

Information sheet

Fixed Rate Conversion

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 signed.

Please scan and return the form to servicing.ubank@ubank.com.au

Hello Valued Customer,

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

Why do I have to complete a 'Fixed Rate Conversion Authority'?

Once you have made a decision to fix your interest rate for an agreed term (called the Fixed Rate Expiration Date), your decision cannot be reversed before the term expires without the possibility of incurring significant cost to you (see below 'break costs'). 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 redraw, accessing available funds, and the ability to pay extra into your loan. 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.

Fixed Rate Exit Fees can be expensive

For whatever reason, if you decide to pay your loan early or if a fixed rate UHomeLoan is changed to a variable rate UHomeLoan, a fixed rate exit fee may apply to all or part of your fixed UHomeLoan. These exit fees compensate UBank for loss incurred when pay out occurs prior to the fixed rate expiry date. Fixed rate exit fees vary 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 a break cost where, prior to the Fixed Rate expiry, you decide to:

- a. Make higher than normal or additional repayments to your UHomeLoan; or
- b. Refinance within UBank; or
- c. Refinance with another lender; or
- d. Pay off all or part of your UHomeLoan; or
- e. Change your fixed rate to a variable rate.

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 Fixed Rate Conversion request once you have filled out the Fixed Rate Conversion Authority form. To be acceptable, the Fixed Rate Conversion Authority form:

- Must be completed in full.
- Must be signed by ALL Borrowers.
- Must have the fixed rate term (You may fix all or part of your loan for 1, 3, or 5 or years).
- Must be sent back to UBank no later than 5pm (Sydney time) two business days prior to the requested fixing date.

UBank will then contact you to complete your suitability.

Important: If your Fixed Rate Conversion Authority form is incomplete, we may not be able to process your request.

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.

FM03: Fixed rate conversion authority form

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



U BANK

ubank.com.au
13 30 80

Variable to Fixed Conversion Authority

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

BORROWER NAME LOAN ID

BORROWER NAME LOAN ID

Please change my/our:

1. Loan balance: two fixed rate options are currently available:

OPTION 1: FIXED AND VARIABLE

OPTION 2: FIXED RATE

A portion of your loan to be fixed at a 1, 3, or 5 year fixed rate.
The remaining balance of the loan will be at a variable interest rate.

100% of your loan to be fixed at a 1, 3 or 5 year fixed rate.

NOMINATED AMOUNT TO BE FIXED [\$]

NOMINATED AMOUNT TO BE FIXED [\$]

2. Fixed Rate Term:

1 YEAR

3 YEARS

5 YEARS

with repayments based on

PRINCIPAL AND INTEREST (P&I)

INTEREST ONLY (IO)

1 YEARS

3 YEARS

5 YEARS

I/we understand the current Fixed Rate Offer is

% P.A DATE [DD/MM/YYYY]

and will be fixed from

Agreement

I/we acknowledge that I/we have read and understood the Fixed Rate Conversions – Information Sheet outlined on page 1 and agree that:

d. This request can be approved or rejected at the Lender's discretion.

a. by converting the loan to a fixed rate, full break costs may apply where, for example before the end of the Fixed Rate Expiry Date, I/we:

NAME [PLEASE PRINT]

DATE [DD/MM/YYYY]

- i. Make higher than normal or additional repayments to your UHomeLoan; or
- ii. Refinance within UBank; or
- iii. Refinance with another lender; or
- iv. Pay off all or part of my/our UHomeLoan; or
- v. Changing my/our fixed rate to a variable rate.

SIGNATURE

NAME [PLEASE PRINT]

DATE [DD/MM/YYYY]

b. any available credit available for redraw within our variable rate loan may be forfeited upon converting to a fixed rate loan;

SIGNATURE

c. a fixed rate exit fee may apply to all or part of your fixed UHomeLoan when pay out occurs prior to the fixed rate expiry date.