

Home Loan.

**General
Terms and Conditions
May 2024.**



BankVic Home Loan Terms and Conditions

BankVic home loans are offered by Police Financial Services Limited (ABN 33 087 651 661, AFSL and Australian Credit Licence 240293) (**BankVic**) to its members.

This booklet contains the Terms and Conditions for a BankVic Home Loan.

This document should be read in conjunction with our general BankVic Terms & Conditions.

This booklet does not contain all the information we are required by law to give you before you enter into the Loan Contract. Other information is contained in the Offer. Please read both documents carefully.

Contents

1. What makes up your contract with us?	3
2. Code of practice	3
3. When is there a binding legal contract?	3
4. What happens if there are two or more borrowers?	3
5. Things you promise us	3
6. Code of practice	3
7. Payment obligations	4
8. Fees and charges	5
9. Annual Percentage Rate (interest rate)	5
10. Interest charges	5
11. Default interest	5
12. What happens when you are in default	6
13. Redraw	7
14. Offset accounts	7
15. Fixed rate home loans	7
16. Early repayment	8
17. Construction loans	8
18. Line of credit account	9
19. Can your obligations under your Loan Contract change?	10
20. General provisions	10
21. Identification information	12
22. First Home Buyers	12
23. Glossary	12

1. What makes up your contract with us?

- a. Your Loan Contract comprises the Offer you sign and this booklet. If you have more than one Loan Account under this Loan Contract, this booklet will apply to separately to each Loan Account.
- b. To the extent of any inconsistency between a provision of the Offer and this booklet, the terms of the Offer will prevail.

2. Code of practice

We subscribe to various codes of practice, which govern the way in which we deal with you. You can find out about those codes in our Terms and Conditions and by contacting us.

3. When is there a binding legal contract?

3.1 Rights before the Settlement Date

- a. The Loan Contract is a binding legal contract that starts on the date you accept our Offer.
- b. You may, by written notice to us, terminate the Loan Contract at any time up until any part of the Amount of Credit has been advanced.

3.2 Things that must happen before you get your Loan

- a. The conditions precedent in this clause 3.2 apply to all our Home Loan products. Additional conditions precedent may apply to specific Home Loan products and, if relevant to you, these are set out in the Offer or in other parts of this booklet.
- b. We are not required to advance any part of the Amount of Credit unless we have received and are satisfied with:
 - (i) any documents or information we require in respect of your application and your identity;
 - (ii) each Security, and any documents or information we require in relation to any Security;
 - (iii) evidence that you've paid or made satisfactory arrangements to pay any applicable conveyance, transfer stamp duty or similar levy in connection with each Security;
 - (iv) evidence of any insurance we require;
 - (v) evidence that council, water and other rates, taxes or charges for any Security are paid and up to date;
 - (vi) any report or valuation we require;
 - (vii) evidence that any Guarantor understands the risks involved in giving his or her guarantee and indemnity (if applicable);

- (viii) any certificate of independent advice from a solicitor or certificate of financial advice from a financial adviser we require;
- (ix) evidence you meet the customer eligibility criteria; and
- (x) any other document, evidence or information we reasonably require.

- c. We are not obliged to make an advance of any funds until all relevant conditions are fulfilled to our satisfaction. You may be liable for our costs, however, if you decide not to proceed.

4. What happens if there are two or more borrowers?

- a. If there are more than one of you under this Loan Contract:
 - (i) each of you is jointly and severally liable under this Loan Contract, and liable for the full amount owed under this Loan Contract - this means we may pursue any one of you for all the outstanding amounts; and
 - (ii) each borrower can bind each other borrower. For example, any one of you can authorise a redraw, a split into one or more additional loans, or any other activity. Each borrower and any Guarantor will be liable even though they did not know about, or did not agree to, the transaction.

WARNING. If there are more than one of you under this Loan Contract, it means that each one of you can be required to pay the whole amount even though you may have some other arrangement among yourselves and even though not all of you benefit equally.

- b. Despite clause 4(a), we may require all borrowers and any Guarantors to authorise any activity with respect to your Loan.

5. Things you represent and warrant to us

- a. You represent and warrant that all statements made and documents provided in connection with your application to us for a Loan and all representations which you have made or may make to us during the term of the Loan Contract are true and correct.
- b. You acknowledge and agree that:
 - (i) we have relied upon the correctness of those statements, documents and representations in entering into the Loan Contract and will continue to do so in our dealings with you; and
 - (ii) if any of the statements, documents or representations you made are, or become, incorrect, you will inform us.

6. Your Loan and Loan Account

6.1 Providing the Amount of Credit to you

- a. We will provide the Amount of Credit in accordance with this Loan Contract and your written instructions.
- b. The Loan must be used for the purpose stated in the Offer.
- c. If no part of the Amount of Credit is advanced to you within [90] days of the date you sign the Offer, we may terminate the Loan Contract without notice.
- d. If you do not draw down the total Amount of Credit on the Settlement Date, any borrowing of the balance is subject to our approval.

6.2 Your Loan Account

- a. We may open a Loan Account in your name for the purposes of the Loan Contract. If the Offer specifies that the Amount of Credit is split between different Home Loan products we will open a Loan Account for each of those Loans.
- b. For each Loan Account we open under this Contract we will debit the account with:
 - (i) the Loan;
 - (ii) any interest charges, and credit fees and charges in respect of the Loan; and
 - (iii) any other amount owing to us by you under the Loan.
- c. We may combine two or more Loan Accounts if the Loans to which they relate have identical repayment types, interest rates, fixed rate periods (if applicable), interest only periods (if applicable) and loan purposes.

6.3 What changes to your Loan Account can you request?

- a. You may, with our approval, split a Loan Account into two or more Loan accounts, or switch Loan Account types. The following are examples of switches:
 - (i) convert from a variable rate loan to fixed rate loan, and vice versa;
 - (ii) consolidate one or more Loan Accounts;
 - (iii) convert from interest only repayments to principal and interest repayments, and vice versa; and
 - (iv) convert from one type of Loan Account to another type of Loan Account (for example, from a variable rate account to a line of credit account). Additional information may be required, and in some instances a new assessment may be required.

Some or all of these options may not be available to you. We may ask to provide additional information so that we can assess whether to make any change you request.

- b. If a new Loan Account is created, separate repayment dates and interest debit dates may apply to that new account. If a Loan Account is split into two or more accounts, or if you switch between types of interest rate,

you may have to pay interest on the amount switched or split to the date on which the switch or split occurs. Interest will be debited, and repayments will be due on the new Loan Account monthly in arrears from the commencement date of the split or switch.

- c. If you switch from a fixed rate loan to a variable rate loan during the Fixed Rate Term, you may be required to pay a Break Costs and/or a Switching Fee – if so, this will be specified in the Offer we give you.

7. Payment obligations

7.1 What are your payment obligations?

- a. You must repay the Loan, interest charges, credit fees and charges and other amounts debited to the Loan Account in accordance with the Loan Contract.
- b. You must make the repayments, and pay all credit fees and charges, in the amounts and when required by the Offer or otherwise by the Loan Contract or us. On the final repayment date you must pay us any balance remaining, including accrued interest you owe us under your Loan Contract.
- c. We may change the amount of your minimum repayment in line with a change to your Annual Percentage Rate or credit fees and charges, or otherwise as necessary to ensure that the Loan and all other amounts debited to your Loan Account are paid on the day the final repayment is due.
- d. All payments you make must be made:
 - (i) in Australian dollars and must be made before the end of a Business Day. Any payment which is made after the end of a Business Day may not be treated as received, or credited to the Loan Account, until the next Business Day;
 - (ii) in full, without any deduction, set-off or counterclaim; and
 - (iii) using the payment methods approved by us from time to time. Repayments are usually made by regular payment from a nominated BankVic account. If you choose this method, you must provide us with a loan repayment regular authority. Alternatively you may choose to manage your own repayments.
- e. If any cheque used for repayment is dishonoured, the repayment will be treated as not having been made, and interest will continue to accrue on the Unpaid Daily Balance until actual payment is received by us.
- f. You must not cancel the transfer authority or close the Nominated Account without making alternate arrangements.
- g. If you become liable by a court order to pay any money due under your Loan Contract, you must pay interest at the higher of the rate ordered by the court or the rate payable under your Loan Contract.

7.2 How are your payments credited?

- a. We can apply any payment or other credit to any amount you owe us in any order we determine.
- b. If you have more than one Loan Contract with us, or more than one Loan Account under this Loan Contract, and you make a payment to us without telling us in writing how the payment is to be applied (or if you do tell us but you are in default under this Loan Contract), we can apply it to any one or more of the Loan Contracts or Loan Accounts in any way we think fit.
- c. If you have more than one Loan Account with us and any one of those Loan Accounts is in arrears while one or more other Loan Accounts has funds available for redraw, you irrevocably request and authorise us to appropriate from one or more of those Loan Accounts to pay some or all your arrears. Although we are authorised to do this, we are not obliged to do so.

7.3 What happens if you repay early?

You may make additional payments or repay your loan in full or part at any time. If you do:

- (i) repayments greater than your scheduled repayment will not be credited to any offset account you have established unless you specifically request that before making the payment;
- (ii) Break Costs may be payable on early repayment during a Fixed Rate Term (if applicable); and
- (iii) if redraw is available on your loan, you may be able to redraw any excess repayments.

8. Fees and charges

You must pay any fees and charges which become payable under your Loan Contract.

- a. If the fee and charge is payable to us, and has not been paid to us when due for payment, you authorise us to debit your account for the relevant amount.
- b. If the fee or charge is for an amount payable to a third party, and has not been paid to us when due for payment, you authorise us to debit your account with that amount and to pay it to the relevant third party.

9. Annual Percentage Rate (interest rate)

- a. If we have not agreed to cap a fixed rate in accordance with clause 14.1(b), the Annual Percentage Rate (including standard variable, fixed, discounted, and/or special offer rates) disclosed in the Offer as applying to your Loan may change between the Disclosure Date and the Settlement Date.
- b. Where the Annual Percentage Rate changes prior to the Settlement Date, we may apply the Annual Percentage Rate on the Settlement Date. If we do this, we will notify you in writing.

- c. Annual Percentage Rates may vary after the Settlement Date. Fixed Annual Percentage Rates will not change after the Settlement Date unless:
 - (i) the fixed term period ends;
 - (ii) you request and we consent to change the Loan Contract; or
 - (iii) you pay any Break Costs that apply, as calculated by us.
- d. Our Home Loan product interest rates (including any that are applicable to your Loan Contract) are published on our website at bankvic.com.au. You may also obtain information on our current interest rates by calling 13 63 73.

10. Interest charges

- a. Interest charges on your Loan accrues daily and will be calculated on the Unpaid Daily Balance of a Loan Account at the Daily Percentage Rate (where the Daily Percentage Rate is the applicable Annual Percentage Rate divided 365 (366 in a leap year) and rounded to 4 decimal places). If your Loan Account has a credit balance on any day, the Unpaid Daily Balance for that day will be treated as zero.
- b. We will debit interest charges monthly in arrears on the last day of each month, and on the final repayment date. This day will not necessarily be the same day that your repayments are due.
- c. Interest charges debited to your Loan Account will be added to the outstanding balance of your Loan and accrue interest at the same rate and in the same manner as the principal of your Loan.
- d. In addition to debiting interest charges to your account monthly, we may debit interest charges whenever the Loan is in default, you repay the total amount you owe us, there is any principal increase or variation in your Loan Contract, or there is any change to the loan terms.
- e. If more than one Annual Percentage Rate applies to your Loan Accounts, we will apply the applicable Daily Percentage Rate to the relevant portion of the amount you owe us.

11. Default interest

- a. We may charge you default interest on any overdue amount (that is, any amount payable under the Loan Contract which you fail to pay by its date for payment). If for any reason the outstanding balance owing under your Loan Contract is due, default interest is payable on the entire amount.
- b. Default interest is charged at a rate equal to 2% per annum above the Annual Percentage Rate applying to the Loan Account at the time (the **Default Rate**) and accrues daily on the overdue amount from the day it was due for payment until the amount is paid at the Default Rate divided by 365 (366 in a leap year) and rounded to 4 decimal places.
- c. You must pay us on demand any default interest which is

debited to your Loan Account. Default interest debited to the Loan Account will form part of the overdue amount and will attract interest at the Default Rate.

- d. If you default at any time, we may elect not to charge default interest or any applicable fees at that time. However, we reserve the right to charge default interest and any applicable fees at a later time, including retrospectively for any period during which you were in default.
- e. The end of each day for calculating default interest is 5.00 pm Australian Eastern Standard time.

12. What happens when you are in default

12.1 When will you be in default?

You will be in default under the Loan Contract if any of the following events occur:

- (i) you do not pay any amount due under the Loan Contract by its due date for payment; or
- (ii) you do not comply with a material term or condition of your Loan Contract; or
- (iii) there is default under any mortgage or other Security given under your Loan Contract; or
- (iv) you fail to pay any associated costs relating to the Mortgaged Property, i.e. council rates, insurance, body corporate etc by the due date; or
- (v) any representations or warranties made by you or on your behalf to us or our agents prove to be materially untrue or misleading (including by omission), and we have relied on the representation or warranty; or
- (vi) we reasonably believe you, or another person acting with your knowledge or permission, have acted fraudulently in connection with this contract; or
- (vii) you become bankrupt, enter into any kind of bankruptcy administration, are jailed, or are deceased; or
- (viii) you are convicted of a criminal offence; or
- (ix) you breach any material undertaking given at any time to us.

12.2 What can we do when you are in default?

- a. If you are in default, we may send you a default notice. The notice will tell you what the default is, what you have to do to remedy the default and that you have 30 days from the date of the notice to remedy the default.
- b. Where you are in default, we can take any of the following action after complying with any notice or other requirements under the National Credit Code or any other law:
 - (i) demand and require immediate payment of any money due under your Loan Contract;
 - (ii) call up the loan and require payment of the

outstanding balance owing under your Loan Contract;

- (iii) exercise any right, power, or privilege conferred by any law, your Loan Contract, or any security;
 - (iv) use any money of yours in any account with us to reduce the amount you owe us; or
 - (v) in the case of a construction loan, complete the building works in any way we consider appropriate. We are not obliged to complete the building works. We may employ any consultants or other builders we consider appropriate.
- c. We are not required to give any notice before exercising any right, power (including power of sale) or remedy under this loan contract unless required by law. If the law does require notice, we need only give one day's notice, or the shortest notice required by that law. If the law does require us to give you notice before exercising rights, we may not have to give notice if:
 - (i) we cannot locate you after making reasonable attempts to do so;
 - (ii) you are insolvent; or
 - (iii) we are authorised by a court.
 - d. We can take action even if we do not do so promptly after the default occurs. We do not lose any rights or forgive any defaults unless we do so in writing.
 - e. We can exercise these rights with or without taking possession of any Mortgaged Property. If we hold more than one security, we can enforce any one of the securities first or all of them at the same time.
 - f. Our rights and remedies under the Loan Contract may be exercised by any of our employees or any other person we authorise.
 - g. We are not liable for any loss caused by the exercise, attempted exercise, failure to exercise, or delay in exercising any of our rights or remedies.

12.3 Are you liable for enforcement expenses?

- a. Enforcement expenses may become payable under your Loan Contract and any Security if you default. You must pay on demand, and we may debit your Loan Account with our costs in connection with any exercise or non-exercise of rights arising from any default, including:
 - (i) legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher; and
 - (ii) our internal costs.
- b. Where a Loan is regulated by the National Credit Code or similar laws, these costs will not exceed our reasonable enforcement costs including internal costs.
- c. These expenses include our expenses incurred in preserving or maintaining the mortgaged property (including insurance, rates and taxes payable in respect of any security), collection expenses and expenses resulting from dishonour of a cheque or payment. These expenses may be debited to your account at any time after they are incurred.

13. Redraw

13.1 When is redraw available?

- a. If your Loan Contract has a redraw facility and you have made extra payments above your minimum repayment amount, subject to clause 13.2, you may redraw all or any part of those extra payments. All amounts you redraw will be debited to the Loan Account and will be subject to interest charges in accordance with clause 10.

13.2 When is redraw not available?

- a. Redraw is not available and we will not provide a redraw:
 - (i) if the Loan has been fully repaid and closed;
 - (ii) during any Fixed Rate Term. (any additional repayments made during the Fixed Rate Term will become available to redraw once the Fixed Rate Term ends);
 - (iii) if the Loan has not yet been fully advanced or deemed to be fully advanced;
 - (iv) if you have a construction loan, during the construction period;
 - (v) if you have chosen to make interest only repayments on your loan;
 - (vi) if you do not pay the fees for the redraw;
 - (vii) when we have received an application from you to increase the Amount of Credit or rewrite your Loan Contract; or
 - (viii) if you have not satisfied any other condition set out in your Offer.
- b. We may review, suspend or cancel the redraw facility at any time. If you request a redraw, we have full discretion whether to approve or refuse your request, and to impose any conditions on approving any request for redraw.
- c. While you have one or more split loans, any redraw will be made from the Loan Account specified by you, or if no account is specified, the Loan Account determined by us.
- d. The amount you request to redraw must not be less than the minimum amount specified by us from time to time and must not be more than the total amount you have repaid early, and for which cleared funds have been received. We may reduce the amount you can redraw by the estimated amount of your next scheduled repayment.
- e. If you make your request for redraw manually you should allow at least one Business Day for your redraw request to be processed.
- f. You must keep the method of making redraws from your Loan Accounts confidential to ensure there are no unauthorised transactions or other dealings with your account(s).
- g. If you attempt to redraw more than your available funds limit, we may (but are not obliged to) stop or prevent the payment including by:
 - (i) not processing a direct transfer from your Loan Account; or
 - (ii) dishonouring a cheque (where you have chosen the cheque facility) drawn on your Loan Account.

- h. You must make sure that the amount you owe us does not go over the Amount of Credit. However, if it does go over the Amount of Credit, you must repay the excess immediately.
- i. If you request a redraw and for that account your existing repayments are not sufficient to repay the balance over the remaining term, we may recalculate your future repayments for that account.

14. Offset accounts

- a. We will tell you if you are able to link your Loan Account to an offset account. You may not link your offset account(s) to a fixed rate Loan Account. The borrower/s under this Loan Contract must be the holder/s of the offset account.
- b. The nominated offset account(s) will be subject to the BankVic General Terms and Conditions. To the extent of any inconsistency between a provision of the BankVic General Terms and Conditions and this booklet, the terms of this booklet will prevail.
- c. We may review, suspend or cancel the ability to link your Loan Account to an offset account at any time. Each Loan Account may only have one offset account linked to it.
- d. We do not make any representations about the tax effectiveness of any offset account.
- e. The interest charges payable for Loan Accounts with an offset account linked to it, will be calculated on the daily balance of that Loan Account less the balance in the linked offset account charged monthly.
- f. To receive offset benefits, you must ensure an eligible Offset Account is linked to your Loan Account for the duration of the loan term.
- g. BankVic is not liable to pay any interest on any amount(s) in the transaction account you're using to offset your home loan, even if the balance exceeds the balance owing in your Loan Account you have chosen to offset.
- h. You must ensure that the balance of all your Offset Accounts does not exceed the amount outstanding on your nominated loan account at any time.

15. Fixed rate home loans

WARNING: If the fixed rate loan or any part of it is terminated early break costs could be substantial particularly if market interest rates have reduced during your Fixed Rate Term. Ask us for an estimate of break costs before you arrange to repay a fixed rate loan early.

15.1 What does it mean to have a fixed rate loan?

- a. The fixed rate disclosed in the Offer as applying to your Loan may change between the Disclosure Date and the

Settlement Date. Further, if we agree to vary the Loan Contract so that it becomes subject to a fixed rate, the fixed rate may change between the Disclosure Date and the date we give effect to that variation. If the fixed rate changes from the Disclosure Date in either event, the rate that applies to the fixed rate period will, subject to clause 14.1(b), change accordingly, but then is fixed for the chosen fixed rate period of your Loan.

- b. If:
- (i) you ask to cap the fixed rate and we agree;
 - (ii) you pay the Rate Lock Fee; and
 - (iii) in the capped rate period, the Loan is advanced (or, as relevant, the variation to a fixed rate is effected by us),
- the rate that applies for the fixed rate period of your Loan will be the lesser of the capped rate and the fixed rate at the date the Loan is advanced (or, as relevant, the variation to a fixed rate is effected by us).

15.2 No redraw

If you have a redraw facility on your Loan, you cannot make any redraws during the fixed rate period.

16. Early repayment

16.1 You can repay your Loan Account early

You can pay the full amount of the unpaid balance of your Loan Account early at any time but, should you do so, you may be required to pay Break Costs (see clause 17.1).

16.2 When Break Costs apply

- a. You will be required to pay Break Costs if, during a Fixed Rate Term of a fixed rate loan, any of the following circumstances occurs:
 - (i) the whole of the Loan to which a fixed interest rate applies is repaid. In this case, this fee is payable on the date of that repayment; or
 - (ii) you make additional repayments which exceed \$10,000 (the **Tolerance Amount**), in any calendar year, the Break Costs may apply only to the repayments in excess of \$10,000; or
 - (iii) the whole or part of your fixed rate loan is changed by agreement to any other variable or fixed loan type or interest rate; or
 - (iv) repayment is because of a demand by us after default; or
- b. The Break Cost is based on the difference between the fixed interest rate, i.e., the interest rate for your fixed interest rate contract, and our reinvestment rate, which is the interest rate that we can reasonably expect to earn on any amount that is repaid early.
- c. The Break Cost reflects the cost incurred by us if the reinvestment rate is less than the fixed interest rate at the date of repayment.

- d. The minimum Break Cost is zero. We will not pay a refund for any advantage gained if the reinvestment rate exceeds the fixed interest rate.

17. Construction loans

This section only applies to loans made for the purpose of assisting in the construction of building works.

17.1 Construction Loan Accounts

- a. Construction Loan Accounts provide for the progressive release of funds over a set period of time and repayments are principal and interest, unless you have chosen an interest only term for the construction period of the Loan.
- b. If you have chosen an interest only term, at the end of the construction period, or when the account is fully drawn, your repayments will be principal and interest.
- c. The amount of your repayments at the end of the construction period is unascertainable at the Disclosure Date. We will tell you how much they are before they become due. They will be broadly equivalent to the amount required to repay the amount you owe us, together with interest over the balance of the loan term. These repayments may change from time to time in accordance with interest rate changes and otherwise as specified in the Loan Contract.

17.2 How does your construction loan work?

- a. No building works may be commenced on the Mortgaged Property without our prior written consent. The construction of the building must be completed in accordance with plans and specifications approved by us and in accordance with the requirements of any responsible authority (e.g. a local council).
- b. The Amount of Credit will be advanced progressively as and when we see fit to assist in the construction of building works. These will generally match progress payments required pursuant to the building contract, subject to progress valuations.
- c. Generally, all progress payments will be made directly to the builder or service provider.
- d. If total construction costs are less than the Amount of Credit in the Loan Contract, we may reduce the Amount of Credit you accordingly.
- e. Progress valuations may be required from time to time to confirm the stages of construction have been completed in accordance with the building contract. You will be required to pay any fees and charges associated with this.
- f. We are under no obligation to make any progressive advances, and in particular can refuse to make any further advances if anything happens which in our reasonable opinion adversely affects the value of the Mortgaged Property or if the works are not proceeding satisfactorily.
- g. If the insurer who has provided mortgage insurance, or if the provider of any other type of risk cover in respect

of this Loan Contract cancels, suspends, or limits that insurance or cover, a default will have occurred, and we can demand repayment of the whole or any part of the amount you owe us.

- h. If you overrun the approved planned expenditure, we may require you to fund the overrun from your own funds before we approve your next drawdown request.
- i. Construction payments can only be applied to completed work fixed to the building. All variations must be funded by you using your own funds unless approved with our consent.

17.3 What are your obligations in relation to construction?

- a. Before we advance any progress payment under your Loan Contract, we may require you to give us the following in a form and substance acceptable to us.
 - (i) a copy of the building contract including all variations, between you and the builder in relation to construction, with a completion date acceptable to us with a licensed builder acceptable to us; or
 - (ii) a copy of the plans and specifications approved by the relevant authority in relation to construction; or
 - (iii) home owner's warranty insurance (where applicable); or
 - (iv) a builder's all risk policy and a certificate of currency for that insurance; or
 - (v) progress payment authority signed by you; or
- b. You must also do the following:
 - (i) as soon as the building works are complete, provide us with a general insurance policy noting our interest as mortgagee. The policy must include cover for fire and damage, evidenced by a copy of the certificate of currency (a cover note is not acceptable) and be otherwise on terms acceptable to us, including as to the amount of the insurance cover which would be equivalent to the value of the building; and
 - (ii) promptly after completion of construction provide to us a final certificate from the local council or other responsible authority confirming that building works have been completed in accordance with all relevant requirements; and
 - (iii) ensure that the agreed drawdown schedule is observed and that there is always a sufficient undrawn amount under this Loan Contract to complete construction; and
 - (iv) promptly comply with any condition imposed by us in relation to any progressive draw or the works; and
 - (v) not vary or terminate the building contract without our prior written consent; and
 - (vi) you are still liable under your Loan Contract if we make any advances without requiring any of these things and despite anything in relation to the construction. We accept no responsibility for anything relating to the building works.

18. Line of credit account

18.1 Amount you may borrow under a line of credit account

- a. This section only applies to Loan Contracts that include a line of credit account.

WARNING: We can suspend, cancel, or change your line of credit account at any time immediately upon default or with 90 days' notice and you must then repay any amounts owing in excess of the changed credit limit within 90 days of the date we give notice to you.

- b. We are not liable for any loss suffered by you or anyone else as a result of us terminating, suspending, or changing the line of credit account.
- c. If you default under this Loan Contract, without notice we can cancel the line of credit account or reduce the credit limit in which case you must repay the entire amount outstanding or the amount owing in excess of the changed credit limit immediately upon notice from us.
- d. At any time upon not less than 30 days' notice, we may convert the line of credit account to a term loan under which you must make regular instalments of principal and interest to repay the amount outstanding by a specified date.
- e. We calculate your available funds limit on each day by deducting from your credit limit:
 - (i) the amount you owe us under your line of credit account;
 - (ii) any withdrawal amounts for which we have received instructions, but which have not yet been processed (not including future periodical payments);
 - (iii) the amount of any payments by cheque which have been credited to your account, but which have not cleared yet; and
 - (iv) the amount of any other proposed payments on your line of credit account which we have been told about, but which have not yet been debited to your account, e.g. certain types of deposits for goods or services.
- f. You must ensure that you do not exceed your credit limit. If you exceed your credit limit without our written consent, we may apply a default interest rate as set out in your Loan Contract and the amount by which you have exceeded the credit limit must be repaid immediately with or without demand.
- g. If we consent to you exceeding your credit limit, we may impose one or more of the following conditions:
 - (i) that the amount by which you have exceeded your credit limit be repaid within a certain period; or
 - (ii) that payments made to your line of credit account are first applied by us to the excess amount and any interest charged on that amount.
- h. We have the right to decline any transaction if we are uncertain for any reason of the authenticity or validity of the authorisation. We will not be liable to you or any other

person for any loss or damage which you or such other person may suffer as a result of our action.

19. Can your obligations under your Loan Contract change?

- a. Acting reasonably, we can change any term of your Loan Contract including:
 - (i) the Annual Percentage Rate, including any reference rate (except during any Fixed Rate Term);
 - (ii) the method of calculating or debiting interest;
 - (iii) the amount of time for repayments; or
 - (iv) the amount or frequency of payment of any fee or charge.
- b. We can also introduce new credit fees or charges.
- c. The Annual Percentage Rates and repayments shown in the Financial Table section in our Offer are correct at the Disclosure Date but may change prior to the Settlement Date if the Annual Percentage Rate changes.
- d. You will be notified in accordance with applicable laws on or before the day the change takes effect either in writing or by advertisement in a major newspaper or by electronic means. If notified by newspaper, the change will also be confirmed in your next statement of account. You may not be notified of changes which reduce your obligations.
- e. If any change increases your obligations, other than in respect of Annual Percentage Rate changes, we must give you written notice at least 21 days before the change takes effect.
- f. If you are not satisfied with any change, you may repay your loan before the change takes effect.

20. General provisions

20.1 What happens if you want to pay people by direct debit?

- a. With our approval, you can arrange for third parties to have a right to debit any offset account or line of credit account.
- b. Once set up, any request by a third party for payment under a direct debit authority will be treated as having been properly authorised by you. We can cancel this arrangement at any time, and we are not liable to you or anyone else if a payment is not made for any reason. Any arrangement must be confirmed before the Settlement Date and may not be available after the Settlement Date without our approval.
- c. We may impose an additional fee for any arrangement requested after the Settlement Date. We are not liable for any loss or damage if payment is not made under a third-party payment arrangement.

20.2 When will you receive account statements?

If you have a line of credit account, we will issue quarterly statements to you. Otherwise, for all other accounts, statements of account will be issued to you at least once every three months or more frequently if required by law.

20.3 Do you have to pay government charges?

- a. You must pay us on request any government duties, taxes and other charges on receipts, debits or withdrawals that apply to your Loan. This includes (but is not limited to):
 - (i) stamp duty;
 - (ii) income tax payable by you (if the Commissioner of Taxation requires us to deduct this from your account); and
 - (iii) withholding tax.
- b. You must pay these duties, taxes and charges whether someone else is liable to pay them and whether or not the loan is made. We may debit these duties, taxes and charges to your loan account as and when they become payable. We do not need to tell you first.

20.4 What happens if you have a Guarantor?

You agree to allow us to disclose the following documents to each Guarantor named in your Loan Contract:

- (i) a copy of any notice, including:
 - any financial statements you have given us;
 - any notice of demand, or information regarding a dishonour, on any loan with us;
- (ii) information on any excess or overdrawing;
- (iii) a copy of your Loan Account statement; and
- (iv) any other information about you and your accounts with us.

20.5 What happens if you have a Guarantor?

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

20.6 What happens if your Loan Account has a credit balance?

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

20.7 Will we obtain valuations of the Mortgaged Property?

- a. We may obtain at your cost independent valuations or other reports concerning any Mortgaged Property whenever we consider it to be reasonably necessary.
- b. Any valuation or other report is for our use only. We are not obliged to inform you of anything adverse contained in these reports. If the contents of any of these documents become known to you, we accept no responsibility if you rely on them.
- c. You should obtain your own valuation in respect of any Mortgaged Property. We are not obliged to provide you with a copy of any valuation report.

20.8 What law applies to your Loan Contract?

Your Loan Contract is governed by and interpreted in accordance with the law for the time being in force in the place where the main security is located.

20.9 How can your Loan Contract be dealt with?

- a. We may assign, novate or otherwise deal with our rights and obligations under your Loan Contract in any way we wish. You must sign anything and do anything we reasonably require to enable any dealing with your Loan Contract. Of course, any dealing with our rights does not change your obligations under your Loan Contract in any way.
- b. You may not assign, novate, or otherwise deal with your rights or obligations under your Loan Contract.
- c. We may disclose information about you, your Loan Contract, or the security to anybody involved in an actual or proposed assignment, novation or dealing by us with our rights under your Loan Contract.

20.10 What about any relevant legislation or statutes?

- a. To the extent that your Loan Contract is regulated under consumer legislation (e.g. the National Credit Code) or any other law, any provisions in your Loan Contract which do not comply with that law have no effect, and to the extent necessary, your Loan Contract is to be read so it does not impose obligations prohibited by that law.
- b. There may be some statutes (i.e. laws passed by parliament) or other law (usually called common law) intended to limit lenders' rights.
- c. None of those statutes or laws will operate to limit our rights under your Loan Contract unless by law those statutes or laws cannot be negated.
- d. If any of the provisions of your Loan Contract are illegal or become illegal at any time, the affected provisions will cease to have effect, but the balance of your Loan Contract will remain in full force and effect, and we may by notice vary your Loan Contract so that the provision is no longer illegal.

20.11 What happens if you are a trustee?

If you are at any time trustee of any trust, you are liable under your Loan Contract in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as well as you. Default occurs if there is a change of trustee, a termination of the trust, or any change to the terms of the trust without our consent and where we reasonably believe our interests may be adversely affected.

20.12 What should you do if your contact details change?

You must tell us promptly if your contact details change (including any residential, postal, telephone or electronic address – e.g. mobile or SMS), or if you think there is any information that we should be aware of about your ability to comply with your Loan Contract.

20.13 How can we give you notices about your loan?

- a. Subject to any applicable laws, we may give you a notice by personal delivery, electronic means, or prepaid ordinary post, sent to your address shown on your Loan Contract, sent to your registered office (if you are a company), or sent to your last address known to us (including an electronic address). We may also give a notice in any other way authorised by law.
- b. The notice may be signed by any employee, solicitor, or agent on our behalf.

20.14 What is lenders mortgage insurance?

- a. If your Loan Contract requires you to pay for lenders mortgage insurance, this insurance or fee protects us and not you. The amount paid by you under your Loan Contract is usually not refundable if you repay your loan early.
- b. If you default under your mortgage, resulting in the sale of the Mortgaged Property and the sale proceeds are insufficient to fully repay your loan, we may incur loss. We may recover this loss under our lenders mortgage insurance policy or from our lenders risk fee. However, you are still legally responsible for repaying the amount outstanding under the mortgage because you are not protected by the lenders mortgage insurance policy or any other type of risk cover.

20.15 Deceased borrowers or Guarantors

If a borrower or guarantor is deceased, we may require the loan to be repaid in full out of their estate. Alternatively, where there is more than one borrower, if a borrower or guarantor is deceased or is released from the Loan Contract or guarantee (as appropriate) for any reason, we may allow the remaining borrower/guarantors(s) to become the borrower(s) under the Loan Contract, or guarantors under the guarantee, subject to normal assessment criteria. If we do not agree to the remaining borrower(s) becoming the borrower(s) under the Loan Contract (or the guarantors to be the remaining guarantors under

the guarantee), we may call up the loan even though further advances have been made after the death or release of a borrower or guarantor.

21. Identification information

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

22. First Home Buyers

You will need to provide us, directly or through your conveyancer or legal representative, the required documents that evidence you (and any joint applicant) are eligible as First Home Buyers.

23. Glossary

23.1 Definitions

The following definitions apply to this booklet and the Offer.

Amount of Credit means the amount which is described in the Offer as the "Amount of Credit", as varied from time to time.

Annual Percentage Rate means each interest rate or rates applicable to your Loan Contract as set out in the Offer (but subject to change as described or authorised by the Offer or these Home Loan General Terms and Conditions).

Business Day means a weekday other than a bank holiday or a national holiday in Australia.

Disclosure Date means the date described as that in the Offer.

Fixed Rate Term means any period that the annual percentage rate under your Loan Contract is a fixed rate.

Guarantor means any person who gives us a guarantee for your loan.

Loan means that part of the Amount of Credit we provide to you under the Loan Contract. If the Offer specifies the Amount of Credit is split between different Home Loan products, in that case Loan means, that part of the Amount of Credit we provide to you under the Contract in respect of each Home Loan product separately.

Loan Account means the account we open in your name to record transactions under the Loan Contract. We may open more than one Loan Account under this Contract, in that case Loan Account means each of them separately.

Loan Contract means the contract (as varied from time to time) entered into between us when you accept our Offer.

Offset Account means a deposit account with us which we advise is eligible to be nominated as an Offset Account to be linked to a Loan Account. You will only be entitled to nominate an Offset Account if the Offer states or we otherwise agree that you can, and if the Offset Account is in the same name and capacity as the borrower, or if there is more than one borrower, in the same name(s) and capacity(ies) as any one or more of the borrowers (and no other person). If the Offset Account is in

more than one name, each account holder must be authorised to operate the Offset Account alone.

Mortgaged Property means the property you agree to mortgage to us as security for your loan.

Nominated Account means a deposit account you hold in Australia with us or another financial institution, acceptable to us and nominated by you.

Offer means the document means the document prepared by us offering to you a particular loan, and which contains the Financial Table and records the particulars of the Loan Contract.

Security means each Security Interest described in the Offer and any substitute or additional Security Interest given to us in connection with this Loan Contract.

Security Interest means any mortgage, charge, lien, pledge, trust, power or other rights given or to be given as or in effect as security for the payment of money or performance of obligations. It also includes a guarantee and indemnity.

Settlement Date means the date any part of the Amount of Credit is first debited to your Loan Account.

Unpaid Daily Balance, of a Loan Account:

- (i) for a day on which an interest charge is debited to your Loan Account and where the debit is made on that day includes the interest charge for that day, the balance of that Loan Account immediately before the end of that day; and
- (ii) for any other day, the balance of your Loan Account at the end of that day.

You means the person named as the borrower in the Offer and **your** has a corresponding meaning. If more than one person comprises the borrower, you means each of them separately and all of them jointly.

23.2 Working out when something must be done

When the Loan Contract says something will or must be done on or by a particular day (including a payment you are required to make) and that day:

- (i) is not a Business Day - that thing will or must be done on or by the next Business Day unless that Business Day is in the next calendar month, in which case it will or must be done on or by the preceding Business Day; or
- (ii) is the 29th, 30th or 31st of any month - that thing will or must be done on or by the 28th day of the month.

Information statement

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