



Important

This document contains important information when converting your loan to a fixed rate loan. It is strongly recommended you read and fully understand this document before proceeding.

Please fill out the following form. You can save typed data into this form but it needs to be printed and hand-signed with a pen. Please scan and return the form to servicing.ubank@ubank.com.au

Hello Valued Customer,

Attached is a Variable to Fixed Rate Change Request form which must be completed by you when you want to fix the interest rate on all or part of your home loan.

Once you have made a decision to fix your interest rate for an agreed term (called the Fixed Rate Period), your decision cannot be reversed before the term expires without the possibility of incurring significant cost to you (see below 'Lender's Early Payment Loss'). In addition, when fixing your loan for a term you will lose many flexible loan features (see below) of your variable loan.

For these reasons, we need to be sure that you understand and acknowledge the consequences of fixing when converting your loan facility to a fixed interest rate.

Fixed rate loans may result in losing some loan features

Once your loan is fixed; you will lose many flexible loan features including:

- Accessing available funds (redraw)
- The ability to pay more than \$20,000 in additional repayments into your loan in total during the fixed rate term
- Using additional payments to offset your direct debit repayment.

If you would like to retain these loan features you can choose to fix part of your loan facility and retain the remaining portion with a variable interest rate.

At the end of the fixed rate term, your loan repayments will revert to variable principal and interest meaning you will lose any pre-existing interest only period.

Lender's Early Payment Loss can be high

If you decide to pay your loan early or if a fixed rate UHomeLoan is changed to a variable rate UHomeLoan, you may also be required to pay a Lender's Early Repayment Loss. The Lender's Early Repayment Loss is a cost passed on to you to compensate UBank for loss incurred when pay out occurs prior to the fixed rate expiry date. A Lender's Early Repayment Loss varies and can be expensive, so we recommend that you contact UBank to discuss the details should you be looking to break a fixed rate loan.

You can incur Lender's Early Payment Loss costs where, before the end of the fixed rate term:

- a. You refinance your loan, whether with UBank or another lender; or

- b. You make additional repayments exceeding \$20,000 in total, or your fixed rate facility is otherwise paid off in whole or in part; or
- c. At your request, the interest rate applicable to your loan is changed (ie, from a fixed rate to a variable rate or another fixed rate) and/or your repayment type is changed (or you make another change to your loan which results in such changes occurring); or
- d. A change is made to, or a transaction processed on, your fixed rate facility, at your request, which affects the amount of your repayments or the amount of the facility (eg, a top up or redraw, if available); or
- e. You are in default and we demand repayment of the facility

So, before fixing all or part of your loan you should also consider if you are intending to sell your property; make extra principal repayments; or change your lender during the fixed rate term.

In addition to reading your loan contract, we strongly recommend that you obtain independent legal and financial advice about the benefits and risks of fixed rate borrowing.

What do I have to do?

We will consider your Variable to Fixed Rate change request once you have filled out the Variable to Fixed Rate Change Request form. To be acceptable, the Variable to Fixed Rate Change Request form:

- Must be completed in full.
- Must be signed by ALL Borrowers.

Important: If your Variable to Fixed Rate Change Request form is incomplete, we may not be able to process your request.

If you're requesting interest only repayments, please complete the Loan Variation form as well. A new assessment of your loan will be required.

What does it cost to apply?

Nothing. The good news is that we're keen to make your home loan work harder for you by keeping fees charged by UBank to a minimum, so UBank will not charge you a fixed rate conversion fee.

Variable to Fixed Rate Change Request Form

Use this form to change all, or part, of your loan from a variable facility to a fixed facility. Once the form has been completed, scan and return to servicing.ubank@ubank.com.au



Variable to Fixed Conversion Authority

I/we request that my/our loan be converted to a Fixed Rate Facility:

Loan ID

Please change my/our loan as follows:

1. Loan balance to be fixed:

Nominated Amount To Be Fixed* \$ OR Fix 100% of my/our loan facility**

*The nominated amount should be based on the original loan amount and not the current balance. The remaining loan amount will continue to attract a variable rate.

** Existing redraw will not be available for the period the loan is 100% fixed.

2. Repayments:

Principal and Interest OR Interest Only (Applies to current interest only customers only)

3. Fixed Rate Term:

1 year 3 years 5 years

4. Interest Rate:

(Note: Please refer to ubank.com.au for current rates which would apply to your loan, based on your product type and circumstances.)

% P.A.

5. I/We would like to request that in relation to the above changes to:

Change my/our repayments to the new minimum repayment amount OR Keep my/our repayments at the current level (if they are above the new minimum repayment amount)***

***You can make up to \$20,000 in additional repayments during the fixed term without incurring break costs

Agreement

I/we acknowledge that I/we have read and agreed to the Variable to Fixed Rate Change Request – Information Sheet outlined on page 1 and agree that:

- a. By converting the loan to a fixed rate, full Lender's Early Payment Loss may apply when I/we make certain alterations to the fixed loan, before the end of the Fixed Rate Expiry Date. Examples of these alterations include, but are not limited to, when:
 - i. I/we refinance my/our loan, whether with UBank or another lender; or
 - ii. I/we make additional repayments exceeding \$20,000 in total, or my/our fixed rate facility is otherwise paid off in whole or in part; or
 - iii. At my/our request, the interest rate applicable to my/our loan is changed (ie, from a fixed rate to a variable rate or another fixed rate) and/or my/our repayment type is changed (or I/we make another change to my/our loan which results in such changes occurring); or
 - iv. A change is made to, or a transaction processed on, my/our fixed rate facility, at my/our request, which affects the amount of my/our repayments or the amount of the facility (eg, a top up or redraw, if available); or
 - v. I am/we are in default and the lender demands repayment of the facility.
- b. Any additional payments or advanced funds are not available for redraw during the fixed interest period and therefore these funds will be retained in the loans until the fixed term expires.
- c. Any additional payments or advance funds will not offset future direct debit repayments.
- d. This request can be approved or rejected at the Lender's discretion (acting reasonably).
- e. Any pre-existing interest only period will end when the fixed rate period ends and the loan will change to a variable rate with principal and interest repayments.

Agreement continued

Borrower 1

Full Name

Signature (must be handwritten)

Today's Date (DD/MM/YYYY)

Borrower 2

Full Name

Signature (must be handwritten)

Today's Date (DD/MM/YYYY)

IMPORTANT: You can save typed data into this form but it needs to be printed and hand-signed with a pen.
Please scan and return the form to servicing.ubank@ubank.com.au. Incomplete or unsigned forms will be returned for completion.