



# **CommBank Personal Loan Terms and Conditions**

1 September 2018

**Commonwealth**Bank



## Where to find out more

Visit [commbank.com.au/personalloans](https://commbank.com.au/personalloans) for more information about our personal loans, including information on our current interest rates and fees.

For general information about our banking services, see *The Better Banking Book* booklet, available on our website or at any branch. This includes information about how we keep your information confidential and what to do if you get into financial difficulty.

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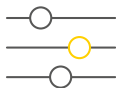
## Terms and conditions

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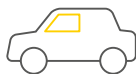
**Look for these symbols to find special conditions for your loan type**



Variable  
Rate Loan



Fixed Rate  
Loan



Secured Car  
Loan

# Terms and conditions

## 1. Your contract with us

Please read these Terms and Conditions and the Schedule we give you that includes your loan details. Together, they make up your loan contract and include the information we must provide you. Special conditions in the Schedule govern over the Terms and Conditions.

The contract will start on the day we fund your loan or otherwise accept the offer you make in the Schedule.

The Code of Banking Practice is the industry benchmark for best-practice banking standards. It applies to your loan.

## 2. Setting up your loan

### 2.1. Conditions for funding your loan

Before we fund your loan, you must meet our requirements, including:

- Completing a loan authority form to nominate an account we can debit repayments from and to tell us who can transact on your loan account.
- Our being satisfied there has been no adverse information or change in financial circumstances since your application.

You must use your loan only for the purposes you indicated to us.

## 2.2. Additional conditions for funding Secured Car Loans



Your obligations under this contract will be secured by the car set out in the Schedule. Before we fund your loan, we must also be satisfied:

- As to the value of the car and your ownership of it.
- You have done everything necessary to give us a first-ranking security interest, including signing our *Security Interest – Goods* document.
- The car is insured for its full insurable value.

If you don't own the car when the contract starts, you must acquire it and provide us the security details within 14 days of the funding date. You authorise us to complete any blanks in our security documents, such as vehicle identification number.

## 2.3. How we fund your loan

You must give us your payment instructions and do everything necessary so that we can pay out the full amount of the loan within one month of the date of your Schedule. Otherwise, we are not required to fund the loan.

## 3. Managing your loan

### 3.1. Transactions on your loan account

We debit to your loan account (and you owe us) the loan amount and any redraw, as well as interest, fees and any other amounts provided for in your contract.

# Terms and conditions

## 3.2. What you have to pay

Your Schedule tells you:

- How much you need to pay each month.
- When your first repayment is due.

You must make repayments by the same day of each succeeding month until your loan account is paid in full. If a repayment is due on a day which is not a business day, the due date is the next business day.

You'll need to continue making regular repayments, even if you've made extra repayments (see 3.3).

The loan term, repayment details and total interest charges payable quoted in your Schedule are estimates. The actual figures will depend on things like when you make repayments and whether interest rates change.

Leave extra time if you use another bank to send us a payment, or make a repayment on a non-business day or outside our normal processing times - your repayment will be applied on the date we process it, which may be later than the day you arranged it.

If a repayment by cheque or account transfer is dishonoured, we treat it as if never made.

You must pay all amounts you owe without deducting amounts you believe we owe you.



### 3.2.1. Weekly or fortnightly repayments

You can choose weekly or fortnightly repayments, if you prefer. If you do this we'll let you know your weekly or fortnightly amount. The amount you are required to pay each month will depend on how many weekly (4 or 5) or fortnightly (2 or 3) payment dates fall in that month. We will provide you with two monthly repayment amounts to cover these scenarios. You'll need to make sure that each month by your monthly due date, your weekly/fortnightly payments add up to your required total repayment amount for that month.

## 3.3. Making extra repayments and paying off your loan early



### 3.3.1. Variable Rate Loans

You can make extra repayments or repay your loan in full at any time. Extra repayments may enable you to redraw funds, subject to conditions (see 3.4).

If you make an extra repayment or we reduce your interest rate, we may reduce your monthly repayment amount to the minimum amount necessary to repay your loan within the loan term. We'll let you know if we do this no later than in your next statement or you can check online.

# Terms and conditions



## 3.3.2. Fixed Rate and Secured Car Loans

You can make extra repayments up to a total of \$1,000 a year without fees applying (\$5,000 a year for loans approved before 1 February 2016). We count a year as 12 months from when your loan is funded and every 12 months after that. You can also repay your loan in full at any time (an Early Repayment Adjustment may apply).

## 3.3.3. What is an Early Repayment Adjustment?

If you make extra repayments above the annual limit or repay your loan in full, we may charge an Early Repayment Adjustment. We charge this if we estimate we will make a loss as a result of the early repayment.

### **We take into account:**

- The amount we would have earned over the rest of the loan term.
- The amount we estimate we will now earn, including our earnings from re-investing or re-lending the repayment at a fixed interest rate.
- The benefit to us of receiving funds earlier than expected.



### 3.4. Redrawing funds from a Variable Rate Loan



If you have made extra repayments, you may be able to access these funds through your redraw facility. You can check your available redraw balance online or by contacting us.

#### 3.4.1. How we calculate your available redraw funds

We calculate the amount available for redraw by seeing if your actual balance is less than what it would have been had you made all repayments on time, made no extra payments and your interest rate remained constant. The amount of available redraw may not exceed the extra repayments you have made (less amounts used to satisfy default). We do this calculation on each of your monthly due dates.

If between monthly due dates, you make payments exceeding your next monthly repayment amount, your redraw will increase by that excess. At your next monthly due date, your redraw will be calculated as outlined above.

#### 3.4.2. How to redraw funds

You can redraw available funds at any CommBank branch or by accessing your loan account electronically. Daily limits for electronic transactions may apply.

For details of the daily limits and other terms and conditions that apply for electronic access, see our *Electronic Banking Terms and Conditions*, available from [commbank.com.au](http://commbank.com.au) or any branch.

# Terms and conditions



## 3.4.3. What it costs

Making a redraw electronically is free. A fee applies to redraws at branches.

## 3.4.4. When you can't redraw

We may suspend or cancel your right to redraw, or reduce your redraw amount, at any time if:

- You're in default (see 5).
- A guarantor withdraws their guarantee.
- We reasonably believe doing so is in either your interest or ours – for example, to protect you or us from fraud or other losses, or to manage regulatory requirements.

If we exercise these rights, we'll tell you as soon as possible.

Your right to redraw ends when you repay your loan account in full and the account is closed.

## 3.5. Statements and notices

We send you a loan account statement every six months (except where the law considers this unnecessary). For joint borrowers receiving electronic statements and living at different addresses, one borrower's address may be used for the statements sent to all borrowers.

Statements, notices and emails are sent to your last notified address and considered as received:

- If sent by post, the day they would usually be received in the ordinary course of business.
- If sent by email, the day the email enters the first information system outside CommBank.

## 4. Fees and interest

### 4.1. Fees you may have to pay

The fees you need to pay are explained in your Schedule and debited to your loan account when due.

### 4.2. Interest on your loan



#### 4.2.1. Variable Rate Loans

We determine the interest rate by starting with a base rate (the reference rate) and adding or subtracting any premium or discount (the margin). The reference rate, your margin and your initial interest rate are set out in your Schedule. We can change the reference rate and your margin (see 6).



#### 4.2.2. Fixed Rate and Secured Car Loans

Your fixed interest rate and fixed interest rate period are set out in your Schedule.

If your loan hasn't been repaid in full by the end of your loan term, the interest rate on the loan changes to a variable interest rate (for details, see your Schedule).

### 4.3. How we calculate interest

Interest is calculated daily on the unpaid daily balance of your loan account using the daily percentage rate (the annual rate divided by 365).

We debit interest to your loan account once a month on your due date and on the day your loan account is repaid in full with interest accrued up to the day prior to the debiting.

# Terms and conditions

## 5. Default and other matters

### 5.1. Default

#### 5.1.1. When you're in default

You're in default if you don't make your required repayments on time or don't follow these Terms and Conditions.



For Secured Car Loans, you are also in default if:

- We are not reasonably satisfied with the value or your unencumbered ownership of the car.
- A default occurs as defined in the *Security Interest – Goods* document you sign.

#### 5.1.2. Actions we may take

If you are in default, we may send you a notice requiring you to fix the default within the stated time (at least 30 days). You may not always get a notice — for example, if we have made reasonable attempts to locate you without success.

If you don't fix the default within the time allowed or we are not required to give you a notice, then we may:

- Decide, without further notice, that the entire outstanding balance of your loan account is payable immediately.
- Take legal action to recover amounts you owe us.
- Sell your car.
- Exercise our common law rights to combine any money you have on deposit with us (for example, in your transaction account) with your loan account.

We'll debit to your loan account any expenses we reasonably incur in enforcing these rights, and they'll be payable from the debit date.

If, in exercising these rights, your Fixed Rate or Secured Car Loan is paid in full, an Early Repayment Adjustment may apply (see 3.3.3).

If you are a joint borrower, we may enforce these rights against either borrower.

### **5.1.3. If we take legal action and obtain a judgment against you**

- You must pay interest on the judgment amount at the higher of the rate set out in the court order or the highest rate that we may charge under the contract.
- Interest is otherwise calculated and charged as set out in 4.3.

### **5.2. Accidental payments to your loan account**

If we believe funds were paid to your loan account due to a mistake, we may return them to the payer or their financial institution or place a hold on your account while we investigate.

### **5.3. Let us know of any changes**

You must tell us as soon as possible if you change your name, address or other contact details.

### **5.4. Privacy**

Your privacy is important to us. For details of when and how we collect, use and disclose your information, and rights you have (for example, to choose how you want us to communicate with you), see our Privacy Policy at [commbank.com.au](http://commbank.com.au) or contact us on **13 2221**.

# Terms and conditions

## 6. Changes to your contract

We can:

- If you have a variable interest rate, change your interest rate by changing:
  - The reference rate.
  - Your margin.
- Change your repayments if we consider necessary so that you repay your loan within the loan term.
- Introduce a new fee.
- Change the amount or frequency of a fee.
- Change any other term of your contract.

We'll act reasonably when exercising these rights and only do so for legitimate business purposes.

For Fixed Rate and Secured Car Loans, we won't change the interest rate during the loan term or reduce your early repayment rights.

## How we tell you about the changes

Change	Minimum notice period we give you	Notice method
<b>Interest</b>		
Changes to our reference rate	By the day of the change	In writing or by advertising in a newspaper
Changing how we calculate or when we debit interest	30 days' notice	In writing
<b>Fees</b>		
Introducing a new fee	30 days' notice	In writing
Changing the amount or frequency of a fee	20 days' notice	In writing or by advertising in a newspaper
<b>Other</b>		
Other changes, including changing your repayments	20 days' notice	In writing

### Things you should know

Where we reduce your obligations or extend the time for payment, we give you notice before or with your next statement.

Where we notify by advertising in a newspaper, we confirm the change before or with your next statement.

Writing includes electronic notice where you agree to receiving notice that way.

# Terms and conditions

## 7. Meaning of words used in this document

Term	Meaning
Extra repayments	Amounts you pay in addition to your required repayments.
Loan account	The account we set up to record transactions under your contract with us.
Schedule	The Consumer Credit Contract Schedule we give you that sets out key details of your loan.
Security/car	The car that you pledge as security for your loan (if any) as set out in the Schedule.
Terms and Conditions	This document other than sections 8 and 9. These were formerly called “Usual Terms and Conditions for Consumer Lending” or “UTCs”. If your Schedule uses those terms, ignore any cross reference to UTC clause numbers.
We and us	Commonwealth Bank of Australia (ABN 48 123 123 124, Australian credit licence 234945) and any party to whom we assign our rights under this contract.
You and your	<p>The person or persons named in the Schedule as the Borrower. If there is more than one person, “you” means each person separately and any two or more jointly. This means, for example, that we may ask any one of you to pay the full amount owing under the contract.</p> <p>“You” includes anyone else who may be responsible for your loan, such as an executor.</p>



# Other important information

## 8. Credit guide

This credit guide gives you information about us (Commonwealth Bank of Australia, Australian credit licence 234945) and our responsible lending obligations.

### **We are required not to enter into an unsuitable contract with you**

A contract is unsuitable if you won't be able to comply with your financial obligations under it without suffering substantial hardship, or if it does not meet your requirements and objectives. We must make reasonable inquiries about your financial situation, requirements and objectives, and take reasonable steps to verify your financial situation.

### **We will provide a copy of our assessment if you ask**

We must make an assessment that the credit contract is not unsuitable before we enter into it with you.

If you ask us we will give you a copy of the assessment before entering into the credit contract, or within seven years of the date the contract is made.

### **If you have a dispute over your credit contract**

In the event of a dispute, you should first discuss the matter with us to see whether we can satisfactorily resolve it. You may tell us of your concerns by:

- Calling into one of our branches.
- Phoning our Customer Complaints team on **1800 805 605** or, if you're overseas, calling **+61 2 9687 0756**.
- Completing the online feedback form at **[commbank.com.au/feedback](https://commbank.com.au/feedback)**
- Writing to us at:  
Customer Complaints, Commonwealth Bank Group,  
GPO Box 41, Sydney, NSW, 2001.

# Other important information

If we are unable to resolve the dispute to your satisfaction, you may apply to the Financial Ombudsman Service Limited ABN 67 131 124 448 (FOS). FOS is an impartial, independent and free external dispute resolution scheme to resolve disputes.

Before FOS can investigate the matter, you must have first given us the opportunity to review it. The contact details for FOS are: Financial Ombudsman Service, GPO Box 3, Melbourne Victoria 3001; Tel: **1800 367 287**; Fax: 03 9613 6399; Web: **fos.org.au**

## 9. Information statement

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

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

If you have any concerns about your contract, contact us and, if you still have concerns, contact our external dispute resolution scheme, or get legal advice.

### The Contract

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

Your proposed credit contract is made up of the Terms and Conditions, together with your Schedule.

#### 2. How can I get a copy of the contract if I lose this one?

You can keep the Terms and Conditions and Schedule we give you. If you want a copy at any time, write to us and ask for one. We may charge you a fee.

We will give you a copy:

- Within 14 days of your written request if the original contract began 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 it by phoning or writing to us as long as you have not obtained any credit under the contract.

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

Yes. Pay us the amount required to pay out your credit contract on the day you wish to end your contract. For Fixed Rate and Secured Car Loans, an Early Repayment Adjustment may apply.

### **5. How can I find out the payout figure to close my loan?**

Contact us at any time to request a payout figure. You can also ask for details of how the amount is made up. We must give you the statement within seven days of your request. We may charge a fee.

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

Yes. The interest charged depends on the actual time money is owing.

### **7. Can my contract be changed?**

Yes, see Section 6 of the Terms and Conditions.

### **8. How much notice will I get?**

That depends on the type of change. For example:

- We give you notice of a change in interest rate on the same day or earlier, in writing or in a newspaper advertisement.
- We give you at least 20 days' advance written notice for:

# Other important information

- A change in the way in which interest is calculated.
- A change in credit fees and charges.
- Any other changes we make, except where the change reduces what you have to pay or the change happens automatically under the contract.

For further details, see Section 6 of the Terms and Conditions.

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

Yes. You should first talk to us to see if we can come to some arrangement. If we can't, you may contact our external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints.

Our external dispute resolution provider is the Financial Ombudsman Service, which can be contacted at **1800 367 287**, **fos.org.au** or GPO Box 3, Melbourne VIC 3001.

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid. You can also contact ASIC, the regulator, for information on **1300 300 630** or through their website at **asic.gov.au**

## Insurance and security interests for Secured Car Loans

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

We can insist you insure the car. You can choose the insurer.

**11. If my contract says I have to give a security interest, what does this mean?**

It means that you are required to give us certain rights over the car. If you default under your contract, you can lose your car and you might still owe us money.

**12. Should I get a copy of my security document?**

Yes. You should keep the copy of the *Security Interest-Goods* document we give you.

**13. Is there anything that I am not allowed to do with the car?**

You must not assign or dispose of the car unless you have permission from us or a court. You must also look after the car. Read the security document, which has other terms and conditions about what you can or cannot do with the car.

**14. What can I do if I find that I cannot afford my repayments and a security interest is attached to the car?**

You have the rights set out in the answers to questions 18 and 19. You may also:

- give us the car, together with a letter saying you want us to sell the car for you
- sell the car — but only if we give permission first, or
- give the car to someone who may then take over the repayments — but only if we give permission first.

If we won't give permission, contact our external dispute resolution scheme for help.

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

You may owe us money even after the security property is sold.

# Other important information

## 15. Can we take or sell the security property?

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

## 16. If we write asking where the security property is, do I have to say where it is?

Yes. You have seven days after receiving our request to tell us. If you do not have the security property you must give us all the information you have so it can be traced.

## 17. When can we or our agent come into a residence to take possession of security property?

We can only do so if we have the court's approval or the written consent of the occupier, given after the occupier is informed in writing of the relevant section in the National Credit Code.

## General

## 18. What do I do if I cannot make a payment?

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

- extend the term of the contract
- reduce the amount of your repayments, or
- defer your repayments for a specified period.

## 19. What if we cannot agree on a suitable arrangement?

If we refuse your request to change the repayments, you can ask us to review our decision. If we still refuse your request, you can contact the external dispute resolution scheme. See question 21.

## **20. Can you take action against me?**

Yes, if you are in default under your contract. But we can't unduly harass or threaten you for repayments. If you think we are doing this, contact our external dispute resolution scheme or ASIC, or get legal advice.

## **21. Do I have any other rights and obligations?**

Yes. The law gives you other rights and obligations. You should READ YOUR CONTRACT carefully.

**IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CONTRACT, OR WANT MORE INFORMATION, CONTACT US. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH US BEFORE CONTACTING OUR EXTERNAL DISPUTE RESOLUTION SCHEME.**

**IF YOU HAVE A COMPLAINT THAT REMAINS UNSOLVED AFTER SPEAKING TO US, YOU CAN CONTACT OUR EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE. EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. OUR EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE FINANCIAL OMBUDSMAN SERVICE AND CAN BE CONTACTED AT 1800 367 287, FOS.ORG.AU OR GPO BOX 3, MELBOURNE VICTORIA 3001.**

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

# Contact us

**Call us on 131 431**

(from 8am – 8pm, AEST)

**Or visit [commbank.com.au](https://www.commbank.com.au)**