

**Land Lease Home Loans
Lifestyle CAPITAL Terms & Conditions**

Version 2 – June 2021

Part A – Loan terms

1. About these terms and conditions

- 1.1 These are the Land Lease Home Loans Lifestyle CAPITAL Terms & Conditions Version 2 – June 2021 incorporated into loan contracts referring to these terms and conditions. They form part of your *loan contract*.
- 1.2 This document does not contain all the precontractual information required to be given to you. You must read this document together with the document that contains the Financial Table.
- 1.3 Words in *italics* have a special meaning. These words are defined at the end of this document or in the document that contains the Financial Table.

2. Other documents you must read

- 2.1 You must read and comply with:
 - (a) your *loan contract* (which includes these Terms & Conditions);
 - (b) access methods, if applicable; and
 - (c) any other conditions reasonably imposed by the Lender.
- 2.2 Take particular notice of the things you must do and must not do with the *mortgaged property* and when your payments are due.

3. When there is a binding legal contract between you and the Lender

NOTE: Until the *loan date*, we have the right to change the terms of your *loan contract* or to withdraw our offer to lend altogether.

There is no binding legal contract between us until the *loan date* or such earlier date as we decide. This means that until the *loan date*:

- (a) you are not bound to go ahead; and
- (b) we have the right to change the terms of your *loan contract* or to withdraw it altogether and decline to make an advance of funds to you if anything occurs which we reasonably believe makes proceeding with the loan undesirable. We are not obliged to make an advance of funds until all relevant conditions are fulfilled to our satisfaction. You may be liable for costs even if we decide not to proceed.

4. Joint borrowers

- 4.1 If there are two or more borrowers, each of you is individually liable, and all of you are jointly liable. This means that the Lender may take legal action against any one of you for all the outstanding amounts.
- 4.2 Each borrower can bind each other borrower and any one of you can authorise any activity in respect of your loan. Each borrower will be liable even if they did not know about or agree to the transaction.

NOTE: This means that each one of you can be required to pay the whole amount owing even if you have some other arrangement among yourselves and even if not all of you benefit equally.

4.3 Despite this clause 4, we may require all borrowers to authorise any activity with respect to your loan.

5. Representations and warranties

You represent and warrant that all information you have given us regarding your financial and personal affairs and any *mortgaged property* is true and correct. You also represent and warrant that other than as disclosed to us in writing prior to the *loan date*:

- (a) there are no unpaid rates, rent or taxes owing in respect of the *mortgaged property*;
- (b) the *mortgaged property* will be occupied by you;
- (c) there are no notices or proposals from any government or other authority adversely affecting the *mortgaged property*;
- (d) there are no defects or disputes relating to the *mortgaged property*; and
- (e) there are no structural alterations or improvements on the *mortgaged property* which require approval by the council or any other authority which have not been approved.

6. Things you must do during the term of your loan

6.1 You must tell us immediately if at any time:

- (a) there is any change to the occupants of the *mortgaged property*;
- (b) there is any material change in your personal circumstances (including if you separate, divorce, marry, partner, or become incapacitated) or in your financial condition or affairs from those which you have told us about;
- (c) your contact details change (including any residential, postal or electronic address, or your phone number) or you think there is any information that we should be aware of about your ability to comply with your *loan contract*;
- (d) anything happens which makes any of the representations or statements made by you in relation to your loan materially untrue or misleading;
- (e) anything happens which reduces the value of the *mortgaged property*, or which has, or may have, a material adverse effect on the *mortgaged property*;
- (f) an *event of default* occurs; or
- (g) a *final repayment date* occurs.

6.2 You must ensure that the *mortgaged property* is insured at all times with our interest noted as mortgagee. You must provide evidence of this insurance if we request it.

6.3 You must notify us as soon as practicable after you decide to sell the *mortgaged property* or refinance your loan. If the price for which you propose to sell or transfer the *mortgaged property* is unlikely to provide sufficient funds to repay the *total amount you owe us*, you must, before you

agree to sell or transfer the *mortgaged property*, obtain our written consent to the terms of the sale or transfer.

7. What we can do with your loan account

- 7.1 We can debit your loan account with any amounts due under your *loan contract*, such as interest and credit fees and charges, and any amounts lent to you or at your request.
- 7.2 If a third party makes a payment to you on our behalf, we can debit your loan account on the date that money is made available to you.
- 7.3 If you do not draw down the total *amount of credit* on the *loan date*, any borrowing of the balance is subject to our approval.

8. Payments you must make

You must pay the *total amount you owe us* on the *final repayment date*. You must also pay all the credit fees and charges specified in your *loan contract* (as varied from time to time).

9. How the loan account balance is calculated

- 9.1 The *loan account balance* from time to time is:
- (a) the *amount of credit*; plus
 - (b) interest calculated as specified in clause **Error! Reference source not found.**; plus
 - (c) all fees and charges which have been incurred under your *loan contract*; less
 - (d) any amounts that have been paid by you, including any early repayments.
- 9.2 The *total amount you owe us* will not exceed the lesser of:
- (a) the *loan account balance*; and
 - (b) the *adjusted market value* of the *mortgaged property*, less any amount of *protected equity*.

This is referred to as 'negative equity protection'. Negative equity protection will not apply if we determine, acting reasonably, that you engaged in fraud, or made a material misrepresentation, relating to your loan before, at or after the time your *loan contract* was made.

NOTE: You will not be entitled to the benefit of negative equity protection if we reasonably determine that you have engaged in fraud or made a material misrepresentation in relation to your loan.

10. Calculating the *adjusted market value* of the *mortgaged property*

- 10.1 The *adjusted market value* of the *mortgaged property* is:
- (a) if the *mortgaged property* has not been sold – the market value of the *mortgaged property* as determined by an *accredited valuer* within three months before we receive an amount from you to discharge the reverse mortgage; or

(b) if the *mortgaged property* has been sold – the sale price of the *mortgaged property*.

10.2 However, if the *adjusted market value* in clause 10.1 is reduced because:

(a) you have deliberately damaged the *mortgaged property*;

(b) the sale of the *mortgaged property* was not conducted in good faith; or

(c) the sale of the *mortgaged property* was not conducted on fair and reasonable terms,

the *adjusted market value* of the *mortgaged property* is the market value of the *mortgaged property* at the time of the sale as determined by an *accredited valuer*.

11. Interest

11.1 You must pay us interest on all amounts debited to your loan account from the date the amount is debited. Interest debited to your loan account forms part of the *total amount you owe us*.

11.2 Interest charges are debited to your loan account monthly in arrears on the same day of each month as the *loan date* and on the *final repayment date*. If the day on which interest is due to be debited is not a *business day*, interest will be debited on the next *business day*. If the day on which interest is due to be debited is the 29th, 30th or 31st of a month with no such date, interest will be debited on the last *business day* of that calendar month.

11.3 In addition to debiting interest to your loan account as specified above, we may debit interest whenever the loan is in default, the whole of the *total amount you owe us* is repaid, or we increase your *amount of credit* or vary your *loan contract*.

11.4 Interest charges are calculated by applying the interest rate to the unpaid balance owing to the Lender at the end of each day. The interest rate applied each day is equal to the annual percentage rate applicable to the loan at the time divided by 365.

11.5 You can find out your current interest rate(s) at any time by contacting us. We can change your interest rate(s) at any time except during any fixed rate period.

11.6 If you become liable by a court order to pay any money due under your *loan contract*, you must pay interest at the higher of the rate ordered by the court or the rate payable under your *loan contract*.

12. Repaying your loan early

12.1 You may make additional payments or repay your loan in full at any time. If you do, fees may be payable if specified in the Financial Table (as varied from time to time).

12.2 If you inform us that you propose to repay your loan in full, we may place a stop on all further debits to your loan account to enable us to provide you with a payout figure.

13. Changes we can make to your *loan contract*

NOTE: We can make changes to your *loan contract* at any time (except interest rate changes during a fixed rate period). In making any changes, we will act reasonably. We will endeavour to give you reasonable notice of changes, but we reserve the right to make immediate changes to interest rates.

13.1 Acting reasonably, we can change or vary any term of your *loan contract*:

- (a) that deals with the pricing of your loan (including your interest rate and credit fees and charges, but subject to any specific agreement such as a fixed rate period);
- (b) that deals with the day you make repayments or we debit interest to your loan account;
- (c) to accommodate a change in law or market practice;
- (d) to accommodate a change in technology or other ways of communication;
- (e) to accommodate a change in payment methods; or
- (f) to make any other reasonable change.

13.2 If you are not satisfied with any material change or variation to your *loan contract* (excluding changes to interest rates and repayments under a variable rate loan), you may repay your loan in accordance with clause 12, but we will not charge you any fees for terminating your *loan contract* except our reasonable *third party fees* incurred in discharging any *security* and finalising your loan account.

13.3 We will give you:

- (a) not less than 30 days notice of a change to the manner in which interest is calculated or applied;
- (b) notice of a change to the interest rate(s) applicable to your loan not later than the day on which the change takes effect;
- (c) not less than 20 days notice of a change to the amount or frequency of your repayments;
- (d) not less than 20 days notice of a change to the fees and charges payable;
- (e) notice of a change to any government charge or tax not later than the day on which the change takes effect; and
- (f) not less than 30 days notice of any other change we make to your *loan contract*.

We may give you a shorter notice period or no notice if the change is not adverse to you or reduces your obligations. We will give you notice either in writing or by advertisement in a major newspaper or by electronic means. If notified by newspaper, the change will also be confirmed in your next statement of account. Any variation will take effect from the date specified in the notice of change we give you.

14. When will you receive account statements?

Statements of account will be sent to you at least once every twelve months or more frequently if required by law.

Part B – Security

NOTE: Your loan is secured by a mortgage and a security interest granted to us over the *mortgaged property*. If you default under your loan, we make take possession of and deal with the *mortgaged property*. You are liable or responsible for any loss of, or damage to, the *mortgaged property*. If the *mortgaged property* is stolen, lost, destroyed or damaged, we may require you to pay the *total amount you owe us*. Alternatively, we may (but are not obliged to) accept other assets to replace the *mortgaged property*.

15. About the *mortgaged property* and security

- 15.1 By signing your *loan contract*, you grant to us a mortgage and a security interest over the *mortgaged property* and over any insurance policy relating to the *mortgaged property* as security for your obligations to us under your *loan contract*. This includes any asset acquired in replacing the *mortgaged property*, or any modifications made to the *mortgaged property* (including any additions made or accessories purchased), and any money received from any insurance claim over the *mortgaged property* or received from an insurer following cancellation of a policy.
- 15.2 You agree to do anything we reasonably request to effect, more effectively secure, confirm and register the *security*, including signing any documents.
- 15.3 You warrant that you own the legal title to, or will own legal title to, the whole of the *mortgaged property* during the term of the loan. You warrant that there is no and will be no other security interest granted over the *mortgaged property*.
- 15.4 You must:
- (a) keep the *mortgaged property* in good condition and repair and not do anything that is likely to materially lower the value of the *mortgaged property*;
 - (b) not change the location of the *mortgaged property*;
 - (c) tell us if the *mortgaged property* is stolen, lost, seriously damaged or materially defective;
 - (d) not mortgage, charge or grant a security interest over the *mortgaged property* to another person;
 - (e) not sell, grant a licence over, lease or part with possession of, or give away the *mortgaged property*;
 - (f) not cause or allow the *mortgaged property* to be affixed to any other property without our prior written consent, which will not be unreasonably withheld;
 - (g) not make any alterations to the *mortgaged property*, and not remove any identification numbers or location tracking devices. If any chattels are affixed to the *mortgaged property*, then those chattels form part of the *mortgaged property* and are subject to your *loan contract*;
 - (h) not do anything or allow anything to happen that might reduce the value of the *mortgaged property*;
 - (i) comply with all laws relating to the use, operation, maintenance and possession of the *mortgaged property*, including obtaining any necessary licenses or permits, and pay any money to maintain these licences or permits;
 - (j) repair, maintain and service the *mortgaged property* on terms which do not create a lien over the *mortgaged property*, and pay for all repair, maintenance and servicing promptly;
 - (k) ensure that operation and maintenance of the *mortgaged property* complies with all relevant laws and the manufacturer's instructions as to use;
 - (l) on request by us with reasonable notice, allow or arrange for us or our authorised agents or employees to inspect the *mortgaged property* and any records you hold pertaining to the *mortgaged property*;
 - (m) take all reasonable steps to keep the *mortgaged property* secured against theft or damage;

- (n) immediately notify us if you become aware that another party may or will register a security interest over the *mortgaged property*; and
 - (o) deliver the *mortgaged property* to us if we are entitled to take possession of it.
- 15.5 You must insure the *mortgaged property* against fire, theft, accident, and any other risk we reasonably require in connection with the *mortgaged property*. You must ensure that our interest as mortgagee/secured party is noted on the insurance policy, and you must provide us with evidence of the policy and its currency when we ask. The insurance must be of a value and on terms acceptable to us. You bear the entire risk of loss of, or damage to, the *mortgaged property* from any cause.
- 15.6 You must pay all insurance premiums relating to insurance of the *mortgaged property* on or before the due date.
- 15.7 If you do not take out and keep current all required insurance, or if you do not give us evidence of this on request, we may take out any insurance we reasonably see fit and debit the cost to your loan account, but we have no obligation to do so.
- 15.8 You must not do anything by which any insurance policy relating to the *mortgaged property* could be prejudiced or cancelled or be subject to an increased premium.
- 15.9 If you make a claim and the insurer refuses, you must tell us. We can ask you to give us your rights to take further action against that insurer on your claim.
- 15.10 If the *mortgaged property* is stolen, lost, destroyed or damaged so that repair is impractical or uneconomic, you must pay us the *total amount you owe us*, less any insurance money paid to us, on not less than 30 days notice. Any insurance money paid must be paid to us in reduction of your liability to us. If the money is paid to you, you must immediately pay it to us. Payment of the insurance money to us does not release you from liability for any other amount due under this loan contract.
- 15.11 If the *mortgaged property* is stolen, lost, destroyed or damaged, we may (but are not obliged to) accept other assets to replace the *mortgaged property*. Any asset that is accepted as a replacement will be *mortgaged property* and subject to this loan contract.
- 15.12 If repair is practical, you are obliged to repair the *mortgaged property* promptly.
- 15.13 We may enter the premises where the *mortgaged property* is held to gain access to the *mortgaged property* for any purpose under this loan contract provided that, in the case of occupied residential premises, we have a court order or the occupier of the premises has consented.

16. PPSA provisions

- 16.1 PPSA means the *Personal Property Securities Act 2009* (Cth).
- 16.2 You acknowledge that we will have a security interest under the PPSA in respect of the *mortgaged property*, and you authorise us to register one or more security interests under the PPSA in respect of your *loan contract*.
- 16.3 You acknowledge that we may disclose any notice under the PPSA to the *operator*.
- 16.4 The rights and powers conferred on us by your *loan contract* or by law are in addition to any rights and powers conferred by the PPSA.

- 16.5 For the avoidance of doubt, in addition to the powers under section 125 of the PPSA, we may take any action after default authorised by your *loan contract* or by law, including delaying any disposal, leasing or action to retain any of the *mortgaged property*.

Part C – Default

NOTE: The events which may cause you to default under your loan are listed below. If you do not make any payment by the due date, you must pay default interest on the overdue amount until it is paid. If you default, you may lose your property.

17. Default interest

- 17.1 Acting reasonably, we may change the default rate of interest at any time without your consent. You will be notified of any changes in the default rate in the same way any variations to the interest rate are notified to you.
- 17.2 If any amount due by you is not paid on the due date, you must pay default interest on the overdue amount until it is paid. You will also be liable for any default fees specified in the Financial Table (as varied from time to time). You will also be liable for any default fees specified in the Financial Table (as varied from time to time).
- 17.3 Default interest is also payable on the whole of the *total amount you owe us* if that amount becomes due for any reason until that amount is paid
- 17.4 Default interest is calculated, accrues, is debited, and is payable in the same way as ordinary interest.

18. Consequences of a breach of any term

If you breach any term of your *loan contract*, if an *event of default* occurs, or if any *security* is terminated or is of reduced force and effect:

- (a) we will not be obliged to lend you any more money; and
- (b) we may rectify the breach or *event of default* by performing your obligations under your *loan contract*.

19. Events of default

Each of the following is an *event of default*.

- (a) you do not pay any money due to us under your *loan contract* by the due date;
- (b) any representation or warranty made by you, or on your behalf, to us or our agents proves to be materially untrue or misleading;
- (c) you breach any material undertaking given to us or any condition imposed by us except any material undertaking or condition that cannot by law be an *event of default*;
- (d) you become bankrupt, enter into any kind of bankruptcy administration, or are jailed;
- (e) any rates, taxes or other outgoings in relation to the *mortgaged property* are more than three years in arrears;

- (f) the *mortgaged property* is not maintained in good condition, cleanliness and repair, or is not restored to a state that is satisfactory to us within 60 days of receiving written notice from us to do so (or within such longer period as we may reasonably determine in the circumstances and specify in the written notice);
- (g) the *mortgaged property* is substantially damaged or destroyed, and we consider in our reasonable opinion that the *mortgaged property* cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the *mortgaged property*;
- (h) we reasonably believe that you have wilfully damaged the *mortgaged property*;
- (i) you use any amount advanced to you by us for a purpose not approved by us;
- (j) you use any amount advanced to you by us for an illegal or improper purpose, or to finance an illegal or improper activity; and
- (k) without our prior written consent (which will not be unreasonably withheld), the *mortgaged property* is sold, assigned or transferred for an amount that is unlikely to repay the *debt*, or the sale is not in our reasonable opinion an orderly arm's length sale for market value.

20. What the Lender can do if an *event of default* occurs

20.1 Subject to clauses 20.2 to 20.4 inclusive, at any time after an *event of default* occurs, we can take any of the following actions.

- (a) Demand and require immediate payment of any money due under your *loan contract*.
- (b) Call up the loan and require payment of the *total amount you owe us*.
- (c) Exercise any right, power or privilege conferred by law, your *loan contract* or any security.

20.2 We will only act on an *event of default* other than an *event of default* under clause 19(a) if the event by its nature is material, or we reasonably consider that the event has had, or is likely to have, a material impact on:

- (a) our security risk (or our ability to assess this); or
- (b) our legal or reputational risk where an event in clause 19(b) or 19(i) occurs.

20.3 We will not:

- (a) require you to repay the *total amount you owe us*;
- (b) take enforcement action against you; or
- (c) enforce any *security* held to secure repayment of your loan,

unless:

- (d) we have given you at least 30 days written notice of the *event of default*;
- (e) if the *event of default* is remediable, you have not remedied that *event of default* within 30 days; and
- (f) no *event of default* of the same type has arisen during that period.

- 20.4 We do not need to give you a default notice or wait 30 days before commencing enforcement action if:
- (a) we reasonably believe that we were induced by fraud by you to enter into your *loan contract*;
 - (b) we have made reasonable attempts to locate you but without success;
 - (c) a court authorises us to begin enforcement proceedings; or
 - (d) we reasonably believe that you have removed or disposed of the *mortgaged property*, or that urgent action is necessary to protect the *mortgaged property*.
- 20.5 We can take action even if we do not do so promptly after the *event of default* occurs. We do not lose any rights or forgive any *event of default* unless we do so in writing.
- 20.6 We can exercise these rights with or without taking possession of any *mortgaged property*. If the Lender holds more than one security, we can enforce any one of the securities first or all of them at the same time.
- 20.7 Our rights and remedies under your *loan contract* may be exercised by any of our employees or any other person we authorise.
- 20.8 We are not liable for any loss caused by the exercise, attempted exercise, failure to exercise, or delay in exercising any of our rights or remedies, except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint.

21. Enforcement expenses

NOTE: If you default under your loan, enforcement expenses may be payable. This means that you may have to pay any of our reasonable costs incurred in maintaining the *mortgaged property*, collection expenses, and any other internal or external costs we incur as a result of your default.

- 21.1 Enforcement expenses may become payable under your *loan contract* and any *security* if you breach your *loan contract* or an *event of default* occurs. We may debit your loan account with our enforcement expenses at any time after they are incurred, and may then require you to pay these costs immediately (including by using any direct debit or similar authority you have given us), collect them with your regular repayments, or require them to be repaid by one or more repayments.
- 21.2 Enforcement expenses payable by you will not exceed our reasonable enforcement costs (including internal costs).
- 21.3 Enforcement expenses include the Lender's and Manager's expenses incurred in preserving or maintaining the *mortgaged property* (including insurance, rates and taxes payable in respect of the *mortgaged property*), collection expenses, expenses resulting from dishonour of a payment, and any internal or external costs we incur as a result of you breaching your *loan contract* or an *event of default* occurring (including legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher).
- 21.4 You indemnify the Lender from and against any expense, loss, loss of profit, damage or liability which the Lender incurs as a consequence of a breach of your *loan contract* or an *event of default* occurring, except where such loss arises from the mistake, error, fraud, negligence or wilful

misconduct of the Lender, its employees, its agents or a receiver it appoints, or is otherwise recovered by the Lender.

Part D – General provisions

22. Government charges

22.1 You must pay us any government duties, taxes, and other charges on receipts, debits or withdrawals that apply to your loan. This includes (but is not limited to):

- (a) stamp duty;
- (b) income tax payable by you (if the Commissioner of Taxation requires us to deduct this from your loan account);
- (c) withholding tax; and
- (d) goods and services tax (GST).

22.2 You must pay these duties, taxes and charges whether or not someone else is liable to pay them and whether or not the loan is made. We may debit these duties, taxes and charges to your loan account as and when they become payable. We do not need to tell you first.

23. Providing financial statements

Within 14 days of our request, you must provide to us any information we require relating to your business, assets and financial affairs. For example, if you are an individual, we may require a copy of your taxation return or an assets and liability statement. In relation to a company, we may require a balance sheet, a profit and loss statement, or both. We may require this information to be certified or audited.

24. Additional repayment triggers

24.1 The *amount you owe us* may become payable if we reasonably believe that continuing with your *loan contract* would cause us to breach an applicable law or would represent an unacceptable level of risk for us because:

- (a) we reasonably believe that you have migrated to a country that we determine is 'high risk' given our obligations under anti-money laundering and counter-terrorism laws in respect of the services we provide;
- (b) you fail to provide any information or document to us that we have requested for the purpose of our compliance with applicable laws (including any details necessary for us to verify your nationality in accordance with anti-money laundering and counter-terrorism laws); or
- (c) we reasonably believe that you are 'high risk' given our obligations under anti-money laundering and counter-terrorism laws.

24.2 If any of the events in clause 24.1 occur, we will endeavour to give you not less than 90 days notice to repay the *amount you owe us*.

25. Breaches of laws

We may delay, block, freeze or refuse a transaction from your loan account if we have reasonable grounds to believe that the transaction breaches Australian law or sanctions (or the law or sanctions of any other country). Where transactions are delayed, blocked, frozen or refused, we are not liable to any loss you suffer in connection with your use of your loan account.

26. If your loan account has a credit balance

If you repay us more than the *total amount you owe us*, we may place the excess funds into a suspense account, deposit it with a bank, or pay it to you. We may not pay you interest on that amount.

27. Valuations of the *mortgaged property*

27.1 We may obtain valuations or other reports concerning the *mortgaged property* whenever and as often as we decide. You must assist this process by providing access to and information about the *mortgaged property* when requested by us.

27.2 Our processes in relation to external expert valuations will be fair and transparent. Our communication will be clear and we will explain the purpose of the valuation to you.

27.3 We accept no responsibility if you rely on these valuations. You should obtain your own valuations of the *mortgaged property*.

28. Governing law

28.1 Your *loan contract* is usually governed by the laws of the Australian state or territory in which you reside. If there are two or more borrowers, and each of you reside in the same Australian state or territory when your *loan contract* is entered into, your *loan contract* is governed by the laws of that state or territory. If there are two or more borrowers who reside in different states or territories, your *loan contract* is governed by the laws of the Australian state or territory in which the Lender first provides the loan.

28.2 You submit to the jurisdiction of the courts of the Australian state or territory whose laws apply to your *loan contract* and the proper jurisdiction of any other court.

29. How we can deal with your *loan contract*

NOTE: We may at any time assign or otherwise deal with our rights and obligations under your loan without your consent and without notifying you first. We may disclose information about you to any third party involved in an actual or proposed assignment or dealing by us, and that disclosure may be in a form that may enable that third party to identify you.

29.1 We may at any time assign, novate or otherwise deal with our rights and obligations under your *loan contract*, any security, and any document or agreement entered into or provided under or in connection with your *loan contract* in any way we wish. You must sign anything and do anything we reasonably require to enable any dealing with your *loan contract*, any security, and any document or agreement entered into or provided under or in connection with your *loan contract*. Any dealing with our rights does not change your obligations under your *loan contract* in any way.

29.2 You may not assign, novate or otherwise deal with your rights or obligations under your *loan contract*, any security, and any document or agreement entered into or provided under or in connection with your *loan contract*.

29.3 We may disclose information about you, your *loan contract*, or any security to anybody involved in an actual or proposed assignment, novation or dealing by us with our rights under your *loan contract*.

30. Applicable laws

30.1 To the extent that your *loan contract* is regulated under consumer legislation (such as the National Credit Code) or any other law, any provisions in your *loan contract* which do not comply with that law have no effect, and to the extent necessary, your *loan contract* is to be read so it does not impose obligations prohibited by that law.

30.2 If any provision of your *loan contract* is illegal or becomes illegal at any time, the affected provision will cease to have effect, but the balance of your *loan contract* will remain in full force and effect, and we may by notice vary your *loan contract* so that the provision is no longer illegal.

31. If you are a trustee

If you are at any time trustee of any trust, you are liable under your *loan contract* in your own right and as trustee of the trust. Accordingly, the Lender can recover against the trust assets as well as you. An *event of default* occurs if there is a change of trustee, a termination of the trust, or any material change to the terms of the trust without our prior written consent, which will not be unreasonably withheld. You must comply with your obligations as trustee of the trust.

32. How we can give you notices or other documents in connection with your loan

32.1 Subject to any applicable laws, we may give you any notice, statement, demand, court document (including any collection notice, default notice, court originating process or other court document) or other document connected to your *loan contract* or any mortgage given under your *loan contract* by:

- (a) giving it to you personally;
- (b) leaving it at or posting it to your residential or business address last known to us;
- (c) electronic means to your electronic address last known to us; or
- (d) any other means permitted by law.

32.2 Subject to any applicable laws, you consent to any notice, statement, demand, court document or other document connected to your *loan contract* or any mortgage given under your *loan contract* being given to you by electronic means, including any documents that would otherwise require personal service in accordance with the relevant court rules in force in the jurisdiction in which the *mortgaged property* is located.

32.3 Any notice, statement, demand, court document or other document given by us to you will be taken to have been served:

- (a) if posted, when it would have been delivered in the ordinary course of post;
- (b) if sent electronically, on conclusion of transmission.

32.4 Any notice, statement, demand, court document or other document may be signed by any employee, solicitor or agent on our behalf.

33. About the Manager and the Lender

The Manager who arranges your loan for you may deal with a number of different funders. In this way, the Manager is able to provide borrowers with a broad range of loan products. As a result, interest rates may differ from time to time between the Manager's different products. Accordingly, you may see the Manager advertising a different rate to the rate applicable to your loan. This will probably be because that rate applies to a different funder. The Lender may inform you of a replacement Manager at any time.

34. If the Lender is a trustee

If the Lender is at any time trustee or custodian of any trust, the Lender's liability is limited to the assets of that trust which are available to the Lender to satisfy that liability.

35. Identification information

On request by us, you must provide us with any information we require about you or anyone authorised to operate your loan account and, if you are a company or trustee, information about beneficial owners of you.

36. If there is a trustee in bankruptcy or liquidator

If a trustee in bankruptcy or liquidator is appointed to you, they may ask us to refund a payment we have received in relation to your loan. To the extent we are obliged to or agree to make a refund, we may treat the original payment as if it had not been made except for the purpose of calculating interest payable by you.

Part E – Definitions and interpretation

37. Definitions

In your *loan contract*, the following words are defined as follows.

- (a) *accredited valuer* means a person who is:
 - (i) accredited as a certified practising valuer by the Australian Property Institute;
 - (ii) a professional member of the Royal Institution of Chartered Surveyors who is entitled to be described as a Chartered Valuation Surveyor; or
 - (iii) registered or otherwise authorised, under the laws of the state or territory in which the *mortgaged property* is situated, to value that kind of property.
- (b) *adjusted market value* means the amount calculated in accordance with clause 10.
- (c) *amount of credit* means the amount specified in the Financial Table in your *loan contract* as varied from time to time.
- (d) *business day* means a day that is not a Saturday or Sunday, or a New South Wales or Commonwealth public holiday on which banks are generally not open to conduct business in New South Wales.
- (e) *disclosure date* means the date specified in your *loan contract*.
- (f) *event of default* means any event described in clause 19.

- (g) *final repayment date* has the meaning specified in the Financial Table in your *loan contract*.
- (h) *home* means the moveable dwelling and/or manufactured home specified in your *loan contract* owned by you (whether now or in the future), and includes all buildings, fences, other structures, carpets, floor coverings, light fittings, blinds, curtains, building materials, plant, machinery, fixtures and fittings of any nature at any time on or in the *home*.
- (i) *lease* means any present or future lease or sub-lease, or any licence or agreement to use, occupy, operate or manage, or an agreement to a property.
- (j) *leasehold property* means any property that is *leased* to you by the *operator*.
- (k) *loan account balance* means the amount calculated in accordance with clause 9.1.
- (l) *loan contract* means the loan contract which incorporates these Terms & Conditions and includes any variations of that loan contract. The document that contains the Financial Table and these Terms & Conditions together comprise your *loan contract*.
- (m) *loan date* means the date we first advance funds to you.
- (n) *mortgaged property* means any *leasehold property* and any *home* subject to, or expressed to be subject to, the *security* and, where the context permits, any other property subject to, or expressed to be subject to, the *security*, and includes any improvements, attachments or contracts relating to that property and any part of that property.
- (o) *operator* means the operator specified in your *loan contract*.
- (p) *protected equity* means the amount, if any, specified in your *loan contract*.
- (q) *residential park* means the park specified in your *loan contract*.
- (r) *security* means the security specified in document that contains the Financial Table and any other security from time to time given to secure your obligations under your *loan contract*.
- (s) *third party fees* means third party fees we incur in providing a service under your *loan contract* and includes such costs as valuation fees, Lender's processing fee, legal costs, document custodian charges, titles office fees, any type of security registration fees, and electronic processing fees.
- (t) *total amount you owe us* means the total amount owing, being either the *loan account balance* or the *adjusted market value* of the *mortgaged property*, whichever is lesser, less the value of any *protected equity*. (If you lose the right to negative equity protection, the *total amount you owe us* will be the *loan account balance*).

38. Interpretation

In your *loan contract*:

- (a) a reference to the singular includes the plural;
- (b) a reference to a document includes any variation or replacement of it;
- (c) a reference to a person includes any other entity recognised by law;

- (d) headings are for ease of reference only and not to assist interpretation; and
- (e) use of examples is illustrative of the context only and does not limit the natural meaning of the terms of your *loan contract*.

The information statement below will only apply to you if your loan is regulated by the National Credit Code. This statement is prescribed by law. If the borrower is a company, or if the loan is predominantly used for business purposes or investment purposes (except for investment in residential property), the loan will not be regulated by the National Credit Code.

INFORMATION STATEMENT

THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

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

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

THE CONTRACT

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

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

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

whichever happens first.

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

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

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

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

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

3. Can I terminate the contract?

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

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

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

4. Can I pay my credit contract out early?

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

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

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

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

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

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

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

Yes, but only if your contract says so.

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

That depends on the type of change. For example –

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

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

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

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement. If that is not successful, you may contact the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints. The AFCA scheme can be contacted by phone on 1800 931 678, by email at info@afca.org.au, or in writing to 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 ASIC's website at <http://www.asic.gov.au>.

INSURANCE

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

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

11. Will I get details of my insurance cover?

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

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

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

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

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

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

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

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

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

MORTGAGES

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

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

16. Should I get a copy of my mortgage?

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

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

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

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

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

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

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

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

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

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

GENERAL

21. **Can my credit provider 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 the AFCA scheme or ASIC, or get legal advice.

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

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

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

THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED BY PHONE ON 1800 931 678, BY EMAIL AT INFO@AFCA.ORG.AU, OR IN WRITING TO GPO BOX 3, MELBOURNE VIC 3001.

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