loan

MISA – Mortgage Interest Saver Account

Top Up – Increase in credit amount or credit limit

1 **Minimum redraw amount** – \$500 electronically, or \$2,000 from a branch. (Please see clause HL9.3 for maximum redraw limits).

2 **Minimum redraw amount** – \$500 electronically, or \$1,000 from a branch. (Please see clause HL9.3 for maximum redraw limits).

3 **Up to a maximum of \$10,000 in any year.**

Note: The terms and conditions governing electronic access to your account (including the use of electronic terminals) and the fees applicable are set out in our brochure *Electronic Banking – General Information and Terms and Conditions*.

Top Up	Portability (clause 10.6)	Repayment Holiday (clause HL16.2)	Interest Off-Set Account (e.g. MISA) (clause HL7)	Variable and Fixed Rate Option (clause 10.6)**	Interest Only (Item HLA) (clauses HL4 and HL5)
✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓
✓	✓	✗	✓	✓	✓
✓***	✓	✗	✗	✗	✓
✓	✓	✓	✗	✗	✓
✓	✓	✓	✗	✗	✓

* The following switches are not available:

- Between Home Loans and Investment Home Loans.
- Between a non-broker and broker loan and vice versa.
- To a Guaranteed Rate, Discounted Variable Rate or Base Variable Rate loan (Special Economiser/Special Rate Saver).
- To a Fixed Rate during a progressive drawing period. The loan must be fully funded before you switch.

** Taking both a Guaranteed Rate and Discounted Variable Rate loan as part of a split rate loan (Variable and Fixed Rate split rate option) is not permitted.

*** Top Ups on Interest in Advance loans are not permitted during the Interest in Advance period. Top Ups are permitted when moving into an Interest in Advance loan.

**** Available only if the Loan was introduced to us through an accredited broker.

***** Available only if the Loan was not introduced through a broker.

Section 2: General Terms and Conditions that apply to all Loans

Loan Type	Low Doc	Extra Repayments Without Penalty	Repayment Redraw Facility (clause HL9)	Switching Loan Type* (clause 10.6)
Rate Saver****	✓	✓	✓ ¹	✓
Special Rate Saver****	✗	✓	✓ ¹	✓
Lines of Credit and Investment Lines of Credit				
Viridian Line of Credit*****	✓	NA	NA	✓
Line of Credit****	✓	NA	NA	✓
Viridian Line of Credit Equity Unlock Loan for Seniors*****	✗	NA	NA	✗
Line of Credit Equity Unlock Loan for Seniors****	✗	NA	NA	✗

✗ – Option not available with this loan

✓ – Option available but extra fees and/or conditions may apply

NA – Not applicable to this loan

MISA – Mortgage Interest Saver Account

Top Up – Increase in credit amount or credit limit

1 **Minimum redraw amount** – \$500 electronically, or \$2,000 from a branch. (Please see clause HL9.3 for maximum redraw limits).

2 **Minimum redraw amount** – \$500 electronically, or \$1,000 from a branch. (Please see clause HL9.3 for maximum redraw limits).

3 **Up to a maximum of \$10,000 in any year.**

Note: The terms and conditions governing electronic access to your account (including the use of electronic terminals) and the fees applicable are set out in our brochure *Electronic Banking – General Information and Terms and Conditions*.

Top Up	Portability (clause 10.6)	Repayment Holiday (clause HL16.2)	Interest Off-Set Account (e.g. MISA) (clause HL7)	Variable and Fixed Rate Option (clause 10.6)**	Interest Only (Item HLA) (clauses HL4 and HL5)
✓	✓	✓	✗	✗	✓
✓	✓	✓	✗	✗	✓
✓	✓	✗	✗	✗	✓
✓	✓	✗	✗	✗	✓
✓	✓	✗	✗	✗	✓
✓	✓	✗	✗	✗	✓

- * The following switches are not available:
 - Between Home Loans and Investment Home Loans.
 - Between a non-broker and broker loan and vice versa.
 - To a Guaranteed Rate, Discounted Variable Rate or Base Variable Rate loan (Special Economiser/Special Rate Saver).
 - To a Fixed Rate during a progressive drawing period. The loan must be fully funded before you switch.
- ** Taking both a Guaranteed Rate and Discounted Variable Rate loan as part of a split rate loan (Variable and Fixed Rate split rate option) is not permitted.
- *** Top Ups on Interest in Advance loans are not permitted during the Interest in Advance period. Top Ups are permitted when moving into an Interest in Advance loan.
- **** Available only if the Loan was introduced to us through an accredited broker.
- ***** Available only if the Loan was not introduced through a broker.

Section 2: Home Loans (HL)

HL1. Interest on fixed or guaranteed interest rate loans

Note: Read this clause (HL1) only if you have a fixed or guaranteed interest rate. If you have a variable interest rate, go straight to HL2.

HL1.1 Interest rate period

The interest rate period you choose is stated at Item C(ii) of the Schedule.

HL1.2 Setting and locking the interest rate

- (a) We set the interest rate by adding a margin to or subtracting a margin from the reference interest rate current at the beginning of the interest rate period. We state the margin for the Loan and the name of the reference interest rate at Item C on your Contract Schedule. The reference interest rate may change between the Disclosure Date and the Funding Date.
- (b) You can ask us to 'rate lock' your interest rate for a fee. If we agree to do this we will hold the rate for 90 days from the date we process your request at the interest rate that applied on that date. The interest rate may vary between the dates we process any initial and subsequent request to 'rate lock' the interest rate. If you fail to pay the rate lock fee for an interest-in-advance loan, we will debit the fee from your Loan Account. Where your Loan has not been drawn, clause HL1.5 applies.

HL1.3 Where we state the interest rates

We state the interest rates on the Loan for the period as at the Disclosure Date at Items C(iv) and C(v) of the Schedule.

HL1.4 When the interest rate can change

If the entries at Items C(iv) and C(v) have 'currently' against them, then we set the interest rates as defined above in clause HL1.2. If any reference interest rate changes on or before the Funding Date, the interest rate on the Loan will also change accordingly, but is then fixed or guaranteed for the chosen interest rate period. Please see clause 10 on our right to vary reference interest rates.

HL1.5 If you choose to lock the rate

If the entries at Items C(iv) and C(v) do not have 'currently' against them and the Funding Date occurs within 90 days of the date we process your request to 'rate lock' your fixed interest rate, the following apply:

- (a) if the reference interest rate has changed since the date we process your request, then the interest rates on the Loan do not change; and
- (b) the interest rates for the chosen interest rate period are the rates stated at Items C(iv) and C(v).

HL1.6 When a fixed or guaranteed rate will convert to a variable rate

At the end of a fixed or guaranteed interest rate period, the interest rate on the Loan changes to a variable interest rate (see clause HL1.7) unless we agree

to your request for another fixed interest rate period.

HL1.7 How we set the variable interest rate

We set the variable interest rate for the Loan by taking the margin stated at Item C(vii) and adding it to or subtracting it from the reference interest rate that applied at the end of the fixed interest rate period. That reference interest rate is named at Item C(vi) of the initial Schedule, or at Item C(i) if that Schedule does not have an Item C(v).

HL1.8 Paying interest in advance

Note: Unless the Loan is predominantly for residential property investment, interest-in-advance is not available for loans regulated by the Consumer Credit Code.

- (a) During an interest-in-advance period you must pay us interest on or before the Interest in Advance Commencement Date and each year after that. We charge interest from the Interest in Advance Commencement Date for the whole of the next 12 months (even in a leap year), and on the anniversary of that date each year after that. We debit the interest from the Related Account and you must have enough money in that account on that day to pay this interest.
- (b) If at any time during an interest-in-advance period you don't have enough money in the Related Account to pay interest, fees or charges when they are due, we

may debit these amounts from the Loan Account and/or terminate the interest-in-advance period and the interest-only period without notice to you when the interest-in-advance period under the Contract expires or is terminated:

- (i) we may debit any unpaid interest, fees and charges and any accrued interest on any amount you failed to pay on the due date. Interest may accrue daily on the overdue amount from the due date for payment of the amount until you pay the amount;
- (ii) if we terminate the interest-in-advance period or the interest-only period we will charge interest at the reference interest rate stated in Item C(vi) of your Schedule and any margin in accordance with clause 6. You must repay principal and interest in accordance with Item E of the Schedule and clause HL5. Your first repayment will be due one month after the date on which you failed to pay interest. We have the option to treat the cancellation of an interest-only period as if you had prepaid the Loan, which means that we can make an Early Repayment Adjustment and can charge you an Administrative Fee. We may debit the Loan Account with an Early Repayment Adjustment Fee and/or Administrative Fee.

Section 2: Home Loans (HL)

(c) When an interest-in-advance period ends or is terminated we will give you a new Loan Account number for our own internal account-keeping purposes. This has no effect on your rights or obligations under the Contract and is in no way to be treated as a repayment or re-financing of the Loan.

HL2. Interest on variable interest rate loans

Note: Read this clause only if you have a variable interest rate.

HL2.1 How we set the rate

We decide on the interest rate for the Loan by adding a margin to or subtracting a margin from a reference interest rate. The reference interest rate and margin applying to the Loan are stated at Items C(i) and C(ii). The variable interest rate may be subject to a cap or a minimum rate or both.

HL2.2 Capped rates

If the interest rate on the Loan is capped, the cap on the interest rate and the interest rate period are stated at Item C(iii). The interest rate period starts from the Funding Date.

HL2.3 Minimum rates

If the Loan has a minimum interest rate, the interest rate and the period are stated at Item C(iii). The period starts from the Funding Date.

HL2.4 Loans with capped and minimum rates

If the Loan has both a cap on the interest rate and a minimum interest rate, these rates and the period in which the cap and the minimum interest rate apply are all stated at Item C(iii). The period starts from the Funding Date.

HL2.5 How the cap works

During a capped interest rate period the interest rate will not move above the cap unless you are in default. While you are in default the interest rate can move above the cap.

HL2.6 How a minimum rate works

During any minimum interest rate period the interest rate will not move below the minimum interest rate unless you have an interest offset account linked to the Loan Account. Clause HL7 tells you about interest offset accounts.

HL3. How we fund a loan that is drawn progressively

HL3.1 Progress of works

Note: This option is not available for Fixed Rate or Guaranteed Rate Loans.

We give you the whole Loan through a series of progressive payments in accordance with the progress of the Building Works (if any), or as we see fit having regard to the matters in clause HL3.3.

You must make at least one Loan drawing per year. If you don't, we can choose not to fund the Loan, or the remainder of the Loan, and to give you one month's written notice requiring you to start repaying in accordance with clause HL5.4 from a specified date. You will not have to start repaying until any interest-only period stated at Item HLA expires.

HL3.2 How we fund the Loan

We fund the loan by paying the loan drawing amounts in accordance with written instructions signed by you or the person (if any) you have authorised under a loan authority given pursuant to clause 3.7.

HL3.3 Not paying

We reserve the right not to pay any Loan drawing if the Building Works (if any) are not to our reasonable satisfaction or we reasonably consider that there is not enough money in the un-funded component of the Loan to pay to complete the Building Works. (See also clause 11.5)

HL4. Paying interest only

Note: This clause does not apply during an interest-in-advance period.

HL4.1 When you must pay interest

You must pay us the interest debited to the Loan Account during any interest-only period and during any period of progressive Loan drawings (for example, under a building loan). That period starts on the Funding Date and ends on the Final Funding Date. At all times you must provide us with an authority acceptable to us to debit interest payments from your Related Account.

HL4.2 If there is only one loan drawing

If we give you the Loan as a single payment and there is an interest-only period stated at Item HLA, your first interest payment is due one month after the Funding Date. You must then make interest payments on the same day each month until the end of the interest-only period.

Section 2: Home Loans (HL)

HL4.3 If there are progressive loan drawings and an interest-only period

If we give you the Loan through progressive Loan drawings and there is an interest-only period stated at Item HLA, your interest payments are due on the 15th day of each month and on the Final Funding Date. The first payment is due on the first 15th day of the month to occur after the Funding Date.

If the interest-only period has not ended at the Final Funding Date, you must continue making your interest payments until the end of the interest-only period. Those interest payments are due one month after the Final Funding Date and on the same day of each following month until the end of the interest-only period.

HL4.4 If there are progressive loan drawings but no interest-only period

If we give you the Loan through progressive Loan drawings and there is no interest-only period stated at Item HLA, your interest payments are due on the 15th day of each month and the Final Funding Date. The first payment is due on the first 15th day of the month to occur after the Funding Date.

HL5. Repaying principal and interest

HL5.1 First repayment date for a single Loan drawing

Your first repayment of principal and interest is due one month after the Funding Date.

HL5.2 First repayment date for a single or progressive Loan drawing with an interest-only period

Your first repayment of principal and interest is due one month after the due date for your last interest only payment.

HL5.3 First repayment date for a progressive Loan drawing without an interest-only period or with an interest-only period which ends before the Final Funding Date

Your first repayment is due one month after the Final Funding Date.

HL5.4 Making repayments

You must repay the principal and interest as stated at Item E of the Schedule. You must make the repayments on the same day of each month until you pay us everything you owe under the Contract. Unless we agree otherwise, at all times you must provide us with an authority acceptable to us to debit the repayments from your Related Account. If you don't make a repayment, but later have money in your Related Account, or in another banking account with us which you have authorised us to debit, we will debit these accounts with all or part of the unpaid repayment. If we choose to do this we are not obliged to inform you.

HL6. Changes to repayments

HL6.1 When we can change the repayments

We may set or reset repayments, so that the Loan will be repaid on or about the end of the Loan Term in these cases:

- (a) when the interest rate changes, or at any time after that; or
- (b) at any time, if the repayments set under the Contract will not repay the Loan over the Loan Term.

We will tell you in writing what your new repayments are at least 20 days before the change takes effect.

HL6.2 When you can change the repayments

We will consider any written request (or other form of agreed request) from you to vary the repayments stated at Item E(i), but we do not have to agree to your request if we reasonably consider that you will not be able to make the changed repayments, or not without substantial hardship, or the effect of the change is that the Loan will not be repaid on or about the end of the Loan Term.

HL7. Interest offset

Note: This clause applies only if your Loan Type has an interest offset facility. It does not apply during an interest-in-advance period.

HL7.1 How we calculate interest if you have an offset account

If you have an Interest Offset Account linked to the Loan Account (for example a Mortgage Interest Saver Account), we calculate interest on the Loan Account using two different rates:

- (a) on the outstanding amount in the Loan Account equal to the amount in your Interest Offset Account, we use the Interest Offset Rate applicable to your Loan Type;
- (b) on the balance of the amount outstanding on the Loan Account, we use the interest rate that otherwise applies to the Loan under the Contract.

HL7.2 If you have more money in the offset account than you owe on the Loan

If the amount in your Interest Offset Account is equal to or more than the amount outstanding on the Loan Account, we calculate interest on the amount outstanding in the Loan Account at the Interest Offset Rate applicable to your Loan Type.

Section 2: Home Loans (HL)

HL7.3 Interest Offset Rate

The Interest Offset Rate is not a reference rate. We advertise any change to the way we calculate the Interest Offset Rate in leading daily newspapers in each State and Territory no later than on the date the change takes effect. We confirm any change with the next statement of account we give you.

HL8. Owner occupation and leasing

Note: This clause does not apply to investment loans.

HL8.1 Consent to lease

If we give you the Loan so you can buy or build a home to live in, you must not lease the home without our prior consent (see clause 11.2).

HL8.2 Leasing without our consent

If you lease the home, we can increase the interest rate on the Loan to our leasing reference interest rate stated at Item C, whether we have consented to the lease or not. Our leasing reference interest rate is published each week in leading daily newspapers in each State and Territory. If we increase the interest rate, the higher leasing reference interest rate will apply until you tell us that the home is no longer leased.

This clause does not apply if you are entitled to interest concessions under a package or program referred to in Item L.

HL9. Repayment Redraw Facility (RRF)

Note:

- If Item B(ii) states that RRF is 'not applicable' then this clause does not apply.
- This clause does not apply during an interest-in-advance period or fixed rate period.

HL9.1 Responsibility

If we make redraw available to you we take no responsibility how you use the funds, or any effect it may have on your ability to obtain a tax benefit.

HL9.2 Security interest

We can choose not to make redraw available to you if you have given any other person a security interest in the Security Property.

HL9.3 When you can redraw

You can redraw only if you satisfy our conditions in clauses 2.1 and 2.2 and you have kept to the terms of the Contract.

Minimum redraw amount

You must redraw at least the minimum amount specified under your Loan Type in clause 13. You cannot redraw if the total of the Special Repayments available for redrawing is less than the minimum amount specified under your Loan Type in clause 13.

Maximum redraw amount when redrawing electronically

- (i) You can transfer by telephone or internet banking up to \$2,000 per day to a non-linked account (for example, a third-party account or an account at another financial institution); to a linked account, you can transfer up to the maximum amount of the Special Repayments available for redraw.
- (ii) You can redraw up to the daily withdrawal limit in cash through automatic teller machines (ATMs) and electronic funds transfer (EFT) terminals authorised by us subject to dollar note denominations available. The daily withdrawal limit is a combined limit and is the total amount you can withdraw using a Personal Identification Number (PIN) from all accounts linked to a card in any one day. The amount of the daily limit is set out in the *Electronic Banking – General Information and Terms and Conditions* brochure which we can change. You can request a higher daily withdrawal limit by contacting us on **13 2221**. If you request a higher daily withdrawal limit your liability for unauthorised transactions may increase.
- (iii) You can redraw up to \$10,000 per day as an Electronic Funds Transfer at Point of Sale (EFTPOS) purchase.

Requesting a redraw

You can request a redraw either by completing and signing a withdrawal form or through electronic access to your Loan Account. If there is more than one of you, or if you are a company, the person(s) authorised in the loan authority you gave us in clause 3.7 must sign the withdrawal form; if you have not given us an authority, then all of you must sign the withdrawal form. The person(s) (if any) authorised to have electronic access in the loan authority you gave us in clause 3.7 are the only person(s) who have electronic access to your Loan Account. The terms and conditions governing electronic access to your account (including the use of electronic terminals) and the fees applicable are set out in our *Electronic Banking – General Information and Terms and Conditions* brochure.

HL9.4 Amount available for redraw

The amount available for redrawing is the amount of Special Repayments you have made on the Loan Account, minus any amount you have already redrawn, and any amount we have deducted to satisfy arrears on the Loan Account. Note that this adjustment does not affect the outstanding balance of the Loan Account.

HL9.5 How a redraw is debited

We will debit any amount you redraw to your Loan Account.

Section 2: Home Loans (HL)

HL9.6 Redraw fee

You must pay the drawing fee stated at Item F of the Schedule each time you redraw.

HL9.7 Redrawing after you have paid off the Loan

After you have repaid the Loan you may redraw until we close the Loan Account. Subject to clause 5.3, before we close the Loan Account you can tell us to switch the Loan Account in accordance with clause 10.6 to a Viridian Line of Credit/Line of Credit with a credit limit equal to the undrawn amount of your Special Repayments.

When we switch the Loan to a Viridian Line of Credit/Line of Credit we will give the Loan Account a new account number and tell you the details of the facility including the credit limit. You cannot operate on the Viridian Line of Credit/Line of Credit until we have done those things and you have completed any authority we require under clause 3.7.

HL10. Suspending credit

HL10.1 When we can suspend credit

We can suspend or cancel your right to redraw at any time if we reasonably believe there is a valid and sufficient reason, which is either in your or our interest, to do so, for example if:

- (a) you are in default under the Contract (see clause 9)
- (b) any guarantor of your obligations terminates any further obligations under their guarantee
- (c) we reasonably believe that you won't be able to keep to the Contract unless we suspend or cancel your right to redraw
- (d) we reasonably believe any Security we hold is not sufficient to support your obligations under the Contract.

HL10.2 Your obligations

If we suspend or cancel your right to redraw under this clause this does not affect your obligations under the Contract for redraws you have made before we suspend or cancel the credit.

HL10.3 Written notice

If we suspend or cancel your redraw we will tell you in writing as soon as possible. If we decide to reinstate your right to redraw after suspending it, we will give you written notice.

HL11. Prepaying fixed interest rate Loans

Note:

- This clause does not apply during a guaranteed interest rate period.
- Partial Prepayments are not permitted on Interest-in-advance Fixed Rate Investment Home Loans.

HL11.1 Partial Prepayment limit

You can make partial Prepayments of up to \$10,000 each year for free. If you prepay more than that in a year, we can charge you an Administrative Fee and/or an Early Repayment Adjustment. This is despite clauses HL11.2 to HL11.5 below.

HL11.2 Permission to make the Prepayment

You can make a partial Prepayment unless we decide not to allow it in accordance with clause HL11.3. If we allow the partial Prepayment the amount is credited to the Loan Account.

HL11.3 If we refuse the Prepayment

If we decide not to allow the partial Prepayment, we return the amount to you within 10 Business Days. We do not pay interest on the returned amount.

HL11.4 When we can charge an Administrative Fee and/or an Early Repayment Adjustment

We can charge you an Administrative Fee on any full or partial Prepayment and if we make a loss as a result of the Prepayment we can make an Early Repayment Adjustment which we debit to your Loan Account.

HL11.5 When we can charge an Early Repayment Adjustment

If we work out that we have made a loss because of your Prepayment we can make an Early Repayment Adjustment. We calculate the Early Repayment Adjustment as our reasonable estimate of our loss in accordance with our usual formula which takes into account the difference between:

- our wholesale market swap rate for the fixed interest period on the date the interest rate was fixed; and
- our wholesale market swap rate as at the date of the Prepayment for the balance of the fixed interest period.

We also take into account any scheduled principal repayments and the present day value of the Early Repayment Adjustment in our calculation.

If the wholesale market swap rate at the Prepayment date is lower, an Early Repayment Adjustment is payable by you.

Section 2: Home Loans (HL)

Our calculation does not necessarily reflect actual transactions which we may enter into as a result of your Prepayment or switch or which we may have entered into when you fixed the interest rate. There may not be specific transactions referable to your loan because we manage our funding of loans and interest rates on a portfolio basis.

If you ask us, we will give you a statement setting out how we estimated our loss as a result of your Prepayment or the formula we use to calculate our loss or both.

Warning: *If the wholesale market swap rate falls, the Early Repayment Adjustment can be high and may increase the amount you owe us. You can ask us for an estimate of an Early Repayment Adjustment at any time.*

HL11.6 The Early Repayment Adjustment amount

After estimating our loss, we decide the amount of the Early Repayment Adjustment you must pay us as compensation. It will be no more than the estimate of our loss, calculated on the basis of the statement.

HL11.7 If you apply to increase the amount of credit on a fixed-interest loan

If and when we agree to your request to increase the amount of credit (Top Up), the fixed interest rate that applies to your Loan will change and we treat your existing fixed-interest loan as if it were repaid.

If we expect to make a loss by increasing your credit, we can debit an Early Repayment Adjustment to the Loan Account. If we are going to do this we will tell you the amount when we advise you of the proposed variation to the Contract. The Early Repayment Adjustment will not change between then and when we increase your credit, despite any changes in fixed interest rates or payments you may make. HL11.5 explains how we calculate the Early Repayment Adjustment.

HL11.8 Payment

You must pay us any Administrative Fee and/or any Early Repayment Adjustment.

HL12. Prepaying a variable or guaranteed interest rate loan

HL12.1 When you can prepay

You can prepay the Loan Account in full or make a partial Prepayment on the Loan Account at any time.

HL12.2 If you prepay in full

If your Schedule shows a fee may be charged and you prepay the Loan Account in full, we may make an Early Repayment Adjustment to the Loan Account and charge you the Administrative Fee.

HL12.3 How we calculate the Early Repayment Adjustment

If we work out that we have made a loss because of your Prepayment we can make an Early Repayment Adjustment. We calculate that loss in accordance with our usual formula as the difference between:

- what we would have earned if you had repaid the Loan only through making the required repayments, and
- our reasonable estimate of what we would earn from re-lending the amount you prepaid, including any concession on interest rates you had.

We make an adjustment because you pay us an amount you owe us on the Loan Account earlier than we expected and to take account of any previous permitted partial Prepayments you have made. If you ask us, we will give you a statement setting out how we estimated our loss as a result of your Prepayment or the formula we use to calculate our loss or both.

HL12.4 The Early Repayment Adjustment amount

After estimating our loss, we decide how much of the Early Repayment Adjustment you must pay us as compensation. It will be no more than the estimate of our loss, calculated on the basis of the statement.

HL12.5 Payment

You must pay us any Administrative Fee and/or Early Repayment Adjustment.

HL13. Statement of account

We will send you a statement of the Loan Account every six months. We may also send you a statement to confirm any changes you request.

HL14. Commitment period

HL14.1 Terminating the Contract within the Initial Commitment Period

If you don't take the Loan within the Initial Commitment Period, we can terminate the Contract and keep any fees and charges you have paid us under the Contract equal to any expenses we have incurred with third parties and our reasonable average costs of determining your loan application and in connection with the Contract.

HL14.2 After the Initial Commitment Period

Within three months of the end of the Initial Commitment Period, you can take the Loan either at the variable interest rate set in accordance with clause HL2.1, or at a fixed or guaranteed interest rate.

You can only request a fixed or guaranteed interest rate if you ask us to 'rate lock' the Loan and if you take the Loan during the period we agreed under clause HL1.2.

HL14.3 Termination after the initial commitment period

If you don't take the Loan within three months after the end of the Initial Commitment Period, we can terminate the Contract without notice to you and keep any fees and charges you have paid us under the Contract equal to any expenses we have incurred with third parties and our reasonable average costs of determining your loan application and in connection with the Contract.

HL15. Credit balances

If you want to keep your account open after you have repaid the Loan, you must tell us at that time that you want to do this. The terms and conditions that apply to the Loan Account with a credit balance are set out in 'Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan of Seniors' (T).

HL16. Features of your loan

HL16.1 Top Up

You may be eligible to borrow more money through your loan without having to complete another full application.

If you would like to increase the amount of your loan visit your branch or call

13 2224 for non broker customers

or **13 2407** for broker customers.

You can also visit our website at

commbank.com.au

HL16.2 Repayment Holiday

Note: This is not available during an Interest-in-advance period or if you have any other mortgages to another financial institution ranking behind us.

You can ask to suspend your repayments if you are not in default, pay any applicable fee and sign any new documents we require. During this 'Repayment Holiday', your loan balance will increase by the amount of interest plus any fees and charges charged to the Loan Account.

If you have made more than the regular repayments we require you to make on the Loan Account; and you are eligible for the 'Repayment Redraw Facility' (RRF) set out in clause HL9, then you can stop making regular repayments for as long as the Special Repayments available in the Loan Account cover the required monthly repayments.

During the 'Repayment Holiday', we will deduct your monthly repayment from the Special Repayments in your RRF.

If there are not enough Special Repayments to cover the 'Repayment Holiday' but we agree to your request anyway, we can charge interest on unpaid interest (see clause 8).

HL17. Processing transactions

If you do an electronic transaction (for example, through an ATM or by EFT) out of our normal processing hours we may process it on the next Business Day.

Our processing hours are set out in the *Electronic Banking – General Information and Terms and Conditions* brochure.

If you make electronic transactions after hours on a Business Day or on a non Business Day (processed to your Loan Account on the next Business Day) we will backdate them to the date you made the transaction.

Section 2: Equity Unlock Loan for Seniors (C)

C1. Available credit

What is my credit limit?

C1.1 The limit of your credit is stated at Item B on your Contract Schedule. The amount of available credit is the limit less credit fees and charges we debit to your Loan Account. Over a period of time the amount of available credit will reduce as you obtain credit and as we debit interest and fees to your Loan Account.

Conditions apply before we provide credit

C1.2 We will provide credit on your Loan Account if:

- (a) the total amount of credit you request and the debit balance on the Loan Account is not more than the credit limit stated at Item B;
- (b) you meet our conditions in clauses 2.1 and 2.2; and
- (c) you have kept to the terms of the Contract.

How do I obtain credit?

C1.3 If you ask for a cheque book we will provide you with one so that you can transact on your Loan Account. You may also ask to have electronic access to your account using a Debit MasterCard, Keycard or credit card linked to your Loan Account or through NetBank.

See *Electronic Banking – General Information and Terms and Conditions* brochure, for information and terms governing access to your account and the use of electronic terminals.

C1.4 You may ask for credit:

- (i) by presenting a cheque drawn on your Loan Account; or
- (ii) by completing and signing a withdrawal form at any of our branches; or
- (iii) by electronic access to your Loan Account.

Using a withdrawal form – if there are more than one of you the form must be signed by the authorised person(s). If no such authority is given, then each person must sign the withdrawal form. See clause 3.7.

Electronic access – only the authorised person(s) may access your Loan Account. See *Electronic Banking – General Information and Terms and Conditions* brochure.

Exceeding your credit limit

C1.5 Although we are not obliged to, we may provide you with credit (other than interest and fees and charges debited to the Loan Account) in excess of the credit limit stated at Item B of the Schedule. If we do so, then:

- (a) we will debit your Loan Account with the additional credit and the applicable interest;
- (b) we will charge interest on that credit at the rate stated at Item C(iv) on your Contract Schedule, not at the rate referred to in clause 6 and clause C2 below;

- (c) you must repay that additional credit and any interest charged on it within 30 days of the credit being provided; and
- (d) despite clauses 7.1 and 11.3 we apply any payments you make to the Loan Account first to repay that additional credit and any interest charged on that credit.

Representations and warranties

C1.6 Each time you ask for credit we will ask you to make the following representations and warranties to us:

- (a) **Not bankrupt:** You are not an undischarged bankrupt.
- (b) **Not assigning your estate or entering into any arrangement or composition for the benefit of your creditors:** You have not assigned your estate or entered into any arrangement or composition for the benefit of your creditors.

C2. Interest

We set the interest rate for the Loan by adding a margin to or subtracting a margin from a reference interest rate. The reference interest rate and margin applying to the Loan are stated at Items C(i) and C(ii) on your Contract Schedule.

C3. Making repayments

C3.1 You may repay all or part of the debit balance of the Loan Account at any time. However, you may not be able to draw on the amount you repaid, except as provided in clause C1.2 above.

When we may require you to repay the Loan

C3.2 We may only require you to repay the Loan if you:

- (a) sell your Security Property; or
- (b) no longer reside at the Security Property (or if there are two of you, neither of you reside at the Security Property) for a continuous period of 12 months unless we give our consent under clause C8.3; or
- (c) are in default under the mortgage referred to at Item K; or
- (d) are in default under the Contract (see clause C8.4 below),

but until that time we cannot require you to make repayments.

If we are entitled to require you to repay the Loan then you must repay the debit balance on the Loan Account when we demand it. We will give you a reasonable time to repay the Loan which may include a period of notice which we must give you to comply with the Consumer Credit Code and any laws relating to enforcement of our rights under the mortgage you gave us.

If you sell your Security Property to repay the Loan, we may refuse to agree to the sale of your Security Property if the sale proceeds are insufficient to repay the Loan and we reasonably consider that the sale price is less than its fair market value.

Section 2: Equity Unlock Loan for Seniors (C)

C4. Cancelling or reducing the credit limit

C4.1 You may cancel the credit limit on your Loan Account at any time.

C4.2 We may cancel or reduce the credit limit on your Loan Account at any time if:

- (a) we are not satisfied with the value of the Security Property;
- (b) you fail to adequately maintain or insure the Security Property;
- (c) we are entitled to require you to repay the Loan under clause C3.2; or
- (d) we reasonably believe there is another sufficient reason to do so.

However, we will not be entitled to:

- reduce the credit limit below the then debit balance of the Loan Account; or
- require you to reduce the debit balance or repay the loan except under clause C3.2 or clause C9.

C4.3 If your credit limit is reduced or cancelled then you must still meet all of your obligations under the Contract for credit made available on your Loan Account before the date on which you or we reduce or cancel the credit limit.

C4.4 If we reduce or cancel your credit limit we will write to you as soon as possible. No further credit is available on the Loan Account after we cancel your credit limit.

C5. Credit balances

You may conduct your Loan Account with a credit balance.

Please refer to 'Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan for Seniors' (T), for the terms and conditions that apply if you conduct your Loan Account with a credit balance.

C6. Statement of account

We send you a statement of the Loan Account at least every three months.

During the statement period, we will not send a statement if there are no credit or debit transactions on your Loan Account and:

1. the balance outstanding is under \$10.00; or
2. the balance is in credit.

C7. Commitment period

Your Contract contains an Initial Commitment Period.

C7.1 You must meet all of the terms and conditions stated at clauses 2 and 3 within three months of the Disclosure Date as stated at Item A. If you don't our obligation to provide the Loan no longer applies.

C7.2 If a commitment fee is stated at Item F and you pay that fee before our obligation to provide the Loan lapses, we will keep the Loan available for a further three months. If you do not meet

the conditions stated at clauses 2 and 3 within that further time, our obligation to provide the Loan ceases.

C7.3 If our obligation to provide the Loan no longer applies under either clauses C7.1 or C7.2 above, we may terminate the Contract without giving you notice. We may also retain any fees and charges you have paid us under the Contract equal to any expenses we have incurred with third parties and our reasonable average costs of determining your Loan application and in connection with the Contract.

C8. Other provisions

Can I switch between Loan Types?

C8.1 You may not switch between Loan Types. Clause 10.6(a) and 13 will not apply.

Your obligation to insure the Security Property

C8.2 Under the terms of the Mortgage referred to in Item K of your Contract Schedule granted by you, you are responsible to adequately insure and maintain the Security Property. If you fail to do so we may, (although we are not obliged to), insure the Security Property through CommInsure or any other insurer we choose. We will debit the costs of any insurance premium to the Loan Account.

Commonwealth Insurance Limited (CommInsure) is a wholly owned, but non-guaranteed, subsidiary of the Commonwealth Bank of Australia. Where we act as agent for CommInsure we receive commission from CommInsure.

In addition, before undertaking any structural alterations to the Security Property you must obtain our prior consent. We undertake not to unreasonably withhold our consent but we may impose reasonable conditions to our consent.

From time to time, if we reasonably consider it necessary, we may inspect or revalue the Security Property. We must give you reasonable notice before we carry out an inspection or revaluation.

Residence in the property

C8.3 You must not cease to reside in the Security Property for a continuous period of 12 months without our consent. We undertake not to unreasonably withhold our consent but may impose reasonable conditions to our consent. We may refuse our consent if we are not reasonably satisfied that you intend to, and it is likely that you will, resume residence at a later date.

When are you in default?

C8.4 You are in default under the Contract if:

- (a) you deliberately gave us incorrect or misleading information in connection with the Contract before or after you signed the Contract;
- (b) you willfully damage the Security Property;
- (c) we are not reasonably satisfied with the title to the Security Property or the Security over it. Example: we are unable to register the mortgage referred to at Item K of your Contract

Section 2: Equity Unlock Loan for Seniors (C)

Schedule as a first ranking mortgage, or there has been an undue delay in you becoming the registered proprietor of the Security Property, or a claim is made by a third party to an interest in the Security Property (including a resumption of part of the Security Property by a government authority);

- (d) you fail to adequately insure the Security Property and, subsequently you refuse our request to insure the Security Property for the full replacement value; or
- (e) a power of sale arises under the Security or under any other security over the Security Property. Example: you have given another party a second mortgage over your home, are in default under that mortgage and have not complied with a statutory notice served by that party to rectify the default so that the other party has the right as mortgagee to sell your property.

C8.5 Usually, we will write to inform you of the default and ask you to fix the default – if the default can be fixed – within a certain time. We will not give you notice in some circumstances, for example if a court excuses us from giving you notice or we are unable to locate you after making reasonable attempts to do so.

C8.6 You must pay us any expenses we reasonably incur in enforcing our rights under the Contract or a Security. These expenses are debited to the Loan Account.

C8.7 Clause 9 does not apply to the Contract.

C9. No negative equity guarantee

Our rights are limited

Our rights are limited to your interest in the Security Property. Your liability (if any) beyond your interest in the Security is limited to the loss to us in the event:

- (a) you provided a warranty or representation referred to in clause C1.6 that was deliberately incorrect or misleading; or
- (b) you deliberately gave us incorrect or misleading information in connection with the Contract before or after you signed the Contract. Examples: you told us that you were older than you are; or you failed to tell us someone else had an interest in your home under a trust; or
- (c) you willfully damaged the Security Property. Examples: you demolished your garage to reduce the value of your property; or you deliberately burned down part, or all of your house.

The above examples are intended as a guide only and are not an exhaustive list of the matters referred to in clause C9(b) or C9(c).

Section 2: Viridian Line of Credit (O) and Line of Credit (LOC)

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If your loan is a Viridian Line of Credit the clause number applicable to your Contract commences with “O”.

If your loan is a Line of Credit the clause number applicable to your Contract commences with “LOC”.

O1/LOC1. How we make credit available to you

O1.1/LOC1.1 If you ask for a cheque book we will provide you with one so that you can transact on your Loan Account.

O1.2/LOC1.2 You may transact on your Loan Account only if:

- (a) the combined total of credit you request and the amount you owe on the Loan Account is not more than the credit limit stated at Item B;
- (b) you meet all conditions. See clause 2.
- (c) you abide by the terms of your Contract; and
- (d) you ask for credit:
 - (i) by drawing and presenting a cheque issued on your Loan Account; or
 - (ii) by completing and signing a withdrawal form at any of our branches; or
 - (iii) by electronic access to your Loan Account.

Using a withdrawal form – if there are more than one of you or if you are a company, the form must be signed by the authorised person(s). If no such authority is given, then all of you must personally sign the withdrawal form. See clause 3.

Electronic access – only the authorised person(s) may access your Loan Account. See *Electronic Banking – General Information and Terms and Conditions* brochure for information and terms governing access to your account and the use of electronic terminals.

Exceeding your credit limit

O1.3/LOC1.3 Although we are not obliged to, we may allow you to exceed the credit limit stated at Item B. If we do so, then:

- (a) we will debit your Loan Account with the additional credit and the applicable interest;
- (b) we will charge interest on that credit at the rate stated at Item C(iv) on your Contract Schedule, not the rate referred to in clause O2.1/LOC2.1 below;
- (c) you must repay that additional credit and any interest charged on it within 30 days of the credit being provided; and
- (d) despite clauses 7.1 and 11.3, we apply any payments you make to the Loan Account first to repay that additional credit and any interest charged on that credit.

Section 2: Viridian Line of Credit (O) and Line of Credit (LOC)

O2/LOC2. Interest

We set the interest rate for the Loan by adding a margin to or subtracting a margin from a reference interest rate. See Items C(i) and C(ii) on your Contract Schedule for the applicable reference interest rate and margin.

O3/LOC3. Repayments

O3.1/LOC3.1 Unless we agree otherwise, each calendar month you must deposit to your account amounts equal to or greater than the total of any interest, fees and charges debited to your Loan Account during the previous calendar month, or otherwise when we demand it.

O3.2/LOC3.2 You must repay the debit balance on the Loan Account when we demand it.

O3.3/LOC3.3 If we reduce the credit limit on your Loan Account you must reduce the debit balance on the Loan Account to an amount equal to or less than the reduced credit limit.

O3.4/LOC3.4 You may also repay all or part of the debit balance of the Loan Account at any time.

O4/LOC4. Cancelling or reducing the credit limit

O4.1/LOC4.1 We may reduce or cancel the credit limit on your Loan Account at any time.

O4.2/LOC4.2 You may cancel the credit limit on your Loan Account at any time.

O4.3/LOC4.3 If your credit limit is reduced or cancelled then you must still meet all of your obligations under the Contract for credit made available on your Loan Account before the date on which you or we reduce or cancel the credit limit.

O4.4/LOC4.4 If we reduce or cancel your credit limit we will write to you as soon as possible. No further credit is available on the Loan after we cancel your credit limit.

If you do not pay our fees, charges and interest

O4.5/LOC4.5 If the monthly interest, fees and charges debited to your Loan Account have not been paid within one calendar month, in addition to cancelling the credit limit we may require you to repay the Loan Account by monthly instalments of principal and interest. If so, then we will issue you with a new Loan Type, Loan Account number and reference interest rate. You should not take this to mean that the Loan has been repaid or refinanced.

The first instalment of principal and interest is due one month after the date we write to you advising you of your repayments. At any time we may change the monthly repayments or the way we calculate them. We will write to you about these changes at least 20 days before they take effect. Our rights

under this clause are in addition to those under clause O3.2/LOC3.2.

O5/LOC5. Credit balances

You may conduct your Loan Account with a credit balance. Please refer to ‘Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan for Seniors’ (T), for the terms and conditions that apply if you conduct your Loan Account with a credit balance.

O6/LOC6. Statement of account

We will send you a statement of the Loan Account at least every three months.

During the statement period, we will not send a statement if there are no credit or debit transactions on your Loan Account and:

1. the balance outstanding is under \$10.00; or
2. the balance is in credit.

O7/LOC7. Commitment period

Your Contract contains an Initial Commitment Period of three months from the Disclosure Date stated at Item A.

O7.1/LOC7.1 You must meet all of the terms and conditions stated at clauses 2 and 3 within three months of the Disclosure Date stated at Item A of the Schedule. If you don't we may terminate

your Contract and retain any fees and charges you have paid us under the Contract equal to any expenses we have incurred with third parties and our reasonable average costs of determining your loan application and in connection with the Contract.

O7.2/LOC7.2 Provided we have not already terminated the Contract under clause O7.1/LOC7.1, you may request to draw the Loan within a further three months after the expiry of the Initial Commitment Period.

O7.3/LOC7.3 If you make a request under clause O7.2/LOC7.2 and you still do not meet the conditions stated at clauses 2 and 3 within the further three months after expiry of the Initial Commitment Period, we may terminate the Contract without notice to you and retain any fees and charges you have paid us under the Contract equal to any expenses we have incurred with third parties and our reasonable average costs of determining your loan application and in connection with the Contract.

Section 2: Viridian Line of Credit (O) and Line of Credit (LOC)

O8/LOC8. When we process transactions

Conditions apply to all transactions made through electronic equipment, for example, automatic telling machine or electronic funds transfer. Our processing hours are set out in the *Electronic Banking – General Information and Terms and Conditions* brochure.

Time of transaction	When processed	Conditions
During processing hours on a Business Day	same Business Day	No Conditions
After processing hours on a Business Day	next Business Day	We will not backdate the transactions we process to the date it was made
After processing hours on a Non Business Day	next Business Day	

Section 2: Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan for Seniors (T)

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About these terms and conditions

The terms and conditions in this section govern transactions on your Viridian Line of Credit/Line of Credit or the Equity Unlock Loan for Seniors account. These terms and conditions become binding from the time you open an account. There are also terms and conditions that may apply by operation of law.

If you have a Home Equity Facility previously with State Bank of New South Wales Limited/Trust Bank then any reference to Viridian Line of Credit/Line of Credit is also a reference to Home Equity Facility.

Code of Banking Practice

The relevant provisions of the *Code of Banking Practice* apply to a Viridian Line of Credit/Line of Credit or an Equity Unlock Loan for Seniors account if it is held by an individual, either alone or jointly with another individual.

T1. Opening an account

You can open an account either in your name alone or jointly with someone else. The account must be for your private or domestic use only. We may also allow you to open an account for use when you act as a trustee of a private trust.

T2. Operating joint accounts

If you open an account jointly with another person(s), it may be operated in different ways to suit your requirements.

Unless otherwise agreed with us when the account is opened:

- each of you may operate the account independently of each other;
- we may accept for the credit of the account any cheque or negotiable instrument payable to any one or more of you; and
- if one of you dies, ownership of the account passes to the survivor(s) who can continue to operate on it, unless there was prior to death, an agreement with us which is to the contrary.

We are not obliged to enquire into the circumstances of any instructions you give in relation to the operation of your joint account, and we are not liable for any loss or damage you or anyone else suffers due to us acting on those instructions in good faith, unless it is proved we were negligent.

T3. Trust accounts

When you lodge a deposit in your name(s), you verify that the funds deposited are not subject to a trust of any kind nor lodged in a trustee capacity or, if you enter into the Loan as a trustee of a trust the funds deposited are subject to that trust.

Section 2: Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan for Seniors (T)

T4. Tax on credit funds

You are not required to provide us with your tax file number (TFN). However, if the account is in credit, we are obliged by law to deduct tax from interest where a TFN or TFN exemption has not been quoted, and where interest is credited to an account of a non-resident.

T5. When we can close an account

We are entitled to close an account in credit on reasonable notice, or without notice if the account has a nil balance and has not been operated for a period of three months or more.

We may charge you an amount that we consider to be a reasonable estimate of the administration costs of closure.

If the account is in credit and you do not make a deposit or withdrawal on the account for seven years we will close the account without giving you notice. We will then transfer the credit balance to an unclaimed moneys fund where it will not earn interest (balances over a prescribed amount go to the Government's unclaimed moneys fund). You may at any time apply for return of the transferred balance.

T6. Cheques

You may apply for a cheque book. If you choose to do so, you must only use the cheques given by us. Government stamp duty may apply. We may at any time ask for the cheque facility back if we find any improper conduct on the account.

T7. Combining an account

You agree that we may combine or offset the credit balance of this account with any other on demand account you have or may have in the future with us (except any account which has a facility which is regulated by the Consumer Credit Code, in which case our rights are restricted to exercising the bankers right to combine accounts as permitted by the Consumer Credit Code). *The Better Banking Book* contains more information on the consequences of account combination.

If we elect to combine your accounts we will observe any applicable requirements of the Code of Operation for Centrelink Direct Credit Payments.

T8. Making deposits

You may make deposits of any amount:

- at any branch of the Bank.
- through most of the Bank's Automatic Teller Machines (no coins).
- at selected offices of Australia Post.
- at certain other authorised agencies of the Bank.
- via the Bank's automated service. To access the automated service you will need a password. Call **13 2221** and ask one of our telephone staff to set you up with a password of your choice.
- via NetBank Internet Banking at **commbank.com.au**. To access NetBank, you will need a client number and password. To obtain these call **13 2828**.

You may arrange to have your salary, allowance or any other regular payment made direct to your account by direct credit or periodical payment.

T9. Electronic banking

You may transact on your account using a range of banking services that utilise electronic equipment. Electronic banking which provides electronic access to your account, including deposits to and withdrawals from the account, is governed by the conditions set out in our booklet, *Electronic Banking – General Information and Terms and Conditions*, and by the terms and conditions of the accounts, products and/or services being used. Electronic access is subject to you authorising electronic access when completing the Bank's standard form of application or account operating authority. Information on using electronic banking is available in our *Banking Made Easy* booklet.

Transferring money

You may transfer funds through our telephone banking service and Internet banking service. Daily transfer limits apply to withdrawals using these services. See *Electronic Banking – General Information and Terms and Conditions* brochure. Merchants, BPAY[®] billers and other financial institutions may impose additional restrictions. (® Registered to BPAY Pty Ltd ABN 69 079 137 518).

For security reasons we may place a hold on funds transferred through NetBank to your account from an unlinked Commonwealth Bank account. The hold may apply until the next Business Day (or if the transfer occurs on a non-Business Day or after 11 pm on a Business Day, until the second following Business Day) or longer if we need to investigate the transaction.

T10. Making withdrawals and payments

You may make withdrawals at any branch of the Bank. If you have electronic access to your account, you may also make withdrawals through the Bank's ATMs and the ATMs of a range of other financial institutions within Australia, ASB Bank in New Zealand, Commonwealth Bank in Indonesia and Commonwealth Bank in Vietnam through overseas Maestro/Cirrus, MasterCard and Visa Plus networks, and at Post Offices and other agencies with electronic banking terminals.

We set a daily withdrawal limit on the total amount that can be withdrawn using a PIN from all accounts linked to a card in any one day. Withdrawals are subject to the dollar note denominations available. The daily withdrawal limit is set out in the *Electronic Banking – General Information and Terms and Conditions* brochure which we can change at any time.

Section 2: Transacting on your Viridian Line of Credit/Line of Credit and Equity Unlock Loan for Seniors (T)

To request a higher daily withdrawal limit call **13 2221**. If you request a higher daily withdrawal limit, and we agree, your liability for unauthorised transactions will increase.

Direct debit and periodical payments

You may arrange to have regular payment of bills and loan repayments made direct from your account by direct debit or periodical payment.

You may cancel or alter a direct debit authority or periodical payment authority at any time by giving us notice. We will accept and promptly process your request. We may ask you to contact the debit user in the case of a direct debit authority. If your payment arrangements fail to comply with the terms of the account authority, then we may stop a direct debit or periodical payment authority, or cancel it outright.

If you discover that unauthorised or irregular transactions have been made – and you notify us – we will accept and promptly process your complaint. In case of a direct debit transaction we suggest that you contact the debit user.

Clearance

Proceeds of cheques and other payment instruments, or funds transferred by direct debit to your account, are subject to clearance. If the Bank allows you to access these before they are cleared, you must repay the money if the cheque, payment instrument or direct debit is dishonoured.

T11. Agency opening hours

We do not regulate the hours in which Australia Post offices and authorised agencies conduct banking business. You should check their banking business hours with the Australia Post office or authorised agency.

T12. Fees and charges payable

Access Fee	Charged for each withdrawal and account balance enquiry made through the automatic teller machines of ASB Bank in New Zealand, Commonwealth Bank in Indonesia and Commonwealth Bank in Vietnam. The fee is charged to your account at the time of the withdrawal or enquiry.
Fees on transactions made overseas	Charged for each withdrawal and account balance enquiry made overseas through MasterCard, Maestro, Cirrus and Visa Plus networks of electronic terminals. The fee is charged to your account at the time of the withdrawal or enquiry.
Overdrawing Approval Fee	Charged when we honour transaction(s) made or authorised by you which results in the account exceeding its credit limit. The fee is charged on the day the Bank honours such a transaction(s).

You must pay any fees we charge for services related or ancillary to the operation of your account. We will debit your account with these fees. To receive a copy of the schedule of charges telephone us on **13 2221** or call into a Bank branch.

T13. What interest can I earn?

We will pay interest at Streamline transaction account interest rates on credit balances of \$1.00 or more. Interest is calculated on the daily closing balance and credited on the first Business Day in March, June, September and December and when the account is closed.

Interest rates are tiered according to the account balance. You will receive the interest rate on your entire account balance as your balance increases from one tier to the next. We may vary the rates of interest or the tiers at any time. To receive details of the current interest rates call **13 2221**.

Section 3: General Terms and Conditions that apply to Packages

About these terms and conditions	General terms and conditions in this section that apply to Wealth Package.	Page 77
About these terms and conditions	General terms and conditions in this section that apply to Mortgage Advantage.	Page 77
How to qualify for a Package	We tell you who is eligible to apply.	Page 77
Understanding how the benefits work	We provide an overview of how the benefits work.	Page 77
Annual package fee	We tell you about the annual package fee and how you must pay us the fee.	Page 79
Changes to your Package Agreement	We may make changes to your Package Agreement.	Page 80
How will the Bank notify me of changes to the Package agreement?	We must tell you about any changes we make.	Page 80
Government fees	Some Government fees apply.	Page 80
Cancelling this Package Agreement	You or the Bank may end the Package Agreement.	Page 81
Direct Debit Request Service Agreement	Paying the annual fee through Direct Debit.	Page 81
Sending notices	How and when we send you notices.	Page 83

Wealth Package and Mortgage Advantage

Wealth Package and Mortgage Advantage are similar offerings of concessions and benefits we offer to our customers. Wealth Package is available to customers who apply directly to us and Mortgage Advantage is available to customers who apply through their broker.

About these terms and conditions

The terms and conditions in this section govern Wealth Package and Mortgage Advantage. They and the Package Application Form comprise the Package Agreement and apply for the life of that agreement. The Package Agreement is subject to the Bank’s Usual Terms and Conditions and, normal credit criteria and assessment.

If the Package Agreement you have with us is in respect of Wealth Package, in these terms and conditions we refer to Wealth Package as the “Package”.

If the Package Agreement you have with us is in respect of Mortgage Advantage, in these terms and conditions we refer to Mortgage Advantage as the “Package”.

P1. How to qualify for Wealth Package or Mortgage Advantage

Who is eligible to apply for Wealth Package or Mortgage Advantage?	The Package can be established under one individual’s name or a corporate entity. The Package cannot be established in joint names, or in the name of a business, or family investment trust.
What is the initial minimum total home lending balance required?	To qualify for the Package you must have a total home lending balance equal to or greater than the minimum amount specified in the most current benefits <i>Fact Sheet</i> for Wealth Package or Mortgage Advantage, as applicable.

P2. Understanding how the benefits work

What benefits are available under Wealth Package or Mortgage Advantage?	As a Package holder you are entitled to the benefits set out in the most current Package benefits <i>Fact Sheet</i> . Discounts off variable rate loans and lines of credit are based on the total home lending balance that you have with the Bank.
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Section 3: General Terms and Conditions that apply to Packages

What is total home lending balance?	Total home lending balance is the sum of the account balance of home lending accounts and the credit limit of the line of credit accounts that you have with the Bank. Any extra repayment that you make on your home loan will reduce your total home lending balance.
What accounts can Package benefits be applied to?	Package benefits apply to accounts where you are the sole account holder, or a joint account holder. Loans in which you are a guarantor are not eligible for Package concessions.
Are corporate entities able to enjoy all the benefits of the Package?	There are certain Package benefits that apply to products that can only be opened in a personal name. A corporate entity will not be able to take up these products and hence will not have access to the associated Package benefits.
When do the benefits start?	You will start receiving benefits on the day the Bank processes your application.
When do the benefits cease?	Benefits are only available for the life of the Package Agreement, except as otherwise indicated.
How do I obtain the benefits?	You must apply for the benefits using the Package Application Form.
Can I combine the benefits with other discounts and/or special offers?	No. Where multiple discounts and/or special offers are available on a single product, the benefits (as appropriate) will apply.
Benefits for clients of the relevant Package as at 7 July 2008 (including Wealth Package Option 1 or 2).	Your current home loan benefits will remain in force until the Package Agreement is terminated or the loan/account is repaid (whichever comes first). Benefits as set out in the most current <i>Fact Sheet</i> for the relevant Package will only be available on new products taken out after 7 July 2008.

P3. Annual package fee

What fee applies?	A non-refundable annual package fee (as set out in the package application or advised to you) is payable in advance.
How do I pay the annual package fee?	<p>You must nominate a credit card or a transaction account in your own name, or in a director's name if you are a corporate entity, for the annual package fee to be charged to. If the package holder is a corporate entity, a business cheque account can be nominated.</p> <p>If you pay by Commonwealth Bank credit card, your credit card must be activated before package concessions can be applied.</p>
When do I pay the fee?	<p>For new applications we will debit your nominated credit card or transaction account with the annual package fee on the day we receive your application. We will debit your nominated account on each anniversary of that date. If you change your nominated account please let us know immediately. Visit any branch of the Bank or call us on 13 2221 for non broker customers or 13 2407 for broker customers.</p>
Will the fee change?	From time to time we may vary the amount of the annual package fee and how we calculate the fee.
What happens if there are insufficient funds in my nominated credit card or transaction account or if it is closed?	<p>We may cancel the Package and the concessions you receive if you do not pay the annual fee.</p> <p>You irrevocably authorise us to debit, at our discretion, any other account you hold with the Bank with the amount of the annual package fee.</p>

Section 3: General Terms and Conditions that apply to Packages

P4. Changes to your Package Agreement

The Bank or the relevant provider of the products or services may:

- add new concessions/benefits;
- change or remove concessions/benefits;
- change the amount of or the basis for calculating any fee, charge or premium or the fee charging cycle;
- change any other terms and conditions.

We may make any such changes where we consider it reasonably necessary to:

- (a) introduce new services or products;
- (b) accommodate changes in the needs or requirements of our borrowers;
- (c) correct errors, inconsistencies, inaccuracies or ambiguities;
- (d) comply with requirements of a law, regulatory body or code of practice;
- (e) bring us into line with our competitors, industry or market practice or best practice in Australia or overseas;
- (f) reflect changes in technology or our processes including our computer systems;
- (g) enhance our risk management;
- (h) reflect changes to the structure of our corporate group;
- (i) reflect changes in concessions/benefits granted by the relevant provider of the products or services; or

- (j) ensure we, the relevant provider of the products or services or both of us, remain competitive and profitable.

P5. How will the Bank notify me of changes to the Package?

We will give you 30 days' written notice of the change but may not do so if the change reduces your obligations or extends the time for payment of any amount under your Contract.

We may give you notice by advertising the fact in a leading daily newspaper in your State or Territory except where the change:

- relates to the introduction of a new fee or charge;
- varies the method by which interest is calculated;
- varies the minimum amount or balance ranges within which interest rates apply to deposit accounts; or
- varies the frequency we debit or credit interest.

Note: *If we make a change which you do not like, you can cancel your Package Agreement by giving us written notice in accordance with clause P7.*

P6. Government fees

As the account holder(s) you remain responsible for all Government fees, taxes and charges which apply to the loan(s), line(s) of credit or account(s). Goods and Service Tax (GST) is levied on fees received by the Bank for a taxable supply. The Bank will pass this on to you as a part of its fee.

P7. Cancelling this Package Agreement

There may be circumstances where either you or the Bank may cancel this Package Agreement. On cancellation your benefits will cease.

We may cancel the Package Agreement without notice:

- if you breach the terms or conditions of the Package Agreement; or
- if you or any borrower is in default under any loan contract whether or not it forms part of this Package Agreement. The Bank's rights under this clause are in addition to its rights under such contract. We may charge you interest at default rates provided for under that loan contract.

The Bank may also cancel this Package Agreement at any time on giving you three months' written notice.

If you would like to cancel the Package Agreement you must give us at least 10 days' written notice prior to your Package anniversary date. Hand in your written request at any of our branches or post it to: Reply Paid 3102 BRISBANE QLD 4001. If your Package is Mortgage Advantage you may also instruct your broker to send us your written request.

P8. Direct Debit Request Service Agreement

When do we draw the amount?	Where the due date for payment falls on a non-business day we will draw the amount on the following business day.
Can we charge a dishonour fee?	We may charge a dishonour fee if any debit item already debited from your nominated transaction account is returned as unpaid by the Bank. We may attempt a redraw.
Is my personal information safe?	We will keep information about your nominated transaction account at the Bank private and confidential unless we need to use it to investigate a claim relating to an alleged or wrongful debit, or as otherwise required by law.
Changes	We will advise you 14 days in advance of any changes to the Direct Debit arrangements.

Section 3: General Terms and Conditions that apply to Packages

Your rights

Changes or termination	If you wish to end the Direct Debit arrangement for payment of your package fee then you must advise the Bank in writing.
If a debit is incorrect	If you believe the debit is incorrect in either due date or amount or both, please visit a branch or call 13 2221 .
Matters relating to the Direct Debit arrangement on your account	If you have any concerns relating to deferment of debits, alteration of debit arrangements or stopping or cancelling your direct debit request, please call 13 2221 , or forward a written request to: Commonwealth Bank Reply Paid 3102 BRISBANE QLD 4001.

Your responsibilities to the Bank

You must ensure a direct debit is possible	Bulk Electronic Clearing System (BECS) does not permit direct debit on the Bank's full range of accounts. Please confirm this with your branch, Relationship Manager or broker.
You must complete the Direct Debit Request (DDR)	Please use a recent account statement to complete the DDR. Remember to include all of your account details, including Bank State Branch (BSB) number.
You must ensure your account contains sufficient funds	Cleared funds in your nominated transaction account should be sufficient to meet the debit of your package fee on the due date.
You must match the name on your account with the name on the DDR	Please ensure the nominated account you authorise us to debit is in the same name as the account signing the instruction held by the Bank.
You must ensure your nominated transaction account remains open	Please advise us if the account you have nominated to debit is transferred or closed.
What you must do if the Direct Debit is cancelled	Please ensure that suitable arrangements are made if the Direct Debit is cancelled either by you or for any other reason.

P9. Sending notices

Notices given or made under this Package Agreement must be in writing and may be given by any of the following means or any other means permitted by law. Notices take effect from the time received unless a later time is specified in the notice. Please tell us immediately if you change your name or address.

Giving notices in person	Notices for the Bank may be given to a Bank employee at the branch or office where you arrange the Package Agreement or any other branch or office that the Bank tells you.
Hand delivery of notices	Leave notices at the address last notified.
Post notices	Send by prepaid post to the address last notified. Notices sent by post are taken to be received on the day they would be received in the ordinary course of post.
Fax notices	Fax notices to the number last notified. A transmission report created by the fax machine is evidence that the facsimile transmission was sent.
Notices by email	With your consent we may give you notices by making them available on our website and sending you an email to your last notified email address informing you that the notice can be retrieved from our website.

Section 4: General Terms and Conditions that apply to MISA

Mortgage Interest Saver Account (MISA) is only available on the following Home Loans and Investment Home Loans:

- Standard Variable Rate
- Discounted Variable Rate
- Guaranteed Rate
- Fixed Rate (excluding Interest in Advance Fixed Rate Investment Home Loans).

About these terms and conditions	How the terms and conditions in this section apply to you.	Page 85
Financial Claims Scheme	Financial Claims Scheme.	Page 85
Australian Government Guarantee Scheme	Australian Government Guarantee Scheme.	Page 86
Code of Banking Practice	We abide by an industry code of practice.	Page 86
How to open a MISA	Opening a MISA.	Page 87
Operating a joint account	How a joint account works.	Page 87
Making deposits	How much you can deposit and ways to deposit funds.	Page 87
The Bank's right to block access to your account	Our right to block the account and what we can do if you default on your loan.	Page 88
If you break the law	What happens if you breach these terms and conditions.	Page 88
Electronic banking	Transacting on your account through electronic banking.	Page 88
Making withdrawals and payments	How much you can withdraw and ways to make payments.	Page 89
Minimum account balance	The minimum amount you must maintain in your account.	Page 90

Section 4: General Terms and Conditions that apply to MISA

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Loan obligations	You must continue to make the agreed loan repayments.	Page 90
How the interest rate offset works	We tell you how the interest rate offset works.	Page 91
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Government charges	Government charges may apply to your account.	Page 92
Changes to your terms and conditions	We tell you about changes to your account.	Page 92
Change of personal details	You must tell us if you change your name and address.	Page 93

About these terms and conditions

The terms and conditions in this section govern the Bank's Mortgage Interest Saver Account (MISA). There are also terms and conditions that may apply by operation of law.

These terms and conditions become binding from the time you open a MISA. From that time, we and you undertake to keep to the terms and conditions.

Any words in these terms and conditions which have a defined meaning can be found in Section 2 clause 1.

Financial Claims Scheme and Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding

Financial Claims Scheme

The Financial Claims Scheme under the *Banking Act 1959* applies to these deposit accounts. The Financial Claims Scheme is free and automatically covers the total aggregated balance of all your deposit accounts* with the Bank up to and including \$1,000,000.

* Note: includes your separate equal share in any joint deposit account with the Bank.

Section 4: General Terms and Conditions that apply to MISA

Australian Government Guarantee Scheme

Where the total aggregated balance of all your deposit accounts with the Bank exceeds \$1,000,000 and you require the benefit of the Australian Government Guarantee under the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the Scheme) for that amount greater than \$1,000,000, you must request the Bank to apply to the Scheme Administrator for the Australian Government Guarantee nominating the account or accounts you require the Australian Government Guarantee to cover. We call this your “opt-in”.

The Bank is required to pay any fees payable in accordance with the Scheme Rules. If you opt-in by requesting the Bank to make an application to the Scheme Administrator for the Australian Government Guarantee, you agree to indemnify the Bank for all fees payable by the Bank to the Scheme Administrator under the Scheme.

The Guarantee Fee will be payable monthly and charged at an annualised rate as advised from time to time by the Australian Government. The fee is currently 0.70% and is charged on the aggregated average daily credit balance of the accounts you nominate to be covered for the month less the fee free threshold of \$1,000,000. This Guarantee Fee will be debited monthly in arrears to an account nominated by you.

For more information on the terms and conditions of the Scheme please visit the Treasury website treasury.gov.au

For details of how to opt-in please visit our website at **commbank.com.au**, enquire at your nearest branch of the Bank or call **13 2221**.

Code of Banking Practice

The relevant provisions of the *Code of Banking Practice* apply to a MISA if it is held by an individual, either alone or jointly with another individual, or a small business.

M1. How to open a MISA

You will need to open your MISA with a minimum of \$1,000. The account must be conducted in the same name(s) as your home loan or investment home loan account. The following loans are not eligible for interest offset:

- home loans/investment home loans conducted at a base variable rate (including Three Year Special Economiser/Rate Saver) which have a Disclosure Date of 16 February 1998 or later; and
- home loans/investment home loans conducted at a base variable rate which were approved or the loan offer was made prior to 16 February 1998, where the borrower has elected to take up the Repayment Redraw Facility in substitution for the Mortgage Interest Saver Account; and
- interest in advance fixed rate investment home loans.

Before you can open a MISA with the Bank, you must provide proof of identity so that we are able to carry out any verification check(s).

M2. Operating a joint account

If the MISA is opened jointly with another person or persons, it may be operated in different ways to suit your requirements. Unless otherwise agreed with us when the account is opened:

- Each of you may operate the account independently of each other;
- We may accept for the credit of the account any cheque or negotiable instrument payable to any one or more of you;
- If one of you dies, ownership of the account passes to the survivor(s) who can continue to operate on it, unless there was, prior to death, an agreement with us which is to the contrary.

We are not obliged to enquire into the circumstances of any instructions you give in relation to the operation of your joint account, and we are not liable for any loss or damage you or anyone else suffers due to us acting on those instructions in good faith, unless it is proved we were negligent.

M3. Making deposits

After the initial deposit, you may only make deposits to the account of \$500 or more. You may make deposits:

- at any branch of the Bank;
- through most of the Bank's Automatic Teller Machines (no coins);
- at selected offices of Australia Post;
- at certain other authorised agencies of the Bank;
- via the Bank's automated service on **13 2221**. To access the automated service you will need a password. Call **13 2221** and ask one of our telephone staff to set you up with a password of your choice;

Section 4: General Terms and Conditions that apply to MISA

- via NetBank Internet Banking at **commbank.com.au**. To access NetBank, you will need a client number and password. To obtain these call **13 2828**.

M4. The Bank's right to block access to your account

If you have given us a 'Letter of Set-Off – Mortgage Interest Saver Account', we reserve the right at any time to block access to your account. If you default on your loan, and fail to comply with a default notice issued under consumer credit law (if such notice is required), we may transfer or apply the whole or any part of the credit balance of your account in payment of the whole or any part of your loan.

M5. If you break the law

If you are in breach of these terms and conditions – and we reasonably believe that you have broken the laws of Australia or those of any other jurisdiction – then we may:

- (a) refuse to process any transaction of yours;
- (b) suspend the provision of a product or service to you; or
- (c) close your account.

We may also have other rights under these terms and conditions. If we do any or all of these things in good faith, you will not have a claim against us.

M6. Electronic banking

You may transact on your account using a range of banking services that utilise electronic equipment. Electronic banking, which provides electronic access to your account, including deposits to and withdrawals from the account, is governed by the conditions set out in our booklet, *Electronic Banking – General Information and Terms and Conditions*, and by the terms and conditions of the accounts, products and/or services being used. Electronic access is subject to you authorising electronic access when completing the Bank's standard form of application or account operating authority.

Transferring money

You may transfer funds through our telephone banking service and Internet banking service. Daily transfer limits apply to withdrawals using these services. See *Electronic Banking – General Information and Terms and Conditions*. Merchants, BPAY® billers and other financial institutions may impose additional restrictions. (® Registered to BPAY Pty Ltd ABN 69 079 137 518).

Daily limits for Electronic Banking

If you transfer funds through Telephone Banking or NetBank, the maximum amount that can be transferred per customer per day is:

- \$99,999,999.99 from a linked statement account;
- \$99,999.99 from a linked credit card account;

- \$99,999,999.99 to a linked account;
- \$2,000 to a non-linked account (for example: a third party account or an account at another financial institution).

Any funds received to the account will be assumed to have been lodged by you. The money in your MISA is generally available when you need it, unless you have given the Bank a 'Letter of Set-Off-Mortgage Interest Saver Account', in which case the Bank's consent is required to make withdrawals.

Clearance

Proceeds of cheques and other payment instruments, or funds transferred by direct debit to your account, are subject to clearance. If the Bank allows you to access these before they are cleared, you must repay the money if the cheque, payment instrument or direct debit is dishonoured.

M7. Making withdrawals and payments

Withdrawals must be for a minimum of \$500 and can be made at any branch of the Bank. MISA has no Commonwealth Bank withdrawal fees.

If you have electronic access to your account, you may also make withdrawals through the Bank's ATMs and the ATMs of a range of other financial institutions within Australia, ASB Bank in New Zealand,

Commonwealth Bank in Indonesia and Commonwealth Bank in Vietnam, through overseas Maestro/Cirrus, MasterCard and Visa Plus networks, and at Post Offices and other agencies with electronic banking terminals.

We set a daily withdrawal limit on the total amount that can be withdrawn using a PIN from all accounts linked to a card in any one day. Withdrawals are subject to the dollar note denominations available. The daily withdrawal limit is set out in the *Electronic Banking – General Information and Terms and Conditions* brochure which we can change at any time.

To request a higher daily withdrawal limit call **13 2221**. If you request a higher daily electronic banking withdrawal limit, and we agree, your liability for unauthorised transactions will increase.

You may also make withdrawals via EFTPOS (Electronic Funds Transfer at Point of Sale). The maximum amount that can be withdrawn via EFTPOS is \$10,000 per day. Merchants, BPAY[®] billers and other financial institutions may impose additional restrictions. (® Registered to BPAY Pty Ltd ABN 69 079 137 518).

Section 4: General Terms and Conditions that apply to MISA

M8. Minimum account balance

You must maintain a minimum account balance of \$1,000. This is required for you to receive the loan interest rate offset described in clause M10, unless the Bank in its discretion allows the offset to continue. The only exception we make is where Government charges on the initial deposit cause the balance to fall below \$1,000.

M9. Loan obligations

Except for the effect of the loan interest rate offset on the calculation of interest, your obligations in respect of the loan are not affected by the MISA.

To the extent permitted by law, you expressly waive any right that you may have to set-off any credit balance of the account against any payment due on the loan. This means that you cannot set-off any credit balance of the MISA against any payment due on the loan unless you have a legal right to do so which cannot be excluded.

You must continue to make the agreed loan repayments in full notwithstanding the credit balance of the MISA.

M10. How the interest rate offset works

We do not pay interest on the MISA. What we do is charge a reduced interest rate on a portion of the loan debt equal to the credit balance in the MISA, provided the minimum MISA balance is maintained – refer to clause M8.

We refer to the rate used by the Bank to calculate the reduced interest rate on a portion of the loan debt as the offset rate. We may apply different offset rates to different categories of loans and may vary the offset rate(s) at our discretion.

We calculate the interest rate offset each day based on the close of business balances of the MISA and the loan account. We do not calculate an interest rate offset and we do not pay interest on any portion of the balance of the MISA in excess of the amount outstanding on the loan account, nor do we pay interest on the MISA where the loan has been repaid.

If you receive a Department of Social Security or Department of Veterans' Affairs pension or allowance, you should seek your own advice about the Government's deemed rate of interest for pensioners.

M11. Statements of account

We will send you an account statement every six months as part of the loan account statement. You may request a statement to be issued at any other time. A fee may apply.

M12. Fees and charges payable

The following types of fees and charges apply:

- Recent Transaction List Fee
- Special Clearance Fee
- Statement of Account
- Vouchers

You must pay any fees we charge for services related or ancillary to the operation of your account. We will debit your account with these fees. For a current schedule of charges see our brochure *Standard Fees and Charges – Summary of Common Banking fees we charge for consumer mortgage lending products*.

Section 4: General Terms and Conditions that apply to MISA

M13. Government charges

Any Government taxes and charges that accrue in a calendar month will be charged to your account on the first business day of the following month.

M14. Changes to your terms and conditions

Various features of your account may be changed from time to time, including the fees applicable, interest rates and terms and conditions. We may also give you notice of the changes with an account statement (as applicable). The following table indicates how we will advise you of any changes:

Change	Minimum number of days' notice	Method of notice
Terminate the offset or vary the way it works, as described in clause M10.	30 days	In writing.
Introduce a bank fee or charge in relation to the operation and maintenance of the account.	30 days	In writing.
Changes to the terms and conditions, fees and charges and offset rate(s) applicable to the account.	– no later than the day of change	In writing or by advertisement in the national or local media.
Introduction or changes to any Government fee or charge.	N/A	In writing or by advertisement in the national or local media – unless the Government, Government agency or representative body has already publicised the introduction or changes.

M15. Change of personal details

We rely on you to provide us with accurate information about your personal details. You must notify us promptly if you change your address or your name.

Section 5: Keeping you informed

What if you have a complaint?	What you should do if you want to make a complaint or dispute our decision.	Page 94
Where to get help	Useful telephone numbers and addresses if you wish to contact us about your banking needs.	Page 95
Index	Finding information quickly.	Page 97

What if you have a complaint?

We aim to provide excellent customer service. If you think we have failed, please tell us straight away so that we can try and put things right. Also, by telling us where you think we have failed, we will be able to provide a better service in the future. To assist you, we offer free internal and external avenues to deal with your concerns.

What you should do if you want to make a complaint or dispute our decision

Make your complaint

Let us know by lodging your complaint at either a branch or by calling **13 2221**. Our staff will fully review the situation and, if possible, try to resolve it straight away.

Not happy with the outcome?

Please contact our Customer Relations Team on **1800 805 605** or **customerrelations@cba.com.au** if your complaint has not been resolved to your satisfaction. Customer Relations will investigate your matter thoroughly and promptly.

Should your matter not be resolved by Customer Relations, the Financial Ombudsman Service can be contacted on 1300 78 08 08, or in writing at GPO Box 3, Melbourne VIC 3001.

Where to get help

I want to ...	Who to contact ...
Get help understanding something in this booklet	Call 13 2224 8am–10pm (Sydney time), 365 days a year or visit your local branch.
Increase the amount of my loan	For broker customers, call 13 2407 8am–8pm (Sydney time) Monday to Friday or 8am–5pm (Sydney time) Saturday.
Obtain the balance on my home loan account	
Change my Nominated Account on my Package	
Change contact information on my home loan account	
Obtain details of the Bank's current fees, interest rates or special interest rate offers	
Cancel my Package Agreement	Write to us and drop the letter into any branch or post to Reply Paid 3102 BRISBANE QLD 4001.
Register to use NetBank or get help	Call 13 2828 (or 61 13 2828 if overseas) 24 hours a day, 7 days a week, or visit our website at commbank.com.au/netbank
Obtain general information and Terms and Conditions for Investment and Residential Home Package and Car Insurance through CommInsure	Call 13 2423 8am–8pm Monday to Sunday, Sydney time.

Section 5: Keeping you informed

I want to ...	Who to contact ...
Activate my Debit MasterCard, Keycard or credit card	Call 13 2221 (or 61 13 2221 if overseas) 24 hours a day, 7 days a week, or visit your local branch, or visit our website at commbank.com.au
Request a higher daily electronic banking withdrawal limit	For reporting a Debit MasterCard or Keycard lost or stolen when overseas, you should notify any financial institution displaying the sign for that brand of card (for example MasterCard sign), or phone the relevant hotline number listed in our <i>Credit Cards – Conditions of Use</i> brochure.
Establish a password for Telephone Banking	
Obtain a copy of <i>The Better Banking Book</i>	
Report a credit card, Debit MasterCard or Keycard lost or stolen in Australia or when overseas	
Report unauthorised transactions on my account	
Get help with EFTPOS terminals	Call 1800 022 966 24 hours a day, 7 days a week
Make a suggestion, complaint or compliment	Write or fax your letter to: Customer Relations Commonwealth Bank Group, Reply Paid 41 SYDNEY NSW 2001. (fax: 1800 028 542). Call 13 2221 or Freecall 1800 805 605 (unless made from a mobile). You can also email your feedback by completing the e-form on the website: commbank.com.au/contactus/compliments-complaints/default.aspx
General branch opening hours	Visit commbank.com.au/locateus/ for opening hours of your local branch.

Note: Calls to these numbers are at your expense.

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Our business line

13 2224 (non broker customers)

8 am–10 pm (Sydney time)

Monday to Sunday

13 2407 (broker customers)

8 am–8 pm (Sydney time)

Monday to Friday

8 am–5 pm (Sydney time)

Saturday

commbank.com.au

Commonwealth Bank of Australia
ABN 48 123 123 124

