

Loan Contract Terms and Conditions booklet with:

- Direct Debit Request Service Agreement

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 *Advantagedge* can help during your *loan* term

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

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 ***Advantagedge*** about this. Please note you cannot apply to fix the rate on a *facility account* that is a *construction facility* before the *date of final advance* on the account.

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

Details of how to contact *Advantagedge* are in the *schedule*.

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:

- *construction facilities*; or
- *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:

- we require lender's mortgage insurance or title insurance for your *loan* and the insurer will not accept the insurance risk. Please see clause 13.8 for more details of lender's mortgage insurance and title insurance;
- 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.

2. **DRAWDOWN**

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

- a *construction facility*, until the *date of final advance*. We make progressive advances on a *construction facility*. Please see clause 14 for details relating to progressive advances; or
- 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* or by making a written request to *Advantagedge*.

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 *Advantagedge*. We may make other drawing methods available to you like direct debit. Please ask *Advantagedge* for details of drawing methods that may be available on your *loan*. [*The amount needs to be in the schedule*].

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, we must receive your request 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 *Advantagedge* for the details of the most current fees 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 to the *balance owing* on the *facility account* on each 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

Interest accrues on a *facility account* daily and the accrued amounts are debited 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.

When accrued interest is debited to the *facility account*, this means that it forms part of the *balance owing* on which later interest accrues.

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*. At the end of the *interest only period* we will give you at least 20 days prior notice of the payments you must make on the *facility account*.

The *interest only period* may end earlier than the date set out in the *schedule*, in accordance with clause 15.8.

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 that we 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* is 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 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 *Advantage* 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 *Advantedge* 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 15.6 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

When a variable rate applies to a *facility account*, we apply each *additional payment* you make on a *facility account* to the *minimum monthly payment* due on the account in the next month. For example, if you make an *additional payment* in September, that payment is applied towards the payment due in October, but not payments due in any later month.

If you ask us to draw an *additional payment* from your *nominated account*, you can arrange with us or *Advantedge* for us not to apply the *additional payment* to the *minimum monthly payment* due in the next month.

Unless we return an *additional payment* under clause 5.9, we credit *additional payments* immediately to the *facility account* and the *balance owing* on the account is reduced accordingly.

However, we do not apply an *additional payment* you make on a *fixed rate facility* to the *minimum monthly payment* due on the account in the next month. For example, if you make an *additional payment* in September, you must also make the full *minimum monthly payment* for October.

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* 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 act on 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* by the *final repayment date* set out in the *schedule* whether or not you have made *additional payments* on that *facility account*.

6. REDRAW

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

- *construction facility*, prior to the date of the final advance on the account; or
- *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 ask 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 or any *guarantor* is misleading or false;
- we reasonably believe that we are unable to enforce a *security*; or
- you are in *default*. Please see clause 10.1 for when you may be in *default*.

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*;
- making a written request to *Advantage*;
- 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 *Fast Redraw*, direct debits and cheques. Please ask *Advantage* 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're in *default* on your home loan or any other agreement you have with us, or we reasonably believe that using the redraw could impact your ability to repay your home 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.

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 *Advantage*.

8.2 Changes to payments

This clause 8.2 does not apply to a *facility account* that is a *construction facility* during the *interest only period* on the account.

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 *Advantage* for details of the most current fees and charges 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

We may give you notice of changes to your *loan* by electronic means as described in clause 13.14.

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 by *StarNet*. Please see clause 12 for more details on operating your *facility accounts* by *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 a withdrawal of your authority under clause 9.1, 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'll try to help you manage this. However, if we can't agree, then we'll send you a notice asking you to fix the *default*, unless we're not required to do so by consumer credit law.

Where we give you a notice, we'll 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're 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've asked for immediate payment of an amount, as described above, you must pay us the amount immediately. You'll 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're in *default*. You'll need to pay reasonable enforcement expenses incurred or expended by us when asked. We may debit these enforcement expenses to your *loan* account – but we'll 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*, please contact us at:

In writing to: **Complaints & Disputes Resolution Officer**
Advantage Financial Services Pty Ltd
700 Bourke Street
Docklands VIC 3008

Website: **www.advantage.com.au**

Email: **complaints@advantage.com.au**

Telephone: **1300 300 989**

Fax: **(03) 8618 4464**

11.2 If you do not agree with our proposed resolution

We aim to resolve your dispute or complaint usually within 30 days, however in some cases a different timeframe applies (see our Complaints and Disputes Resolution and Financial Hardship Guide on our website). 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 Australian Financial Complaints Authority (AFCA).

The Australian Financial Complaints Authority (AFCA) offers a dispute resolution process that is impartial, independent, and free for our customers. You can contact the Australian Financial Complaints Authority (AFCA) at:

In writing to: **Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001**

Website: **www.afca.org.au**

Email: **info@afca.org.au**

Telephone: **1800 931 678 (free call)**

12. USING STARNET

12.1 Safeguarding your facility account

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

- (a) memorise your *StarNet* login ID and/or any one-time password, and not keep a written record of them;
- (b) never tell anyone your *StarNet* login ID and/or password and/or any one-time password that we issue to you via your mobile phone;
- (c) advise us 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 *StarNet* login ID and/or password;
- (e) if you suspect your *StarNet* login ID and/or password is known by someone else or there is any transaction you have not authorised on your *facility account*, immediately report it to us on 1300 300 989 for the cost of a local call;
- (f) keep a record of the telephone number with your usual list of emergency 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 *StarNet* login ID and/or password to us.

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 *StarNet login ID* will be determined in accordance clauses 12.9 to 12.14.

12.2 Giving you access

We will give you a login ID you can use to access *StarNet*. You will be prompted to create your own password once you have activated *StarNet*.

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 *StarNet* login ID and password

You may use your login ID and password for *StarNet* 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*; and
- make enquiries on the *available credit* on a *facility account*.

Each *facility account* is a credit account.

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

12.4 Authority

When you use *StarNet*, 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 *StarNet* login ID and password on that *facility account*. If you withdraw that authority, you will need to cancel your *StarNet* login ID and password.

12.5 Statements and receipts

- (a) A transaction record will be available for each financial transaction carried out with your *StarNet* login ID and password, 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) 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 *Advantage*.

12.6 Transaction limits

- (a) You must not seek to make a transaction on a *facility account* by use of your *StarNet* login ID and password where the transaction would exceed the *available credit balance* on the account. If you make any *electronic 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 *StarNet* login ID and password to enquire about the *available credit balance* on a *facility account StarNet* 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* on any one day through *StarNet*. On the Disclosure Date in the *schedule*, the minimum *electronic transaction* amount is \$0.01 and the maximum *electronic transaction* amount on a *facility account* is the *available credit* on that *facility account*. You may apply to us or through *Advantage* for a lower limit.

12.7 Protecting your *StarNet* login ID and password

- (a) You must:
 - not voluntarily disclose your *StarNet* login ID and/or password to anyone;
 - not write or indicate your *StarNet* login ID and/or password, without making any reasonable attempt to disguise the password, on any article or on several articles that could be lost or stolen at the same time;
 - not allow any person to access any one-time password issued to your mobile phone; and
 - not act with extreme carelessness in failing to protect the security of your *StarNet* login ID and/or password and/or any one-time password issued to you.

- (b) If we let you change your password, you must not use obvious characters such as your date of birth, contact numbers or recognisable parts of your name. If you use these, you may be liable for *unauthorised transactions*. Please read condition 12.10.
- (c) You must provide correct details (including the BSB and account number) for all *electronic transactions*. We cannot stop or alter any *electronic transaction* after you give us your instructions. Please record the confirmation number we give you for an *electronic transaction* and quote it to us if you have any queries.

12.8 Your liability for losses due to unauthorised transactions

Your liability for losses occurring as a result of unauthorised use of your *StarNet* login ID and/or password will be determined in accordance with clauses 12.9 to 12.14.

12.9 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 the *StarNet* login ID and/or is forged, faulty, expired, or cancelled;
- that arise from *electronic transactions* which required the use of the *StarNet* login ID and/or password but occurred before you received the *StarNet* login ID;
- that are caused by the same *electronic 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 *StarNet* login ID and/or password is breached; or
- resulting from unauthorised use where it is clear that you did not contribute to the losses.

12.10 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 12.7(a) or 12.7(b). Then, you are liable for the actual losses which occur before we are notified that the security of the *StarNet* login ID and/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 *StarNet* login ID and/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 *StarNet* login ID and/or password.

12.11 Limited liability for unauthorised transactions

If there are *unauthorised transactions* on a *facility account* by use of the *StarNet* login ID and/or password and it is unclear whether or not you contributed to any loss caused by the unauthorised use of your *StarNet* login ID and/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 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 *StarNet* login ID and/or password, while significant, is not of itself conclusive evidence that you have contributed to the loss.

12.12 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 us as explained in clause 12.14. 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) 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;
 - inform you of any adjustments we have made to the *facility account*; and
 - inform you in writing of other avenues of dispute resolution (including the Australian Financial Complaints Authority, Consumer Affairs Agencies, external dispute resolution schemes and Small Claims Courts), if you are not satisfied with our decision.
- (f) If we decide that you are liable for all or any part of a loss arising out of unauthorised use of your *StarNet* login ID and/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.

- (g) 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.

12.13 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 *StarNet* login ID and/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.

12.14 Notifying breaches of security

If you believe the security of your *StarNet* login ID and/or password has been breached, please call us on 1300 300 989.

We will acknowledge receipt of any report of an *unauthorised transaction* or *StarNet* login ID and/or password security breach you make to us. Please retain that acknowledgment as evidence of the date and time of your report.

If the telephone number is not operating when you try to use it to notify us that someone else knows your password, you will not be liable for any losses occurring due to not notifying that event, but only if you contact us on 1300 300 989 during business hours on the next *business day*.

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 discretion 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'll 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'll 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're 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 Lender's mortgage insurance and title insurance

If the *schedule* discloses that you must pay the premium for lender's mortgage insurance or title insurance or both, then we require lender's mortgage insurance or title insurance or both for your *loan*.

Lender's mortgage insurance protects us, not you. If you are in *default* and we sell the *security property*, we may incur a loss. We may recover some of that loss from the lender's mortgage insurer. The insurer can recover any amount it pays us from you.

Also, title insurance protects us, not you. If there is a problem with the title to the *security property*, we may incur a loss. We may recover some of that loss from the title insurer. The insurer may be able to recover any amount it pays us from you.

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 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*. This is in addition to any valuation or inspection we may arrange relating to a *construction facility*.

We may charge you a fee for the valuation or other inspection we require. You can ask *Advantagedge* 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.

13.14 How we contact you

We will send you notices and documents in writing to the email address specified for you in the *schedule* or any other 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 clause 8 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.

By giving us the email address which we have specified for you in the *schedule*, you indicate your consent to us giving you notices electronically at that address. 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 email address.

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. CONSTRUCTION FACILITY

14.1 When this clause applies

This clause 14 applies only to a *facility account* that is a *construction facility* and only until the *date of final advance* on the account.

14.2 Facility purpose

A *construction facility* must be used to complete construction of a building on a *security property*.

14.3 Progressive advances

We will make progressive advances to you up to the *facility amount*. We may undertake a valuation of the *security property* before any progressive advance. Please see clause 14.9 for more details.

We will make progressive advances only if we are satisfied that:

- the amount you request is no more than the *available credit* on the *facility account*;
- there will be sufficient undrawn funds in the *facility account* to complete the construction in accordance with the building contract;
- the valuation of the *security property* is reasonably satisfactory to us; and
- you have contributed any money towards the cost of building that you have agreed to pay.

We will pay all advances directly to the builder. We may charge you a fee if you request that we make a payment other than by electronic transfer. You can ask *Advantage* for the details of the most current fees on your *loan*. You must give us an authority to pay the builder for each advance.

A progressive advance may not be sufficient to meet your obligations to the builder.

We may refuse to make a progressive advance on the *facility account* if you are in *default*. Please see clause 10.1 for details of when you may be in *default*.

If the construction is completed for less than the anticipated total cost you notified to us in relation to the application for your *loan*, we need not lend you that part of the *facility amount* that is the difference between the anticipated total cost and the actual cost.

14.4 What you must do before we make the first progressive advance

Before we make the first progressive advance on the *facility account*, you must give us:

- a copy of the fixed price building contract signed by all parties to it;
- a copy of all approved plans and specifications with evidence they have been approved;
- a copy of the builder's current certificate of registration if we request that certificate;
- a copy of the builder's all risks insurance policy showing our interest as mortgagee for an amount not less than fixed price under the building contract and in a form reasonably satisfactory to us;

- evidence of a home owner's warranty certificate for an amount not less than the fixed price under the building contract including variations; and
- any additional information we reasonably request.

14.5 Requirements for other progressive advances

When you request a progressive advance on the *facility account*, you must arrange to give us:

- your request for us to make a progressive advance;
- your builder's progress claim; and
- any other information about the construction we reasonably require.

You must not request a progressive advance which exceeds the amount of the builder's progress claim or which would leave you with insufficient *available credit* to complete construction in accordance with the building contract.

14.6 Requirements for the final progressive advance

When you are ready to request the final progressive advance to meet the builder's final claim, please contact *Advantedge* or the *loan servicer*. Then, *Advantedge* will arrange for a valuer to inspect the *security property* to determine whether construction has been carried out in accordance with the approved plans and specifications you gave us. If construction has been carried out in accordance with those plans and specifications, the valuer will give us a certificate to that effect.

We will consider making the final progressive advance to meet the builder's final claim only if we have received that certificate from the valuer and only if you have given us:

- an occupancy permit or equivalent;
- your builder's final progress claim; and
- evidence of insurance undertaken in accordance with the terms of the *security*.

14.7 Completing construction

You must ensure that the construction is completed and give us all of the documents referred to in clause 14.6 within 24 months of the *settlement date*. If you think you will need us to agree to an extension, you should contact us as soon as possible so we can consider your request before the relevant date.

14.8 Building contract

You must notify us if there are any material variations to the building contract or if the construction does not take place in accordance with the building contract.

14.9 Valuations and inspections

We may arrange a valuation of the *security property* prior to any progressive advance. We may, acting reasonably, charge you a valuation fee which we may deduct from the progressive advance. You must make up the rest of the payment that is due to the builder.

Also, we may, acting reasonably arrange to inspect the construction at any time. We may, acting reasonably, charge you an inspection fee.

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

Any valuation or inspection we arrange is for our purposes. We are not responsible for the standard, value, progress, or condition of the construction or the *security property*.

14.10 Insurance

You must ensure that the value of the building is fully insured as that value increases, and provide any other insurance relating to the building work that we may reasonably require.

14.11 No fixed rates

You cannot ask us to fix the rate on a *construction facility*.

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 15.7. 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 15.7 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*.

15.1 When this clause applies

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

15.2 Locking a fixed rate

You can lock a fixed rate on the *facility account* at the time you apply to fix the rate on the account. If you wish to lock the rate, you must pay a locked rate fee. We may deduct the fee from the amount you drawdown on the *facility account* or debit it from your *nominated account*. You can ask your *mortgage manager* for the details of the current fees, set out in the booklet 'Fees and charges applicable to your *loan*'.

The fixed rate set out in the *schedule* for the account will apply for the *fixed rate term* on the account if you:

- lock the rate on a *facility account*; and
- drawdown the *facility account* by the later of:
 - 90 days from the date we receive your application to rate lock your fixed rate on the account; and
 - in some circumstances if there has been any change to your loan application, 90 days from the date we process a change (the "rate lock period").

If you drawdown the *facility account* after the rate lock period, the rate that applies to the *facility account* will be the variable rate we offer on similar facilities. Then, this clause 15 will no longer apply to the *facility account*. We do not refund the locked rate fee.

15.3 Other fixed rates

If you have not locked the rate on a *facility account* under clause 15.2, we set the *annual percentage rate* that will apply for the *fixed rate term* for the account on the *settlement date*. That rate will be the fixed rate we offer on similar facilities that day. That *annual percentage rate* may be higher than the rate set out in the *schedule* for the *facility account*.

15.4 One drawdown only

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

15.5 Requesting a variable rate during a fixed rate term

You may ask 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 15.7.

15.6 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 15.7.

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 15.7 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.

15.7 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 15.5 or 15.6. 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. 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.

15.8 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
electronic transaction	means an electronic funds transfer to or from a <i>facility account</i> using <i>StarNet</i> .
additional payment	on a <i>facility account</i> , means a payment on the account in addition to the <i>minimum monthly payments</i> you are required to make on the account.
Advantagedge	Advantagedge Financial Services Pty Ltd ACN 130 012 930 Australian Credit Licence number 391202.
annual percentage rate	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 your <i>loan</i> .
available credit	<p><u>For <i>facility accounts</i> other than for a <i>construction facility</i></u>, at any time means the difference between:</p> <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 your <i>loan</i> on the due date required and no <i>additional payments</i> had been made; <p>AND</p> <ul style="list-style-type: none"> • the <i>balance owing</i> on the <i>facility account</i> at that time. <p><u>For <i>facility accounts</i> for a <i>construction facility</i></u>:</p> <ul style="list-style-type: none"> • at any time during the <i>interest only period</i> prior to the <i>date of final advance</i>, <i>available credit</i> means the difference between the <i>facility amount</i> and the <i>balance owing</i> on the account at that time; and • at any time after the <i>date of final advance</i>, <i>available credit</i> 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>date of final advance</i> and if you had only paid the <i>minimum monthly payments</i> on the contract for your <i>loan</i> on the due date required and no <i>additional payments</i> had been made; <p>AND</p> <ul style="list-style-type: none"> – the <i>balance owing</i> on the <i>facility account</i> at that time.
balance owing	on a <i>facility account</i> means, at any time, the difference between all amounts debited and credited to the account at that time.
break costs	is the loss we reasonably incur that we may charge on a <i>facility account</i> in accordance with clause 15.7.
business day	means any day other than a Saturday or a Sunday or a public holiday in Melbourne, Victoria.
construction facility	means a <i>facility account</i> identified in the <i>schedule</i> as a <i>construction facility</i> and to which the <i>construction facility</i> terms in Part 2 apply.
credit law	means any law relating to the provision of consumer credit which applies to your <i>loan</i> , including the National Consumer Credit Protection Act 2009 (Cth) and any regulations and instruments made under that Act.
daily percentage rate	for a <i>facility account</i> , means the <i>annual percentage rate</i> for the <i>facility account</i> divided by 365.

daily default rate	for a <i>facility account</i> , means the <i>default rate</i> for the account divided by 365.
date of final advance	for a <i>construction facility account</i> , means the first of: <ul style="list-style-type: none"> • the date on which you notify us that you do not require us to give you any further advances on the <i>facility account</i>; • the date on which you have drawn down the <i>facility amount</i> in full; or • the expiry of the <i>interest only period</i>.
default	means any of the events set out in clause 10.1.
default rate	for a <i>facility account</i> is the <i>annual percentage rate</i> for the account plus 0% per annum.
facility account	has the meaning set out in clause 1.2.
facility amount	for a <i>facility account</i> , is the maximum amount of credit we may make available to you on the account as set out in the <i>schedule</i> as varied from time to time.
Fast Redraw	means a near real time redraw through the New Payments Platform made between your redraw account and your <i>nominated account</i> , if your <i>nominated account</i> is an eligible account at another Australian financial institution participating in the New Payments Platform, and subject to any limits that apply to <i>Fast Redraw</i> amounts from time to time.
final repayment date	is the date identified by that name in the <i>schedule</i> .
fixed rate facility	means a <i>facility</i> on which the <i>facility account</i> has an <i>annual percentage rate</i> that is a fixed rate.
fixed rate term	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.
guarantor	means any person who guarantees your obligations under the contract for your <i>loan</i> .
GST	has the meaning given in <i>A New Tax System (Goods and Services Tax) Act 1999</i> .
insolvent	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.
interest only period	means the <i>interest only period</i> , if any, specified in the <i>Schedule</i> and commencing on the <i>settlement date</i> .
loan	means all the <i>facility accounts</i> we make available to you under the contract for your <i>loan</i> .
loan servicer	means the servicer of your <i>loan</i> as set out in the <i>schedule</i> .
minimum monthly payments	for a <i>facility account</i> , means the payments you must make on the account as set out in the <i>schedule</i> as varied from time to time.
nominated account	means the account you nominate under clause 5.6 or any replacement of that account.
schedule	means that part of the contract for your <i>loan</i> entitled “ <i>Schedule</i> ” that: <ul style="list-style-type: none"> • names you as the borrower for the <i>loan</i>; and • a signed copy of which our settlement agent has received from you.
security	means any mortgage or guarantee set out in the <i>schedule</i> or that we require from time to time.

security property	means any property that is the subject of a <i>security</i> .
settlement date	for a <i>facility account</i> means the date you first make a drawdown on the <i>facility account</i> .
StarNet	is an automated internet service system we make available to you to manage <i>facility accounts</i> in accordance with the contract for your <i>loan</i> .
total owing	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, <i>default interest</i> and other amounts which you must pay under the contract for your <i>loan</i> , whether or not they have been debited to a <i>facility account</i> at that time.
unauthorised transaction	means any <i>electronic transaction</i> you did not authorise.
we, us, lender	means the lender set out in the <i>schedule</i> being AFSH Nominees Pty Ltd ABN 51 143 937 437 Australian Credit Licence number 391192 Telephone 1300 300 989 or Perpetual Trustees Victoria Limited (PTVL) ABN 47 004 027 258 of Level 28, 360 Collins Street, Melbourne telephone 1300 300 989, and our has a corresponding meaning.
you	means the person or persons named in the <i>schedule</i> as the borrower and “your” 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

PART 1: 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 any concerns about your contract, contact the credit provider and, if you still have concerns, our external dispute resolution 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.

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 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 your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. The credit provider's external dispute resolution provider is the Australian Financial Complaints Authority (AFCA) and can be contacted at:

In writing to: **Australian Financial Complaints Authority**
GPO Box 3, Melbourne VIC 3001

Website: **www.afca.org.au**

Email: **info@afca.org.au**

Telephone: **1800 931 678 (free call)**

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 their external dispute resolution 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 can not 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 external dispute resolution scheme that your credit provider belongs to. 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 can not be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution 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 CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE.

EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY (AFCA) AND CAN BE CONTACTED AT:

In writing to: **Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001**

Website: **www.afca.org.au**

Email: **info@afca.org.au**

Telephone: **1800 931 678 (free call)**

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

PART 5: DIRECT DEBIT 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 Loan Contract 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 your *mortgage manager* or us on 1300 300 989.
- 3.2 If you wish to stop or defer a *debit payment*, you must notify us in writing at least three days before the next *debit day*.
- 3.3 You may also cancel your authority for 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 your *mortgage manager* or us on 1300 300 989 and confirm that notice in writing with us 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 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:

Advantagedge Financial Services Pty Ltd
700 Bourke Street
Docklands VIC 3008

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 Loan Contract Terms and Conditions.

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.

mortgage manager means the mortgage manager as set out in the *Schedule*.

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

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 1300 300 989 or Perpetual Trustees Victoria Limited (PTVL) ABN 47 004 027 258 of Level 28, 360 Collins Street, Melbourne telephone 1300 300 989 and our has a corresponding meaning.

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