



Loan Contract Terms and Conditions

U BANK

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This booklet contains some of the terms and conditions that apply to a *loan* we offer Borrower(s) named in the *schedule* we give the Borrower(s) with this booklet. Other terms and conditions are in the *schedule*.

The *schedule* and *Loan Contract Terms and Conditions* make up the contract for *your loan*. The contract for *your loan* is created on the date *our* settlement agent receives a copy of the *schedule* signed by *you*.

We recommend that *you* seek legal and financial advice before *you* decide whether to enter into the contract for *your loan*.

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How we contact you

- Where *we* can, *we* will send *you* notices and documents electronically.
- *We* will send *you* notices and documents in writing to the address including an electronic address that *you* have nominated. In some instances (for example, changes to interest rate and fees and charges) *we* may notify *you* by publication in a newspaper circulating generally throughout Australia.

Please see clauses 8.1 and 8.4 of these terms and conditions.

If *you* have not nominated an address, *we* may send *you* a notice or document to *your* last known residential address.

You may consent in writing to *us* giving *you* notices electronically. If *you* give *us* that consent:

- *we* may no longer give *you* paper documents;
- *you* must check electronic communications regularly for documents; and
- *you* may withdraw *your* consent at any time by notice to the *loan servicer*.

You must notify *us* if *you* change *your* name, residential or electronic address.

UBank is your mortgage manager

UBank can discuss with *you* any question *you* have about *your loan*.

We offer competitive and innovative loan products. During the *loan* term, *you* may decide that another product is better for *you* or that *you* wish to seek changes to *your loan*, like fixing the interest rate on a *facility account*. *You* can talk to *UBank* about this.

Also, *you* can talk to *UBank* if *you* wish to sell a *security property*, but wish to retain *your loan* to assist *you* to purchase a new property.

UBank's particulars are in the *schedule* (under mortgage manager).

Part 1 Standard terms

Generally, the terms in this Part 1 apply to *your loan*.

Please read the terms carefully. *You* will note that some terms do not apply to:

- *fixed rate facilities*.

Please see Part 2 for terms that apply only to those facilities.

1. Your Loan

1.1 The contract for your loan

The *schedule* and these terms and conditions make up the contract for *your loan*. The contract for *your loan* takes effect on the date *our* settlement agent receives a copy of the *schedule* signed by *you*.

1.2 Facility accounts

If *we* make *your loan* available on one account only, that account is a *facility account*.

We may have agreed to *your* request to divide the total amount of *your loan* into separate accounts. If so, the *schedule* sets out the particulars for each account.

Each account is a *facility account*.

We will assign an account number to each *facility account*.

We will notify *you* in writing of each *facility account* number for a *facility account* after the *settlement date* for the account.

1.3 What you must do before we give you your loan

Before we make *your loan* available, you must:

- give us all the *security* set out in the *schedule*;
- give us evidence (like the policy document) of current insurance over the *security property* as required by the terms of the *security* over the *security property*; and
- comply with any other reasonable requirements notified to you by us, our solicitors or our settlement agent.

We will not make *your loan* available if:

- information has come to our attention that leads us to believe, acting reasonably, that:
 - the granting of the *loan* may be prejudicial to our interests;
 - you may not be able to meet your obligations under the contract for your *loan* or the *security*;
 - any guarantor may not be able to meet his or her obligations under a guarantee of your obligations under the contract for your *loan* or the *security*;
 - we reasonably believe that the information we received about you or any guarantor is incomplete, misleading or inaccurate or you have not provided us with satisfactory responses to information which we have reasonably requested;
 - the valuation on each *security property*, or the results of our enquiries and searches into each *security property*, aren't satisfactory to us (having regard to our commercial legitimate interests).
- you are in *default*. Please see clause 10.1 for when you may be in *default*.

1.4 Security for the loan

Your obligations under the contract for your loan are secured by the *security*.

1.5 When your loan is not regulated by credit law

If you are a company other than a strata corporation, or if your loan is predominantly for business purposes or investment purposes (except for investment in residential property), your loan will not be regulated by the National Credit Code, despite any statement in the contract for your loan that the National Credit Code may apply.

1.6 Code of Conduct

Our rights under the terms of the Loan Contract and these Terms and Conditions shall be subject to the provisions of each applicable *code of conduct*.

1.7 Banking Code

UBank has adopted the Banking Code of Practice and some parts of the Code apply to the distribution and mortgage management of your loan by UBank, if you are an individual or a small business referred to in the Code. A copy of the Code is available at ubank.com.au. Before 1 July 2019, a reference to the Banking Code of Practice or the Code means the Code of Banking Practice (2013 version).

2. Drawdown

This clause 2 does not apply to a *facility account* that is:

- a *fixed rate facility*. Please see clause 15 for more details on drawing down a *fixed rate facility account*.

We will make the *facility amount* available to you by one or more drawdowns. The sum of drawdowns

on a *facility account* must not exceed the *facility amount*. We will make the first drawdown on a *facility account* on your written instructions or those of your conveyancer or solicitor.

You can make other drawdowns by using *StarNet* via *My UHomeLoan* or by making a written request to us or to *UBank*. You must make a drawdown on your loan within 90 days of the disclosure date set out in the *schedule* or we may cancel your loan. If you think you will need an extension you should contact us to discuss your options before the relevant date. You can make drawdowns on your loan by making a written request to us or to *UBank*. We may make other drawing methods available to you like direct debits. Please ask *UBank* for details of drawing methods that may be available on your loan.

If you wish to make a drawdown on a *facility account* after the *settlement date* for the account by making a written request to us or through *UBank*, your request must be received at least two *business days* before the date you want the funds. We may charge you a fee for a drawdown that you make by a written request to us. You can ask your mortgage manager for the details of the most current fee on your loan.

3. When your loan term ends

Your loan term ends on the *final repayment date*. You must pay us the *total owing* by no later than the *final repayment date*. That means you must repay each *facility account* in full by no later than the *final repayment date*.

4. Interest

4.1 When you pay interest

You must pay interest on the *balance owing* on each *facility account*. We do not pay interest on credit balances in any *facility account*.

4.2 How interest is calculated

We calculate interest on a *facility account* daily by applying the *daily percentage rate* for the account on that day to the *balance owing* on the *facility account* on that day. On the date we debit accrued interest to a *facility account* (see clause 4.4), we calculate interest on the *balance owing* on the account prior to debiting the accrued interest to the account.

4.3 Default interest on unpaid amounts

If you fail to make a payment on a *facility account*, you must pay interest at the *default rate* on the unpaid amount.

We calculate that interest daily by applying the *daily default rate* for a *facility account* on that day to any unpaid amount on the *facility account* on that day.

4.4 Debiting interest

We accrue interest on a *facility account* daily and debit the accrued amounts to the *facility account*:

- on the last day of the month following the date you first make a drawdown on the *facility account*;
- from then on, on the last day of each month; and
- on the date you repay the *facility account* in full.

In some cases, you may pay interest on interest because we debit interest on the last day of each month.

5. Payments

5.1 Paying your loan

You must pay all amounts we lend you and all interest, fees and charges we can charge under the contract for your loan when they are due until you repay your loan in full.

You will repay your loan in full when you pay us the total owing. You must pay us the total owing by no later than the final repayment date.

5.2 Minimum monthly payments

The schedule sets out the minimum monthly payments you must make on each facility account.

Please see clause 5.5 about changing the frequency of your minimum monthly payments.

5.3 Interest only facilities

We may agree to open a facility account on which the facility amount does not reduce for a period (the interest only period). The schedule sets out whether an interest only period applies to a facility account.

The schedule sets out the payments you must make on the facility account during the interest only period. We will give you at least 20 days prior notice of the payments you must make from the end of the interest only period.

The interest only period may end earlier than the date set out in the schedule, in accordance with clause 15.5.

If you are considering opening a facility account with an interest only period, we recommend that you seek financial advice to ensure that the facility account would be suitable for your requirements and objectives.

5.4 Payment due dates

a) The first *minimum monthly payment* on a *facility account* is due one month after the *settlement date* on the account. Then, each payment on a *facility account* is due on the same day of each month until the *facility account* is repaid in full.

For example, if the *settlement date* on a *facility account* is 21 August, *you* must make *your* first payment on the account on 21 September. Each following payment on the account will then be due on the 21st of each month.

b) Subject to paragraph (e), if a payment is due on a day that is not a *business day* or there is no corresponding day in a month (for example if the *settlement date* was the 31st of a month), *you* must make the payment on the following *business day*.

For example, if a payment is due on Sunday 21 August, *you* must make the payment on Monday 22 August.

c) If a payment is due on the 1st day of a month and that date falls on a day that is a *business day*, *you* must make the payment on the following *business day*.

For example, if a payment is due on Friday 1 September, *you* must make the payment on Monday 4 September.

d) If a payment is due on the 1st day of a month and that date falls on a day that is not a *business day*, *you* must make the payment on the following *second business day*.

For example, if a payment is due on Friday 1 October and it is not a *business day*, *you* must make the payment on Tuesday 5 October.

- e) If a payment is due on a day that is not *business day*, and the rule in paragraph (b) would result in that payment being moved to either:
- i. A *business day* that is the 1st day of a month; or
 - ii. The 1st *business day* after the 1st day of a month (where the 1st day of a month is not a *business day*), then you must make the payment on the following second *business day*.

For example, if payment is due on:

- Sunday 30 November, you must make payment on Tuesday 2 December (because Monday 1 March is a *business day* that is the 1st day of a month).
- Sunday 2 March, you must make payment on Tuesday 4 March (because Monday 3 March would be the 1st *business day* after Saturday 1 March).
- Friday 29 September and it is not a *business day*, you must make payment on Tuesday 3 October (because Monday 2 October is the 1st *business day* after Sunday 1 October).

5.5 Changing the payment frequency

After you make the first *minimum monthly payment* on a *facility account*, you may request us to change the payments on the account to:

- weekly payments (each weekly payment being the *minimum monthly payment* multiplied by 12 and divided by 52); or
- fortnightly payments (each fortnightly payment being the *minimum monthly payment* multiplied by 12 and divided by 26), provided that the sum of the payments in any month on the *facility account* are at least equal to the *minimum monthly payment* on the account.

We do not have to agree to *your* request. Also, we may, acting reasonably, set conditions if we agree to *your* request.

5.6 Making payments

You must give *us* an authority, in the form we reasonably require, and maintain that authority to debit payments *you* must make from an account *you* nominate. Please refer to Part 5 for the conditions relating to the authority *you* give *us*.

We may debit a *facility account* instead of the *nominated account* with fees and charges *you* must pay under the contract for *your loan*. Please see clause 7.1 for more details.

You may change the *nominated account* by completing another authority in the form we require.

You must ensure that the *nominated account* has sufficient cleared funds to meet payments *you* must make under the contract for *your loan*. If *you* have insufficient cleared funds available in the *nominated account* to make a payment, *you* may be in *default* of the contract for *your loan*. Please see clause 10 for when *you* may be in *default* and the consequences of being in *default*.

You can make *additional payments* by any other payment method we may make available like, BPAY® and salary crediting. Please ask UBank for details of payment methods that may be available on *your loan*.

If an *additional payment* is made and *you* are transferring funds from *your variable rate loan* to another account prior to *your* scheduled repayment date, the direct debit for *your* following scheduled repayment may be suspended. *You* will need to ensure *you* meet *your* required *minimum monthly payments* as per *your* repayment schedule.

5.7 Crediting of payments

We will seek to debit each payment *you* must make under the contract for *your loan* from the *nominated account* before 4:00pm Melbourne time on the day that the payment is due.

If *we* receive a payment after 4:00pm Melbourne time, *we* will credit that payment to the *facility account* on the next *business day*.

We apply each payment on a *facility account* to amounts comprising the *balance owing* on the account in any order *we* consider appropriate. *We* may apply payments *you* wish to make on a particular *facility account* to another *facility account* or other *facility accounts*. *You* can check if this has occurred by looking at *your* account statements.

5.8 If a payment is dishonoured

If any payment *we* seek to debit from the *nominated account* is dishonoured, *we* will treat the payment as not having been made and *we* may charge *you* a fee.

You can ask *your* mortgage manager for the details of the most current fees on *your loan*.

5.9 Additional payments

Subject to this clause, *you* may make *additional payments* to a *facility account*, or repay *your facility account* in full, at any time.

If the *facility account* is a *fixed rate facility*, you may make *additional payments* up to a total of \$20,000 during the *fixed rate term* without incurring *break costs*. We may, at our discretion, return any *additional payments* over the total of \$20,000 to your *nominated account*, or to your *facility account*. We may charge you *break costs* on the *additional payments* credited to the *facility account*.

Please refer to clause 15.3 for more details on *additional payments* to *facility accounts* that are *fixed rate facilities*.

Additional payments may not reduce the term of a *facility account*. You can ask us to reduce the term of a *facility account*. Please see clause 5.11. for details.

5.10 How we apply additional payments

A General

Unless we return an *additional payment* under clause 5.9, the *additional payment* is credited to your account on the day we receive the *additional payment*. However, if the *additional payment* is received after 4:00pm Melbourne time or on a day that is not a *business day*, the credit will be applied the next *business day*.

If an *additional payment* is made from your *nominated account* according to an existing direct debit or other payment arrangement you have with us, we will credit this *additional payment* to the *balance owing* on the *facility account*. We cannot apply this to the next *minimum monthly payment* even if you ask us.

B When a variable rate applies to your facility account

When a variable rate applies to a *facility account*, we credit each *additional payment* you make to the *facility account* and the *balance owing* is reduced accordingly (subject to clause 5.9).

You can arrange with us or UBank to apply *additional payments* to the next *minimum monthly payment* instead of to the *balance owing* if:

- the *additional payment* is made by a payment method we may make available like, BPAY® and salary crediting, or
- the *additional payment* is from your *nominated account* **and not** made according to an existing direct debit or other payment arrangement you have with us.

Under this arrangement, we apply each *additional payment* you make on a *facility account* to the *minimum monthly payment* due on the account in the next month, but not payments due in any later month. For example, if you enter into this arrangement with us and make an *additional payment* and we receive it in September, that payment is applied towards the *minimum monthly payment* due in October that same year.

You can make this arrangement by contacting us or UBank.

C When a fixed rate applies to your facility account

When you have a *fixed rate facility*, we credit each *additional payment* you make to the *facility account* and the *balance owing* on the account is reduced accordingly (subject to clauses 5.9 and 15.3).

We do not apply any *additional payment* you make on a *fixed rate facility* to the next *minimum monthly*

payment due on the account. For example, if you make an *additional payment* that we receive in September, you must also make the next *minimum monthly payment* that is due on your *fixed rate facility*.

5.11 Reducing the term of a facility account

When a variable rate applies to a *facility account*, you may ask us to:

- (a) increase the *minimum monthly payment* on that *facility account* at all times during the term of that *facility account* by a particular amount to assist in ensuring that *facility account* is paid in full prior to the *final repayment date*; or
- (b) reduce the term of that *facility account* by bringing forward the *final repayment date*. After we action your request, we will set *minimum monthly payments* on that *facility account* under clause 8.2 to ensure you pay the *total owing* on that *facility account* by its new *final repayment date*.

If you reduce the term of a *facility account*, you may need to make higher repayments to ensure you repay the *facility account* by its new *final repayment date*.

Otherwise, in accordance with clause 8.2, we will set *minimum monthly payments* on a *facility account* to ensure you pay the *total owing* on any *facility account* by the *final repayment date* set out in the *schedule* whether or not you have made *additional payments* on that *facility account*.

6. Redraw

Clause 6 does not apply to a *facility account* that is a:

- *fixed rate facility*.

6.1 Requesting redraw

If you make *additional payments* on a *facility account* and the *annual percentage rate* on the account is a *variable rate of interest*, you may request to redraw from the account. We will agree to your request unless:

- your right to redraw has been cancelled by you or cancelled or suspended by us;
- the amount you request is more than the *available credit* on the *facility account*;
- we reasonably believe that you are unable to repay your loan in accordance with the contract for your loan or may be unable to do so if we make the redraw available to you;
- we reasonably believe that the information given to us about you is misleading or false;
- we reasonably believe that we are unable to enforce a *security*;
- you are in *default*. Please see clause 10.1 for when you may be in *default*; or
- the *loan servicer*, acting reasonably, does not consent to the redraw request.

Redraws on a facility account will increase the amount you owe on the account. Please consider carefully the financial consequences of a redraw before you request a redraw.

6.2 How to redraw

You can redraw by:

- making a request through *StarNet* (including via *My UHomeLoan*); or

- making a written request to *UBank*; or
- making a written request to *us*.

If we agree to *your* request to redraw an amount, we will credit the amount to the *nominated account*. We will seek to do so within two *business days* of receiving *your* redraw request.

6.3 Other redraw methods

We may make other redraw methods available to *you* like direct debits. Please ask *UBank* for details of redraw methods that may be available on *your loan*.

6.4 When your redraw might be cancelled or suspended

Along with *your* right to cancel your redraw, there are some instances where we might choose to cancel or suspend redraw. This includes if:

- *you* are in *default* on *your loan* or any other agreement *you* have with *us*, or we reasonably believe that using the redraw could impact *your* ability to repay *your loan*;
- we reasonably believe that *you* are using credit for purposes not permitted by law or this contract for *your loan*;
- we are notified that one or more of the account holders is deceased (however if *you* are a joint account holder, please contact *us* if *you* need to access funds);
- it is reasonably necessary to prevent an anticipated breach of the law of Australia or of any other country;
- is reasonably necessary to prevent potentially fraudulent activity or a scam;
- we reasonably believe it is in *your* best interests to protect any security or *your* account;

- it is reasonable to prevent an anticipated loss to *you* or *us*, or *we* believe it is in *your* best interests to protect any *security* or *your* account;
- it is reasonably necessary for *us* to manage any risk;
- your guarantor limits the amount they guarantee (meaning *you* won't be able to redraw above that limit); or
- it is reasonably necessary to manage one of the things that *we* might consider under clauses 13.5(b) or 13.6.

However, if *we* have made any promises to *you* that *we* will make the ability to redraw available (e.g. under any promotional terms and conditions that may apply from time to time), then *we* will make redraw available to *you* unless it would cause us to breach *any* law or any regulatory requirement applying to it or it is otherwise in *our* legitimate business interests.

When *we* cancel or suspend an automatic right to redraw *we* may do so without prior notice to *you* but will give *you* notice after *we* do so. If appropriate, *we* will give *you* a general reason for doing so. *We* may exercise *our* rights above for as long as is reasonably necessary to manage any risks.

6.5 Redraw fee

We may charge *you* a fee for a redraw.

You can ask *UBank* for the details of the most current fees on *your* loan.

7. Fees and charges

7.1 Payment of fees and charges

You must pay:

- the fees and charges when they are payable as set out in the *schedule*;
- any new fees and charges we introduce in accordance with the contract for *your loan*; and
- government fees, charges and taxes relating to *your loan or security*.

You must pay us any fee or charge due before the settlement date for a facility account even if you do not draw down on the account. You must pay those fees or charges promptly on demand.

Also, if we are liable to pay GST or any similar tax on a supply (“the supply”) made in connection with the contract for *your loan or a security*, you must pay us an amount equal to the consideration payable for the supply multiplied by the prevailing rate of GST.

We may debit fees and charges from the nominated account, including if you discharge your loan and there are unpaid fees or charges relating to the loan.

7.2 Fees or charges increase the balance owing

When we debit a fee or charge to a *facility account*, that fee or charge is added to the *balance owing* on the account and will attract interest accordingly.

8. Changes to your loan

8.1 Changes to interest rates for variable rate loans

When a variable rate applies to a *facility account*, we may vary the *annual percentage rate* and the *default rate* on the account at any time to reflect our view of market conditions. We will notify you no later than the date the rate increase applies to the *facility account* or we may publish that notice in a newspaper circulating generally throughout Australia.

For other interest changes (such as the manner in which interest is calculated or charged), except reducing *your* interest rate, we will notify you at least 20 days before the change takes effect.

You can find out the *annual percentage rate* or the *default rate* for a *facility account* by contacting us or UBank.

8.2 Changes to payments

When a variable rate applies to a *facility account*, we may vary the *minimum monthly payments* on the account at any time to ensure you pay the *total owing* by the *final repayment date*.

If we increase *minimum monthly payments* on a *facility account*, we will notify you at least 20 days before the increase takes effect. If we decrease *minimum monthly payments* on a *facility account*, we will notify you no later than when you receive your first statement for the account after the decrease takes effect.

8.3 Changes to payment frequency or period

We may change:

- the frequency of payments;
- when payments are due; and

- the manner in which we require a payment to be made.

We will notify *you* at least 20 days before the change takes effect.

8.4 Introducing and changing fees and charges

We may:

- introduce new fees or charges;
- change the amount and frequency of a fee or charge;
- change the due date of a fee or charge; and
- change the manner in which any fee or charge is to be paid.

We will notify *you* at least 20 days before any increase in a fee or charge or new fee or charge takes effect, or changes to the frequency or time for payment of a fee or charge. We may publish that notice in a newspaper circulating generally throughout Australia. You can ask UBank for details of the most current fees on *your loan*.

8.5 Changes to redraw provisions

We may cancel or vary *your* ability to redraw *additional payments* at any time. We will notify *you* at least 20 days before the change takes effect.

8.6 Other changes to the contract for your loan

Acting reasonably, we may make changes to any other term of the contract for *your loan* because of:

- changes in the cost of providing credit to *you*;
- changes in legal or other regulatory requirements affecting *us*;
- changes to *our* systems or products;
- updates to *our* general terms and conditions;
- any errors in the contract for *your loan*; or
- changes to industry practice.

We will notify *you* at least 20 days before any of those changes take effect.

If *we* reduce *your* obligations (with the exception of reducing the amount of credit provided to *you*) - for example, if *we* extend the time to make a scheduled repayment or reduce the interest rate or the amount of a scheduled repayment, and *we* need to notify *you*, *we* will do this before or when your next statement is due, after the change takes effect.

We may make a change to manage a material and immediate risk if it's reasonable for *us* to do so, or there is a new or changed government charge in connection with the contract. If *we* do need to notify *you*, *we* may give *you* a shorter notice period than the period described elsewhere in this clause 8 (for example, reasonably promptly after the government notifies *us* of the new or changed government charge). However, *we* do not have to notify *you* about a new or changed government charge if the government publicises these details.

8.7 Electronic notice

Unless *you* have requested otherwise, *we* may give *you* notice of changes to *your loan* by electronic means.

9. Operating your facility accounts

9.1 Operating instructions

Subject to clause 9.3, *you* authorise *us* to allow any one of *you* to operate *your facility accounts* by written instructions to use *StarNet*. Please see clause 12 for more details on operating *your facility accounts* by using *StarNet*.

You agree that any one of you can bind all of you. For example, any one of you can ask us to debit a *facility account* or to make any other transaction in respect of a *facility account*. Each of you will be liable even if any of you did not know about or did not agree to the transaction.

9.2 Giving written instructions

For any transaction *you* wish to make by written instructions, *you* must clearly identify the *facility account* on which *you* wish to operate by name and number and the transaction *you* wish to carry out. *You* must give *us* all information reasonably necessary for *us* to act on *your* instructions.

9.3 We may not act on written instructions

We may not act on written instructions from *you* if:

- the instructions are inconsistent with the contract for *your loan*;
- *we* reasonably believe that an instruction *you* give *us* may result in loss to *you* or *us*; or
- *your* instructions are not clear or conflict with another instruction or with an obligation that *we* owe.

We may refuse to act on a written instruction until *we* have confirmation from *you* regarding the instructions.

Also, *we* may not act on the instructions *you* give *us* after *we* become aware of a dispute between *you*, or that any of *you* has died, become *insolvent*, or become mentally incapacitated.

10. Default and enforcement

10.1 Default

You are in default if:

- *You don't pay an amount that's due on time.*
- *You breach any material provision of the contract or other agreement you have with us – and that breach hasn't been fixed within 30 days' of you being notified.*
- *A security provider (like a guarantor) is in default under, or withdraws or breaches the terms of, a security.*
- *We reasonably believe you or someone else gives us information relating to the contract which is incomplete, incorrect or misleading.*
- *You or someone else doesn't carry out something required under or in relation to the contract within the period specified or as promptly as possible if no period is specified.*
- *You (or a security provider) can't pay the amounts owing (or are insolvent or are taking the steps to become insolvent).*
- *An event occurs which we reasonably believe could negatively impact our ability to realise or enforce the security.*
- *An event occurs which we reasonably believe could negatively impact on the value of the security and either occurs because you or a security provider has failed to meet obligations owed to us under this agreement or a security, or the event means that you will no longer be able to meet your payment obligations owed to us under this agreement.*
- *You or another relevant person has acted fraudulently in connection with the contract or another agreement you have with us.*
- *You sell or transfer, or attempt to sell or transfer, the security property without our consent.*

10.2 Consequences of default

If *you* are in *default*, *we* may refuse to give *you* further credit and cancel *your* access to *StarNet*.

We know sometimes circumstances change, and *we* will try to help *you* manage this. However, if *we* can't agree, then *we* will send *you* a notice asking *you* to fix the *default*, unless *we* are not required to do so by consumer credit law.

Where *we* give *you* a notice, *we* will specify a period for *you* to fix the *default*. This period will be at least 31 days from the date of the notice. The notice will specify how *you* may fix the *default*. *You* should read the notice carefully and follow the instructions in the notice.

10.3 What we may do if a default isn't fixed

If *you* are in *default* and:

- *you* don't fix the *default* within the period specified in the notice, or
- consumer credit law doesn't require *us* to wait until that period has expired, or
- *we* don't have to give *you* notice, then *we* may decide to do either (or both) of the following:
 - ask that *you* immediately pay to *us* the total amount owing, or
 - take legal action to recover any overdue amounts, including enforcing any rights *we* have under the *security*.

If *we* have asked for immediate payment of an amount, as described above, *you* must pay *us* the amount immediately. *You* will still be required to pay any other amounts when due.

10.4 Enforcement expenses

You may be liable for enforcement expenses. Enforcement expenses result from *us* having to

enforce the terms of the contract (or a *security*) if *you* are in *default*. *You* will need to pay reasonable enforcement expenses incurred or expended by *us* when asked. *We* may debit these enforcement expenses to *your facility account* – but *we* will always try to give *you* notice before *we* do so.

11. Resolving disputes

11.1 What to do if you have a complaint

We have internal and external dispute resolution processes available to assist with resolving complaints. If *you* have a complaint about *your loan* to access the internal dispute resolution process, please gather all relevant supporting documents about the complaint and send them to *UBank* in the first instance:

Customer Resolutions Officer

UBank
PO Box 1466
North Sydney NSW 2059
Website: ubank.com.au

For some complaints, for example those relating to hardship applications or the *default* process, *UBank* may refer *your* complaint to the *loan servicer*:

Complaints & Disputes Resolution Officer

Advantage Financial Services Pty Ltd
700 Bourke Street
Docklands VIC 3008
Email: complaints@advantage.com.au
Tel: 1300 300 989
Fax: (03) 8618 4464
Website: www.advantage.com.au

11.2 If you do not agree with our proposed resolution

We aim to resolve *your* dispute or complaint usually within 30 days. If the matter is more complex, it may take longer to resolve. *We* will keep *you* informed of the progress of the matter.

If *you* do not agree with *our* proposed resolution or the time taken to resolve *your* dispute, please contact the External Disputes Resolution Scheme:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Website: www.afca.org.au

*AFCA is the external dispute resolution (EDR) scheme to deal with complaints from consumers. AFCA replaces the three existing EDR schemes of the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO), and the Superannuation Complaints Tribunal (SCT) so that consumers have access to a single EDR scheme.

12. Using StarNet and My UHomeLoan

12.1 Safeguarding your facility account

You can assist in safeguarding *your facility account* if *you*:

- (a) memorise *your access code* and/or *your password* and do not keep a written record of the *access code* and/or *your password*;
- (b) never tell anyone *your access code* or *password*;
- (c) advise *UBank* of any change in *your* contact details, including *your* mobile phone number, and not allow others to access any one-time password issued to *your* mobile phone;
- (d) try to prevent anyone seeing *you* enter *your access code* or *password* when *you* use *your access code* or *password*;
- (e) if *you* suspect *your access code* or *password* is known by someone else or there is any transaction *you* have not authorised on *your facility account*, immediately report it to

UBank on 13 30 80 for the cost of a local call;

- (f) keep a record of these telephone numbers with *your* usual list of telephone numbers; and
- (g) check the statement of *your facility account* as soon as *you* receive it to identify and report, as soon as possible, any instances of unauthorised use of *your access code* or *password*.

These guidelines for safeguarding *your facility account* are the minimum security measures *we* suggest *you* take. *Your* liability for losses occurring as a result of unauthorised use of *your access code* or *password* will be determined in accordance with the Code. Please read clause 12.9.

In this clause 12, “Code” means the ePayments Code of Conduct September 2011, issued by the Australian Securities and Investments Commission, as amended from time to time.

12.2 Giving you access

We will give *you* an *access code* *you* can use with *your facility account* number to access *StarNet*.

For access to *My UHomeLoan*, *you* will need to generate a *password*.

Any person holding an *access code* or *password* may alter it at any time.

You can cancel *your access code* or *password* by notifying *us* in writing. Please see clause 12.7.

Please contact *us* or *UBank* if *you* do not want *us* to issue *you* with an *access code*.

Some transactions through *StarNet* may require the use of a one-time password. Where a one-time password is required to complete a transaction, the one-time password will be issued to *your* mobile phone.

12.3 Using your access code

You may use *your access code* and *facility account* number to:

- request advances or redraws on a *facility account*;
- transfer *available credit* on one *facility account* to other *facility accounts*, in accordance with the contract for *your loan*.

You can make enquiries on the *available credit* on a *facility account*, through *StarNet* using *your access code* or through *My UHomeLoan* using *your password*.

Each *facility account* is a credit account.

StarNet or *My UHomeLoan* may not be available during maintenance of *our systems* or *our loan servicer's* or *UBank's* systems due to circumstances beyond *our control*.

12.4 Authority

When you use *StarNet* or *My UHomeLoan*, you authorise any one of you to give us instructions. You authorise us to debit a *facility account* with the value of all transactions carried out using *your access code* on that *facility account*. You cannot withdraw that authority.

12.5 Statements and receipts

- (a) A transaction record will be available for each financial transaction carried out with *your access code*, unless you indicate that a receipt is not required.
- (b) You should obtain, check and retain all transaction records issued to you for checking against statements for *your facility account*.

- (c) If an *access code* is issued to you, you may request that we give you more regular statements for a *facility account* or a copy of a statement of a *facility account* at any time by using *StarNet* or by contacting *UBank*.

12.6 Transaction limits

- (a) You must not seek to make a transaction on a *facility account* by use of your *access code* where the transaction would exceed the *available credit* balance on the account. If you make any *access code transaction* on a *facility account* for an amount that exceeds the *available credit* balance on the account, you are in *default* of the contract for your *loan* and you must repay the excess promptly.
- (b) Your *available credit* balance may change from time to time. You can use your *access code* and *facility account* number to enquire about the *available credit* balance on a *facility account* as at the time of the enquiry.
- (c) We may set limits on the minimum and maximum amounts on the advances or redraws you may make from a *facility account* by use of your *access code* and *facility account* number on any one day through *StarNet*. At the date we gave these conditions of use to you, the minimum *access code transaction* amount is \$100 and the maximum *access code transaction* amount on a *facility account* is the *available credit* on that *facility account*. You may apply to us or through *UBank* for a lower limit.

12.7 Cancelling your access code

Your *access code* or *password* may be cancelled if:

- we become aware of a dispute between you;
- you become mentally incapacitated;
- for security reasons; or

- if *you* are in *default*. Please see clause 10.1 for when *you* may be in *default*.

At any time, any one of *you* may cancel *your* access code or *password* by notifying UBank in writing. *You* must not use or seek to use *your* access code or *password* after it is cancelled.

12.8 Protecting your access code and password

(a) *You* must:

- not voluntarily disclose *your* access code or *password* to anyone;
- not write or indicate *your* access code or *password*, without making any reasonable attempt to disguise the access code or *password*, on any article or on several articles that could be lost or stolen at the same time; and
- not act with extreme carelessness in failing to protect the security of *your* access code or *password*.

(b) If we let *you* change *your* access code or *password*, *you* must not select:

- a numeric code which represents *your* birth date; or
- an alphabetical code which is a recognisable part of *your* name.

If *you* select an access code or *password* that represents *your* date of birth or a recognisable part of *your* name, *you* may be liable for *unauthorised transactions* by use of *your* access code or *password*. Please read clause 12.11.

(c) *You* must provide correct details (including the BSB and account number) for all access code transactions. We cannot stop or alter any access code transaction after *you* give us *your* instructions. Please record the confirmation number we give *you* for an

access code transaction and quote it to us if you have any queries.

12.9 Your liability for losses due to unauthorised transactions

Your liability for losses occurring as a result of unauthorised use of *your access code* or *password* will be determined in accordance with the Code.

12.10 When you are not liable for unauthorised transactions

You are not liable for losses:

- that are caused by the fraudulent or negligent conduct of *our* employees or of agents or companies involved in networking arrangements, or of any merchants or of their agents or employees;
- arising because an *access code* or *password* is forged, faulty, expired, or cancelled;
- that arise from *access code* transactions which required the use of the *access code*, but occurred before you received the *access code*;
- that are caused by the same *access code transaction* being incorrectly debited more than once to the same *facility account*;
- resulting from unauthorised use occurring after you notify us that the security of the *access code* or *password* is breached; or
- resulting from unauthorised use where it is clear that you did not contribute to the losses.

12.11 When you are liable for unauthorised transactions

You will be liable for losses resulting from *unauthorised transactions* where:

- we can prove on the balance of probability that you contributed to the losses through

your fraud or because *you* breached *your* responsibilities in clauses 12.8(a) or 12.8(b). Then, *you* are liable for the actual losses which occur before *we* are notified that the security of the *access code* or *password* has been breached; or

- *we* can prove on the balance of probability that *you* contributed to losses resulting from unauthorised use because *you* unreasonably delayed notifying *us* after *you* became aware that the security of the *access code* or *password* was breached. Then, *you* will be liable for the actual losses which occur between the time *you* became aware and when *we* were actually notified.

Even then, *you* will not be liable for any of the following amounts:

- the portion of losses incurred on a day which exceeds any daily transaction limit;
- the portion of losses incurred in a period which exceeds any other transaction limit for that period;
- the portion of the total losses incurred on any *facility account* which exceeds the *available credit* on the account; or
- any losses incurred on any *facility account* which *we* agreed could not be accessed by the *access code* or *password*.

12.12 Limited liability for unauthorised transactions

If there are *unauthorised transactions* on a *facility account* by use of the *access code* or *password* and it is unclear whether or not *you* contributed to any loss caused by the unauthorised use of *your access code* or *password*, *you* are liable for the lesser of:

- \$150;
- the *available credit* on the *facility account*; or

- the actual loss at the time we were notified that the *access code* or *password* has become known to someone else (excluding that portion of the losses incurred which exceeds any daily transaction or other transaction limit(s) on the *facility account*).

In determining *your* liability under this clause, we will consider all reasonable evidence including all reasonable explanations for unauthorised use having occurred.

The fact that a *facility account* is accessed with the correct *access code* or *password*, while significant, is not of itself conclusive evidence that *you* have contributed to the loss.

12.13 Resolving disputes

- (a) If *you* believe a transaction is wrong or unauthorised or the statement of *your facility account* contains any instances of unauthorised use or errors, *you* must immediately notify the phone number(s) provided in clause 12.15. Then, *you* will be requested to give *us* details, relating to *your facility account*, to assist *our* investigations.
- (b) If *your* complaint cannot be settled immediately to *your* satisfaction, we will inform *you* in writing of the procedures for further investigation and resolution and may request further relevant details from *you*.
- (c) Within 21 days after receiving *your* complaint, we will:
 - inform *you* in writing of the results of *our* investigation; or
 - inform *you* in writing that we require further time (not exceeding a further 24 days) to complete *our* investigation. There may be different reasons for *us* requiring further time to complete *our* investigation. One of those reasons may be that we are waiting on a response from *you*.

- (d) Where an investigation continues beyond 45 days, *you* will be informed of the reasons for the delay and given monthly updates on the progress of the investigation and a date when a decision can be reasonably expected, unless *we* are waiting for a response from *you*. If *we* find that an error was made, *we* will arrange to make the appropriate adjustments to the *facility account* including interest and charges (if any) and will inform *you* in writing of the amount of the adjustment.
- (e) If *our* external dispute resolution scheme, AFCA, provides a matter can be heard under AFCA's Rules if *we* do not give a final decision on the matter within a specified time, *we* will inform *you* in writing, about the option of taking the matter to AFCA, within five *business days* after the specified time period expires.
- (f) When *we* inform *you* of the outcome of *our* investigation, *we* will:
- give *you* reasons, in writing, for *our* decision by reference to this clause 12 and the Code;
 - inform *you* of any adjustments *we* have made to the *facility account*; and
 - inform *you* in writing of other avenues of dispute resolution (including Consumer Affairs Agencies, external dispute resolution schemes and Small Claims Courts), if *you* are not satisfied with *our* decision.
- (g) If *we* decide that *you* are liable for all or any part of a loss arising out of unauthorised use of *your access code* or *password*, *we* will:
- give *you* copies of any documents or other evidence on which *we* relied; and
 - inform *you* whether or not there was any system malfunction at the time of the transaction *you* complained about.

- (h) If we fail to carry out these procedures or cause unreasonable delay, we will be liable for a part or all of the amount of the disputed transaction where *our* failure or delay has prejudiced the outcome of the investigation.

12.14 Malfunction

We are liable to *you* for losses *you* suffer caused by the failure of *our* systems to complete a transaction, by use of *your* access code or password, accepted by the system in accordance with *your* instructions. However, we will not be liable for consequential losses where *you* should have been aware that the system was unavailable for use or malfunctioning. In this case, we will have a limited responsibility to correct any error in *your* facility account and the refund of any charges or fees imposed on *you* as a result relating to the transaction that was not completed. We are not liable for any loss caused by the failure of *our* systems to accept the transaction.

12.15 Notifying breaches of security

If *you* believe the security of *your* access code or *your* password has been breached, please call UBank on 13 30 80.

We will acknowledge receipt of any report of an *unauthorised transaction* or *access code* or *password* security breach *you* make to the phone number(s) provided. Please retain that acknowledgment as evidence of the date and time of *your* report.

If the phone number is not operating when *you* try to use it to notify *us* that someone else knows *your* access code or password, *you* will not be liable for any losses occurring due to not notifying that event, but only if *you* contact the phone number(s) within a reasonable time after it is operative again.

13. Other terms

13.1 Assignment

We may assign *our* rights and interests in *your loan* to another person or otherwise deal in any way with those rights (including by novating this contract for *your loan*) where that other dealing is for legitimate business reasons. We may not give *you* notice of an assignment unless we are required by law or there is an important reason to notify *you*. *You* will have the same rights against an assignee at law as *you* do against *us*. If this happens, *you* agree that we may disclose information or documents to help *us* exercise these rights.

Your rights are personal to *you* and may not be assigned without *our* consent.

13.2 Information we request and other obligations

- (a) We may, acting reasonably, ask *you* to give *us* information about *you* or *your* circumstances, including *your* financial position and the *security property*. *You* must give *us* that information within a reasonable time.
- (b) *You* also agree that *you* will not sell or transfer the *security property* or attempt to do so without *our* consent.

13.3 Information we may disclose

You consent to *us* disclosing any information we have about *you* to any person who acquires *our* rights or interests in the *loan* or is considering doing so, or to any guarantor, or to anybody else having an interest in the *security*.

13.4 Joint and separate liability

If we enter into the contract for *your loan* with more than one person, each person is liable individually for the whole of the *loan*. Also, every two or more persons are liable together for the whole of the *loan*.

13.5 How we may exercise our rights and discretions

We have appointed the *loan servicer* and the *mortgage manager* to help us manage *your loan*. This clause will apply when we exercise *our rights* and discretions under the contract including when we exercise them with the assistance of the *loan servicer* and the *mortgage manager*.

- (a) When we exercise a right or discretion under this contract, we will do it in a way that is fair and reasonable. This includes when we make changes to *your credit limit*, *your access to redraw*, fees and charges, or the terms of this contract.
- (b) Some of the things we might consider when exercising *our rights* and discretions include:
 - i. *our legal obligations*, industry codes and payment scheme rules and the expectations of *our regulators*;
 - ii. protecting *our customers*, staff and systems and the personal information we hold;
 - iii. whether any information you provided us is misleading, incorrect or incomplete, or *you haven't provided us* with information we reasonably need when asked;
 - iv. how *our products* and services are intended to be used (and how *you have used them*);
 - v. *our public statements*, including those relating to protecting vulnerable persons, the environment or sustainability;

- vi. community expectations and any adverse impact on *our* reputation;
 - vii. whether *we* need to action to protect *you* or another person from a potential fraud or scam; or
 - viii. risk management, including sanctions risk management.
- (c) If *we* impose any conditions or requirements to any consent *we* give, or agree to any request that *you* make subject to conditions, then *you* will need to comply with those conditions or requirements.
 - (d) If *we* do not make a decision or do something straightaway, *we* may still do so later on. This includes where *we* delay or defer doing so, or *we* temporarily waive a requirement.
 - (e) *Our* rights and remedies under this agreement are in addition to other rights and remedies given by law independently of this agreement.
 - (f) *Our* rights and remedies may be carried out by any officer or employee of *us*, or any person *we* have authorised.
 - (g) *We* are not responsible for any loss arising in connection with *us* exercising (or not exercising) *our* rights except to the extent caused by the fraud, negligence or misconduct of *us*, *our* related entities or *our* agents.

13.6 Unacceptable account conduct

We seek to protect *our* customers from harm arising from unlawful use of, or financial abuse conducted through, *our* products. *We* recognise financial abuse may happen to anyone and can include forms of family and domestic violence or elder abuse.

- (a) *We* will investigate instances where *we* identify or are made aware that a product is

being used in a financially abusive manner, including:

- i. coercive or controlling behaviour to limit a person's access to or use of funds;
 - ii. making profane, derogatory, discriminatory or harassing comments to any person;
 - iii. making or promoting threatening or abusive language to any person;
 - iv. making or threatening physical or psychological harm to any person.
- (b) We may reasonably exercise one or more of our rights in this contract to suspend, cancel or deny an account holder's access to credit, including redraw or to reduce a credit limit, if we reasonably consider it appropriate to protect a customer or another person from financial abuse.
- (c) If *you* are concerned about your banking safety contact Advantedge Customer Care on 1300 300 989.

13.7 Trusts

This clause applies if *you* enter into the contract for *your loan* as trustee of a trust whether we know about the trust or not.

You agree that *you* are liable both in *your own* right and as trustee of the trust. *You* declare or undertake to *us* that:

- *you* enter into the contract for *your loan* for a proper purpose of the trust;
- *you* have the power and authority under the trust to enter into the contract for *your loan* and, if the *security* is over the property of the trust, to mortgage the trust property;
- *you* have the right to be indemnified fully out of the trust property, before the beneficiaries

of the trust, for all liabilities that *you* incur under the contract for *your loan*;

- *you* are the only trustee of the trust and no steps have been taken to remove *you* as trustee of the trust;
- *you* are not in *default* under the terms of the trust;
- *you* have told *us* about each trust of which *you* are a trustee;
- *you* have given *us* a copy of all terms that apply to the trust;
- the trust deed establishing the trust will not be amended without *our* prior consent;
- *you* will not resign or be removed as trustee of the trust without *our* prior consent;
- the trust has not vested;
- *you* will not take action to terminate the trust without *our* prior consent;
- no distribution of any capital of the trust will be effected without *our* prior consent; and
- if the trust is a unit trust, no units will be redeemed without *our* prior consent.

You must tell *us* promptly if, at any time, anything happens that would prevent *you* from truthfully repeating the declarations or giving the undertakings in this clause.

13.8 This clause has been left intentionally blank

13.9 Read down clause

- (a) If the contract for *your loan* is regulated under consumer legislation (for example, the National Credit Code) or any other law, any provisions in the contract which do not comply with that law have no effect, but only to the extent of the non-compliance.

- (b) There may be some laws passed by parliament or other laws (usually called common law) which lessen, modify, or restrict a lender's rights. None of those laws will operate to limit *our* rights under the contract for *your loan* unless, by their operation, the laws cannot be negated.
- (c) If any term of the contract for *your loan* is illegal or becomes illegal at any time, that term will cease to have effect, but only to the extent of the illegality. The balance of the contract for *your loan* will remain in full force and effect.
- (d) If any term of the contract for *your loan* is found to be unjust or unconscionable, the term will be read down so that it is no longer unjust or unconscionable.

13.10 Our liability

If *we* make *your loan* available in *our* capacity as trustee of a trust, *our* liability to *you* is limited to the assets of that trust which are available to *us* to satisfy that liability. This does not avoid or modify the effect of *credit law* or limit *your* rights under *credit law*.

Only the parties to the contract for *your loan* are liable for any breach of the contract. The contract for *your loan* can only be enforced by the parties, their agents or their assignees.

13.11 Statements

We will give *you* separate statements for each *facility account* every six months.

Please check *your* statements for errors or *unauthorised transactions*. If *you* consider there are errors or *unauthorised transactions*, please notify *us* immediately.

13.12 Priority of terms

If there is an inconsistency between any of the *schedule*, these terms and conditions and the terms of a *security*, the inconsistency will be resolved by giving priority to the *schedule*, then these terms and conditions, then the *security*.

13.13 Property reports

From time to time, we may arrange a valuation of, or other inspection relating to, a *security property*. We may charge you a fee for the valuation or other inspection we require. You can ask your mortgage manager for the details of the most current fees on your loan. Any valuation or report we obtain about the *security property* under these terms and conditions is for our purposes and you should not rely on it, even if you find out the value assessed by the valuer or the details of the report. If you wish to have a valuation or undertake an inspection for your own purposes, you should organise it separately.

Part 2 Terms applying to particular facilities

The terms in this Part 2 apply to particular *facility accounts*. If any term in this Part 2 is inconsistent with a term in Part 1, the term in Part 2 applies to the extent of the inconsistency.

14. This clause has been left intentionally blank

15. Fixed rate facilities

Warning about fixed rate facilities –

If *you* repay all or any part of the *fixed rate facility* (including after *we* take enforcement action), or *you* request a change to a variable interest rate before the end of the fixed rate term, *you* must pay break costs in accordance with clause 15.4. If money market rates of interest fall, *break costs* may be substantial.

You can ask *us* at any time for an estimate of the *break costs* that may apply under clause 15.4 to a *fixed rate facility account*.

We recommend that *you* obtain independent advice about the benefits and risks of fixed rate borrowing before *you* ask *us* for a *fixed rate facility*.

When this clause applies

Clause 15 applies only to a *facility account* on which *you* have asked *us* to fix the interest rate.

15.1 One drawdown only

You must drawdown the *facility amount* on the *facility account* in full when *you* drawdown on the account.

15.2 Requesting a variable rate during a fixed rate term

You may request us to change the rate applying to the *facility account* during the *fixed rate term* to a variable rate or another fixed rate. If we agree to your request, you must pay us the *break costs* we calculate in accordance with clause 15.4.

15.3 Additional payments on fixed rate facilities

If the *facility account* is a *fixed rate facility*, you may make *additional payments* up to a total of \$20,000 during the *fixed rate term* without incurring *break costs*. We may, at our discretion, return any *additional payments* over the total of \$20,000 to your *nominated account*, or to your *facility account*. We may charge you *break costs* on the *additional payments* credited to the *facility account* in accordance with clause 15.4.

You cannot redraw *additional payments* we credit to the *facility account* during a *fixed rate term*.

You must pay us *break costs* we calculate in accordance with clause 15.4 on repayment of the *facility account* in full (including where the facility is repaid in full after we take enforcement action), at the same time the *additional payment* is made.

15.4 Calculation of break costs

Break costs are the amount we determine acting reasonably which represents *our* loss and costs arising from an event set out in clause 15.2 or 15.3. Each of those events is a break event. This loss or cost usually arises because of changes in money market rates of interest between the start of the *fixed rate term* and when the break event occurs.

We may calculate the *break costs* for a *fixed rate facility*, depending on the arrangements we entered to fund your *fixed rate facility*:

- (a) as *our* costs of breaking any related fixed rate funding agreement with another party. That party will tell *us* of what those costs will be when *we* request it. *We* do not have to provide *you* with any funding agreement, or details of any funding agreement, between *us* and another party; or
- (b) by calculating the amount representing the difference between *our* cost of funds at the start of the fixed rate period and *our* cost of funds on the date of the break event over the remainder of that period. This is then discounted back to the present value at the rate equivalent to *our* cost of funds at that date.

We will not pay *you* any benefit *we* receive from a break event.

15.5 When a fixed rate term ends

We will convert the *annual percentage rate* on the *facility account* to a variable rate at the end of the *fixed rate term*. If, immediately before the end of the *fixed rate term*, the *facility account* is in an *interest only period*, from the end of the *fixed rate term*, the *interest only period* also ends and *you* will be required to make principal and interest payments to the *facility account*. Then, this clause 15 no longer applies to the *facility account*.

Part 3 Key words and interpretation

Key words

The meaning of words that are printed in *italics* in the contract for *your loan* are set out below:

Word	Meaning
<i>access code</i>	the identification number <i>we give you</i> to access <i>StarNet</i> .
<i>access code transaction</i>	means an electronic funds transfer to or from a <i>facility account</i> using an <i>access code</i> and <i>StarNet</i> .
<i>additional payment</i>	on a <i>facility account</i> , means a payment on the account in addition to the <i>minimum monthly payments you</i> are required to make on the account.
<i>annual percentage rate</i>	for a <i>facility account</i> , is the rate identified as the <i>annual percentage rate</i> for that <i>facility account</i> , set out in the <i>schedule</i> as varied from time to time in accordance with the contract for <i>your loan</i> .
<i>available credit</i>	For a <i>facility account</i> , at any time means the difference between: <ul style="list-style-type: none">• the amount that would have been the <i>balance owing</i> on the <i>facility account</i> at that time if the <i>facility amount</i> had been fully drawn on the <i>settlement date</i> and if you had only paid the <i>minimum monthly payments</i> on the <i>facility account</i> under the contract for <i>your loan</i> on the due date required and no <i>additional payments</i> had been made; and• the <i>balance owing</i> on the <i>facility account</i> at that time.

Word	Meaning
<i>balance owing</i>	on a <i>facility account</i> means, at any time, the difference between all amounts debited and credited to the account at that time.
<i>break costs</i>	is the loss we reasonably incur that we may charge on a <i>facility account</i> in accordance with clause 15.4.
<i>business day</i>	means any day other than a Saturday or a Sunday or a public holiday in Melbourne, Victoria.
<i>code of conduct</i>	means any code of conduct to which we, UBank or the <i>loan servicer</i> subscribe.
<i>credit law</i>	means any law relating to the provision of consumer credit which applies to <i>your loan</i> , including the National Consumer Credit Protection Act 2009 (Cth) and any regulations and instruments made under that Act.
<i>daily percentage rate</i>	for a <i>facility account</i> , means the <i>annual percentage rate</i> for the <i>facility account</i> divided by 365.
<i>daily default rate</i>	for a <i>facility account</i> , means the <i>default rate</i> for the account divided by 365.
<i>default</i>	means any of the events set out in clause 10.1.
<i>default rate</i>	for a <i>facility account</i> , means the <i>annual percentage rate</i> for the account plus 4% per annum.
<i>facility account</i>	has the meaning set out in clause 1.2.
<i>facility amount</i>	for a <i>facility account</i> , is the maximum amount of credit we may make available to <i>you</i> on the account as set out in the <i>schedule</i> as varied from time to time.

Word	Meaning
<i>final repayment date</i>	is the date identified by that name in the <i>schedule</i> .
<i>fixed rate facility</i>	means a <i>facility account</i> which has an <i>annual percentage rate</i> that is a fixed rate.
<i>fixed rate lock fee</i>	means the fee payable from time to time where <i>you</i> request a <i>fixed rate facility</i> .
<i>fixed rate term</i>	for a <i>facility account</i> , means the term, set out in the <i>schedule</i> , during which the <i>annual percentage rate</i> on the account is a fixed rate.
<i>GST</i>	has the meaning given in A New Tax System (Goods and Services Tax) Act 1999.
<i>insolvent</i>	for: <ul style="list-style-type: none"> • an individual, means when the individual is declared bankrupt or enters into an arrangement with creditors; • a body corporate, means when an external administrator is appointed to the body corporate or when the body corporate is wound up or deregistered.
<i>interest only period</i>	has the meaning set out in clause 5.3.
<i>loan</i>	means all the <i>facility accounts</i> we make available to <i>you</i> under the contract for <i>your loan</i> .
<i>loan servicer</i>	means Advantedge Financial Services Pty Ltd ACN 130 012 930 Australian Credit Licence number 391202, the servicer of <i>your loan</i> as set out in the <i>schedule</i> and any successors and assigns.

Word	Meaning
<i>minimum monthly payments</i>	for a <i>facility account</i> , means the payments <i>you</i> must make on the account as set out in the <i>schedule</i> as varied from time to time.
<i>My UHomeLoan</i>	is an automated internet service provider <i>UBank</i> makes available to <i>you</i> to view <i>facility accounts</i> , and to manage <i>facility accounts</i> using <i>StarNet</i> , in accordance with the contract for <i>your loan</i> .
<i>nominated account</i>	means the account <i>you</i> nominate under clause 5.6 or any replacement of that account.
<i>password</i>	means a string of characters used for authentication to access <i>My UHomeLoan</i> .
<i>schedule</i>	means that part of the contract for <i>your loan</i> entitled “ <i>schedule</i> ” that: <ul style="list-style-type: none"> • names <i>you</i> as the borrower for the <i>loan</i>; and • a signed copy of which <i>our</i> settlement agent has received from <i>you</i>.
<i>security</i>	means any mortgage set out in the <i>schedule</i> or that <i>we</i> require from time to time.
<i>security property</i>	means any property that is the subject of a <i>security</i> .
<i>settlement date</i>	for a <i>facility account</i> means the first to occur of the date <i>you</i> first make a drawdown on the <i>facility account</i> or the date <i>we</i> create the <i>facility account</i> on <i>our</i> systems.
<i>StarNet</i>	is an automated internet service system <i>we</i> make available to <i>you</i> to manage <i>facility accounts</i> in accordance with the contract for <i>your loan</i> .

Word	Meaning
<i>total owing</i>	at a particular time, means the total of the <i>balance owing</i> on each <i>facility account</i> at that time plus all accrued interest, default interest and other amounts which <i>you</i> must pay under the contract for <i>your loan</i> , whether or not they have been debited to a <i>facility account</i> at that time.
<i>unauthorised transaction</i>	means any <i>access code transaction</i> <i>you</i> did not authorise.
<i>UBank</i>	means UBank, a division of National Australia Bank Limited ABN 12 004 044 937 Australian Credit Licence 230686 and any successors and assigns. <i>UBank</i> is <i>your</i> mortgage manager (as set out in the <i>schedule</i>).
<i>we, us, lender, credit provider</i>	means the <i>lender</i> set out in the <i>schedule</i> being AFSH Nominees Pty Ltd ABN 51 143 937 437 Australian Credit Licence number 391192 and any successors and assigns and <i>our</i> has a corresponding meaning.
<i>you</i>	means the person or persons named in the <i>schedule</i> as the borrower and <i>your</i> has a corresponding meaning.

Interpretation

A reference in the contract for *your loan* to:

- a word importing the singular, includes the plural and vice versa;
- a word importing any gender includes the other genders;
- a reference to a person includes the legal personal representatives, successors and permitted assigns of that person;
- a reference to a clause is a reference to a clause of these terms;
- a reference to a month is to a calendar month;
- the word 'include' or 'including' are not words of limitation; and
- a reference to a day is a calendar day (unless otherwise stated).

Part 4 Information Statement

Information Statement – things you should know about your proposed credit contract

This information statement only applies to your loan if credit law to the loan applies. This statement tells you about some of the rights and obligations of yourself and the credit provider. It does not state the terms and conditions of your contract.

If you have concerns about your credit 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 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 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.

However, if your facility is within a fixed rate period you will have to pay any additional charges applicable for early termination of 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 the credit provider to charge one) and other fees.

7 Can my contract be changed by us?

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; or
 - a change in credit fees and charges; or
 - any other changes made 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 at:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Website: www.afca.org.au

*AFCA is the external dispute resolution (EDR) scheme to deal with complaints from consumers. AFCA replaces the three existing EDR schemes of the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO), and the Superannuation Complaints Tribunal (SCT) so that consumers have access to a single EDR scheme.

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

See the answers to questions 20 and 21. Otherwise you may:

- sell the property, but only if your credit provider gives permission first; OR
- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact the AFCA 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 your credit provider even after the mortgaged property is sold.

19 Can the credit provider take or sell the mortgaged property?

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

General

20 What do I do if I cannot make a repayment?

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

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

21 What if the credit provider and I can not agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 23.

22 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.

23 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 AT:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Website: www.afca.org.au

PLEASE KEEP THIS INFORMATION STATEMENT.

YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

Part 5 Direct debit request service agreement

This Part 5 and the *direct debit request* set out the terms of the direct debit agreement between *us* and *you*.

Please see the Glossary at the end of this agreement for the meaning of words in this Part 5. Each of the words printed in italics is defined.

1 **Debiting your account**

- 1.1 By signing a *direct debit request*, *you* authorise *us* to arrange for *us* to debit funds from the *nominated account*.
- 1.2 We will arrange for funds to be debited from the *nominated account* on each *debit day*.
- 1.3 If the *debit day* falls on a day that is not a *business day*, we may direct the *financial institution* to debit the *nominated account* on the following *business day* in accordance with Part 1 Clause 5.4 of the UHomeLoan Terms and Conditions. If *you* are unsure about which day the *nominated account* has or will be debited, *you* should ask the *financial institution*.
- 1.4 In the event of a *direct debit request* not being honoured, we may seek to debit the *nominated account* again for the failed payment and related costs at *our* discretion.

2 **Changes by us**

We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days written notice.

3 Changes by you

- 3.1** Subject to 3.2 and 3.3, *you* may change the arrangements under a *direct debit request* by contacting *UBank* on 13 30 80 or *us* on 1300 300 989.
- 3.2** If *you* wish to stop or defer a *debit payment*, *you* must notify *UBank* or *us* in writing at least three days before the next *debit day*.
- 3.3** *You* may also cancel *your* authority for *UBank* or *us* to debit the *nominated account* at any time by giving *us* 15 days notice in writing before the next *debit day*.
- 3.4** *We* may direct requests to stop or cancel a *debit payment* to the *financial institution*.

4 Your obligations

- 4.1** *You* must ensure that there are sufficient clear funds available in the *nominated account* to allow a *debit payment* to be made in accordance with the *direct debit request*.
- 4.2** If there are insufficient clear funds in the *nominated account* to meet a *debit payment*:
- (a) *you* may be charged a fee and/or interest by the *financial institution*;
 - (b) *you* may also incur reasonable fees or charges imposed or incurred by *us*; and
 - (c) *you* must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in the *nominated account* by an agreed time so that *we* can process the *debit payment*.
- 4.3** *You* should check the *nominated account* statement to verify that the amounts debited from the *nominated account* are correct.

5 Dispute

- 5.1** If *you* believe that there has been an error in debiting the *nominated account*, *you* should notify *UBank* on 13 30 80 and confirm that notice in writing as soon as possible so that *we* can resolve *your* query more quickly.
- 5.2** If *we* conclude as a result of *our* investigations that the *nominated account* has been incorrectly debited *we* will respond to *your* query by arranging within a reasonable period for the *financial institution* to adjust the *nominated account* (including interest and charges) accordingly. *We* will also notify *you* in writing of the amount by which the *nominated account* has been adjusted.
- 5.3** If *we* conclude as a result of *our* investigations that the *nominated account* has not been incorrectly debited *we* will respond to *your* query by providing *you* with reasons and any evidence for this finding.
- 5.4** Any queries *you* may have about an error made in debiting the *nominated account* should be directed to *UBank* or *us* in the first instance so that *we* can attempt to resolve the matter between *us* and *you*. If *we* cannot resolve the matter *you* can still refer it to the *financial institution* which will obtain details from *you* of the disputed transaction and may lodge a claim on *your* behalf.

6 Accounts

You should check:

- (a) with the *financial institution* whether direct debiting is available from the *nominated account* as direct debiting is not available on all accounts offered by *financial institutions*;

- (b) the details of the *nominated account* which you have provided to us are correct by checking them against a recent account statement; and
- (c) with the *financial institution* before completing the *direct debit request* if you have any queries about how to complete the *direct debit request*.

7 Confidentiality

7.1 We will keep any information (including your account details) in your *direct debit request* confidential.

7.2 We will only disclose information that we have about you:

- (a) to the extent specifically required by law; or
- (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

8 Notice

If you wish to notify us in writing about anything relating to this agreement, you should write to:

UBank

Reply Paid 1466
North Sydney NSW 2059

OR

Advantedge Financial Services Pty Ltd

PO Box 626 Collins Street West
Melbourne VIC 8007

We will notify you by sending a notice in the ordinary post to the address you have given us in the *direct debit request*.

Glossary

business day means any day other than a Saturday or a Sunday or a public holiday in Melbourne, Victoria.

debit day means the day that a payment by *you* to *us* is due in accordance with Part 1 Clause 5.4 of the UHomeLoan Terms and Conditions. If *you* are unsure about which day the *nominated account* has or will be debited, *you* should ask the *financial institution*.

debit payment means a particular transaction where a debit is made.

direct debit request means the form *we* give *you* to sign called *Direct Debit Request*.

financial institution is the financial institution where the *nominated account* is held.

nominated account means the account with a *financial institution* from which *we* are authorised to debit funds.

UBank means *UBank*, a division of National Australia Bank Limited ABN 12 004 044 937 Australian Credit Licence 230686

you means the customer who signed a *direct debit request*.

we or *us* means the *lender* *you* have authorised to debit the *nominated account* identified in the *direct debit request* being AFSH Nominees Pty Ltd ABN 51 143 937 437 Australian Credit Licence number 391192 telephone (03) 8616-1000 and *our* has a corresponding meaning.

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National Australia Bank Limited
ABN: 12 004 044 937
AFSL & Australian Credit
Licence: 230686

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