



Home Loan

Terms and Conditions

EFFECTIVE FROM 1 NOVEMBER 2018

This document does not contain all the pre-contractual information required by law to be given to you. This document must be read together with the “Home Loan Contract Schedule” which forms part of this document. You must perform all of the terms specified in the Home Loan Contract Schedule and these Home Loan Terms and Conditions. If there is any conflict between these Home Loan Terms and Conditions and the Home Loan Contract Schedule, the terms of the Home Loan Contract Schedule prevail. If there is any conflict between any provisions of any security or guarantee, the Home Loan Contract Schedule and these Home Loan Terms and Conditions, the terms of the Home Loan Contract Schedule and these Home Loan Terms and Conditions prevail.

**IMB Ltd trading as IMB Bank
ABN 92 087 651 974
Australian Credit Licence Number 237 391**

Home Loan Terms and Conditions

About the *contract*

This *contract* consists of two documents:

- the Home Loan Contract Schedule;
- these Home Loan Terms and Conditions.

They should be read together.

If you have an *Equity Line* it is to be linked to a savings account. The “Member Guide to Transaction Banking – Product Disclosure Statement” applies to the use of that savings account.

The meaning of words printed *like this* and some other key words is explained in Condition 21 of these *terms and conditions*.

It is important you read and fully understand these *terms and conditions* as they set out your rights and responsibilities when you have a home loan. We recommend you keep this booklet handy for future reference.

If there is anything you do not understand, please ask the staff at your local IMB Branch or contact IMB DIRECT on 133 IMB (133 462).

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1. What we lend and when

- 1.1 We agree to lend you the *amount of credit*. Except to the extent the *schedule* indicates the *amount of credit* is to be paid to others, we pay the money to you or as directed by you or your agents. You authorise us to use the *amount of credit* to make these payments.
- We can debit amounts we lend you to your *loan account* (so you pay interest charges on the amount) from the earlier of:
- the day we lend you the amount (if we pay you the amount by posting a cheque, this is the day we post the cheque); and
 - if our settlement agents make payments to you or at your request (such as on the settlement of a property purchase), the day we provide the funds to our settlement agents (this could be several days before the settlement).
- 1.2 However, we only have to lend or provide you with the *amount of credit* if:
- (a) we have received:
- all *securities* and related documents (such as title documents and acknowledgments); and
 - evidence of any insurance we require (this includes any relevant insurance referred to in the *schedule*); and
 - any report or valuation we require; and
 - if we ask for them, a certificate of independent advice from a solicitor and a certificate of financial advice from a financial adviser for each *security provider*; and
 - if we ask for one, a strata title inspection report; and
 - evidence that title of any property the subject of any mortgage of real property described in the *schedule* under "Security" is registered; and
 - if you have a loan with them, written advice of your loan approval from the Defence Service Homes Corporation; and
 - any other document or information we reasonably require;
- which are satisfactory to us (acting reasonably).
- (b) you have paid all fees and charges the *schedule* indicates are payable by you (unless we tell you that the fee or charge is not yet payable); and
- (c) the *amount of credit* is not more than the loan-to-security percentage of the value we place on the property secured by the *securities* (we base this value on our most recent valuation); and
- (d) neither you nor a *security provider's* financial circumstances have significantly changed since the *disclosure date* (as determined by us acting reasonably); and
- (e) no *security* has been withdrawn or is otherwise ineffective; and
- (f) neither you nor a *security provider* is an undischarged bankrupt; and
- (g) if you or a *security provider* enter this *contract* or a *security* as a trustee, we have received:
- a legal opinion stating the trustee's obligations are valid and enforceable and the *security* is valid and enforceable against the trust assets; and
 - a copy of the signed and stamped trust deed containing all the terms of the trust certified by the trustee (or, if the trustee is a company, a director or secretary of the trustee) as being true and up-to-date;
- which are satisfactory to us; and
- (h) neither you nor a *security provider* is in default under this *contract* or a *security*.
- 1.3 You must inform us at the earliest opportunity of any event, circumstance or any information of which you become aware that may adversely affect the value of any *security*.
- 1.4 We may refuse to lend you the *amount of credit* if we discover any of the information provided to us by you in your application form or any other documentation is false or incorrect.
- 1.5 Under a *standard home loan* we may terminate our obligation to lend you the *amount of credit* if you do not borrow it within two months of the *disclosure date* (or any longer period we consent to).
- 1.6 Under a *standard home loan* unless we agree, you may only borrow the *amount of credit* at one time (in other words, you may not borrow it progressively). Please refer to Condition 6 for construction loans.
- 1.7 If this *contract* is ended you must still pay all amounts you are required to pay up to that time under this *contract*. If this *contract* is ended before you have obtained any of the *amount of credit* or used

a card or other means of obtaining credit to acquire goods and services for which credit is to be advanced under the *contract*, you must also pay all amounts you are required under this *contract* to pay on the *settlement date* except for fees and charges in respect of any of our *costs* we no longer have to pay.

2. Interest rate (the annual percentage rate) and period

Fixed Rate Home Loan option

- 2.1 If the *schedule* states your account is under the Fixed Rate Home Loan option, we will provide you with an indicative fixed *annual percentage rate* on the day your loan is approved. This rate is an indicative rate only. The *annual percentage rate* which will apply to your first *fixed rate period*, will be the *annual percentage rate* applicable on the *settlement date*. The information quoted in the financial information table in the *schedule*, for example repayment amounts, is also indicative only and may be changed by us acting reasonably. On or after the *settlement date* we will contact you and advise you of the fixed *annual percentage rate* which applies to your first *fixed rate period* and other details including repayment amounts.
- 2.2 Your *fixed rate period* begins on the *settlement date*.
- 2.3 The *annual percentage rate* that applies is fixed for the *fixed rate period*. This rate remains fixed even if other interest rates change.
- 2.4 At the end of the current *fixed rate period*, unless previously agreed upon by us, your *loan account* will automatically convert to the standard variable principal and interest option and the *annual percentage rate* that will apply is stated in the *schedule*.

Variable Rate Home Loans and Equity Line Home Loan options

- 2.5 If the *schedule* states your account is under the Standard Variable Home Loan option, the *annual percentage rate* that applies on any day is our *standard variable rate*.
- 2.6 If the *schedule* states your account is under the Equity Line Home Loan option, the *annual percentage rate* that applies on any day is our *annual percentage rate* for similar rate loans on that day.
- 2.7 If the *schedule* states your account has a margin applied to the *standard variable rate*, the *annual percentage rate* which applies on any day is our *standard variable rate* on that day less the *discount margin*. We may not change the *discount margin* except if the *schedule* states that your account is under the Fixed Rate Home Loan option and is also part of the Platinum Package Home Loan option we may change the *discount margin* during the *fixed rate period* acting reasonably. If any law regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that law.
- 2.8 The *annual percentage rate* in the financial information table in the *schedule* is current at the *disclosure date*. The actual *annual percentage rate* may change before or after the *settlement date*.
- 2.9 We may change the *standard variable rate* or the *annual percentage rate* for the Equity Line Home Loan option at any time acting reasonably. If any law regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that law.

Discount Variable Home Loan options

- 2.10 If the *schedule* states your account is under the Discount Variable Home Loan option, the *annual percentage rate* which applies on any day during the *discount rate period* is our *standard variable rate* on that day less the *discount margin*.
- 2.11 The *discount rate period* commences from the earlier of the *settlement date* or 90 days after the *disclosure date*. The *discount rate period* is a limited period. We strongly recommend you make additional repayments during the *discount rate period*.
- 2.12 The *annual percentage rate* in the financial information table in the *schedule* is current at the *disclosure date*. The actual *annual percentage rate* may change by the *settlement date*.
- 2.13 We may change the *annual percentage rate* at any time acting reasonably. However, during the *discount rate period*, we may not change the *discount margin*. If any law regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that law.
- 2.14 The Discount Variable Home Loan options only apply until the end of the *discount rate period*. At the end of the *discount rate period*, your account will automatically convert to the variable rate option listed in the *schedule* and the *annual percentage rate* that will apply is stated in the *schedule*.

We tell you of rate changes

- 2.15 If the *annual percentage rate* that applies on the *settlement date* differs from the rate in the *schedule*, we will notify you on or before the *settlement date* of the *annual percentage rate* that

applies on the *settlement date*. We will do this in writing or by a newspaper advertisement.

- 2.16 You can obtain the current reference rates under the *contract* by asking the staff at your local IMB Branch or by contacting IMB DIRECT on 133 IMB (133 462).

Change in *loan category*

- 2.17 Without limiting our rights under this *contract* to change a reference rate, if relevant circumstances relating to your *loan account* change, we may in our discretion change the *loan category* for your *loan account*.
- 2.18 If the *schedule* states, or we otherwise determine, that the “*standard variable rate* for owner occupier loans” or the “*standard variable rate* for interest only owner occupier loans” applies or will apply to your *loan account* (including at the end of any *fixed rate period* or *interest only period*) you must tell us if any of the following things occur during the *loan term*:
- you cease to occupy as your home any property the subject of any mortgage of real property described in the *schedule* under “Security”, or any property otherwise purchased in whole or in part using the *amount of credit*, or any property in connection with which finance was re-financed in whole or in part using the *amount of credit*;
 - if there is more than one property referred to in sub-condition (a) above, you change which property you occupy as your home; or
 - if the *schedule* indicates that you have a construction loan, you do not occupy as your home the property being built after it is completed.
- 2.19 If the *schedule* states, or we otherwise determine, that the “*standard variable rate* for investment purpose loans” or the “*standard variable rate* for interest only investment purpose loans” applies or will apply to your *loan account* (including at the end of any *fixed rate period* or *interest only period*) you should also notify us if any of the following things happen during the loan term:
- you commence to occupy as your home a property referred to in Condition 2.18 which you did not occupy as your home at the commencement of the *loan term*; or
 - if there is more than one property referred to in Condition 2.18 and you occupy one those properties as your home, you change which property you occupy as your home.

STANDARD HOME LOAN

Conditions 3-9 apply to standard home loan accounts. Conditions 3-9 do not apply to Equity Lines except that Conditions 9.3, 9.4, 9.6 and 9.7-9.13 apply to Equity Line accounts which are part of a Platinum Package Home Loan option.

3 Interest charges

- 3.1 Interest charges for each day are calculated by applying the daily percentage rate to the *balance owing on your loan account* for the end of that day. The daily percentage rate on any day is the *annual percentage rate* for that day divided by 365.

Interest charges accrue daily from and including the *settlement date*. They are first debited to your *loan account* on the last day of the month in which the *settlement date* occurs.

After that, interest charges are debited to your *loan account* on the last day of each following month.

Also, for a period shorter than a month (such as if you repay the loan early), we add the interest charges to the *balance owing on your loan account* at the end of that period.

4 What you must pay and when

What you must pay

- 4.1 You must repay us all amounts you borrow from us and you must pay us interest charges, our fees and charges, government charges and any enforcement expenses and costs.

Repayments

The repayments set out in the *schedule* are examples which assume that payments will be made on time, that the *annual percentage rate* and fees and charges will not change after the *disclosure date* and that the *settlement date* is the *disclosure date*. If these change, the amount of your repayments will also change.

- 4.2 You must pay the repayment amounts we require. The repayment is calculated as follows:

Principal and interest repayments

We calculate *principal and interest repayments* so that, during the period they are payable, the:

- *balance owing on your loan account* at the start of the period; and
- all the interest charges and other fees and amounts you must pay under this *contract* during this period;

are repaid during the period.

Under this method, the part of each repayment which repays the *balance owing on your loan account* at the start of the period gradually increases throughout the period but repayments are equal as long as:

- the *annual percentage rate*;
- any fee or other amount you must pay under this *contract*;

remain constant. However, the last repayment may be different as it equals the *total amount owing* on the last day of the *loan term*.

If the *schedule* states you have a construction loan, we recalculate *principal and interest repayments* in the manner described above on each repayment date up to and including the first repayment date after the end of the *construction period*. We notify you in advance of each recalculated *principal and interest repayment*.

Interest only repayments

During an *interest only period* you will only be required to pay *interest only repayments*. After an *interest only period* you will be required to pay *principal and interest repayments*.

The *interest only repayments* payable each month for an *interest only period* during the *loan term* are equal to the interest charges (calculated, in accordance with Condition 3, on the *balance owing on your loan account*) accrued in the previous month. A loan administration fee may also be added if one is indicated as being payable in the Fees and Charges section of the *schedule*.

The *principal and interest repayments* following an *interest only period* are calculated in the same manner as for a loan which only allows *principal and interest repayments* and on the assumption that all future repayments will be *principal and interest repayments*.

4.3 If:

- the *annual percentage rate* changes (including because you convert interest rate options); or
- the *balance owing on your loan account* changes because we lend you more money (such as when we make progress payments under a construction loan); or
- you prepay an amount; or
- amounts are debited or credited to your *loan account* that have not been taken into account in our calculation of your repayment amount;

we can reflect this by changing your repayment amount or the *loan term*. If, acting reasonably, we change your repayment amount or your *loan term*, we notify you in writing. We will not increase your *loan term* without your consent.

4.4 You can also ask us in writing to change your repayment amount. **We don't have to agree (however in making this decision we must act reasonably)** but, if we do, we notify you in writing of your new repayment amount and any changes to the *loan term* that result from that change.

When and how you pay

4.5 You must pay your first repayment on the day specified in the *schedule*. Following repayments are then due at monthly intervals, for example, if the first repayment is due on the 15th October, each later repayment is due on the 15th of every month.

4.6 If the *settlement date* occurs on the 29th, 30th or 31st of the month, then you must pay repayments on the 28th day of each month, other than for repayments during an *interest only period*, which must be made on the first day of each month in respect of interest charges accrued in the previous month.

4.7 If a repayment would otherwise be due on a day which is not a *business day*, you must pay on the preceding *business day*.

4.8 You must pay us the *total amount owing* on the date the final repayment is due or, if you default, on the date it becomes due for payment under Condition 16.

4.9 Where you have authorised repayments to be made automatically to your *loan account* it is your obligation to ensure there is sufficient money in your nominated account to make your repayment on each day when a repayment is due. If you want to know the amount of your repayment you can find out by telephoning 133 IMB (133 462) on the day your repayment is due.

- 4.10 Where you authorise repayments to be made automatically to your *loan account*, and you wish to make any change to or stop this direct debit, you must advise us in writing at least five (5) *business days* before the repayment is due. We will continue to make direct debits unless:
- the authority is cancelled by you in writing to us;
 - there are insufficient cleared funds at the source of the payment when the payment is to be made;
 - you have been declared bankrupt;
 - we are advised of your death;
 - a Court Order has been made prohibiting such payment; or
 - we decide that such payment should not be made for any other reason, in which case we will notify you in writing of our decision within three *business days* thereafter.
- 4.11 If you are in financial difficulty at any time you should promptly inform us of this.

Statements

- 4.12 We give you a statement for your *loan account* at least every three months (or more often if required by law). You must inform us if you change your residential or postal address.

5 Redraw facility

- 5.1 Subject to the terms set out below, you may re-borrow money you have prepaid. However, you may only re-borrow up to the amount which results in the *balance owing on your loan account* being not more than the amount which would be owing if you had paid all scheduled repayments on time less the amount of one monthly repayment. This redraw facility is not available if you have repaid the *total amount owing* in full. The redraw facility is not available on IMB internet banking unless you have an IMB savings account. Also, if the *schedule* states your account is under a Fixed Rate Home Loan option any money you have prepaid prior to any repayment recalculation may not be re-borrowed after the repayment recalculation. If the *schedule* states your account is under the Budget Home Loan, Professionals Home Loan or Platinum Package Home Loan options, the minimum redraw amount is \$2,000. A lower minimum redraw amount may apply if you perform a redraw through our internet banking facility.
- 5.2 A redraw fee may apply if you redraw. This fee is payable on the day you redraw – please see your Home Loan Contract Schedule.
- 5.3 Subject to the requirements of any law (including any requirement as to notice) we may terminate, suspend or review this redraw facility at any time. If we terminate your redraw facility this will not affect any redraw made by you, or which you have requested, before we terminate that facility.

6 Construction, extension and home improvement loans

- 6.1 The following provisions of Condition 6 only apply if the *schedule* indicates you have a construction loan.
- 6.2 You must not commence construction until we give you authority to do so.
- 6.3 The construction/improvements proposed must comply with the minimum standards as recommended by the Acceptable Standards of Domestic Construction Committee (NSW) or the equivalent body in other States and Territories, and be approved by your local council authority prior to commencing any work.
- 6.4 If we have agreed to lend you the *amount of credit* progressively, we do so by:
- (a) paying the credit fees and charges and the insurance premiums the *schedule* indicates are included in the amount of *credit*; and
 - (b) paying the balance of the *amount of credit* as progress payments.
- 6.5 We only have to lend progress payments if we have agreed to do so and:
- (a) before the first progress payment, we have received all of the following and they are satisfactory to us (acting reasonably):
 - a copy of the stamped local council approved plans and specifications, and any tender documentation you have received from the builder; and
 - if we ask for one, a copy of the contract between you and your builder; and
 - the original identification survey; and

- if we ask for one, an engineer's certificate for the construction works; and
 - if we ask for one, a certificate of treatment of slab; and
 - any other certificates or authorities from local councils or other authorities necessary to conduct the construction works; and
 - where the *security* includes a mortgage over real property, a report by our valuer if we ask for one; and
 - if we ask for one, a geotechnical report; and
 - evidence of any insurance we require; and
- (b) before the last progress payment, we have received all of the following:
- confirmation that the construction work is finished (including a signed certificate from you of satisfactory completion of the construction work); and
 - evidence of any insurance we require; and
 - a final inspection by the valuer.

These conditions are in addition to those in Condition 1.2 which must also be satisfied.

- 6.6 Within 12 months (or such longer time as we agree) of the *disclosure date* ("the *construction period*") you must complete the construction works specified in the plans and specifications as provided to us.

7 Break costs and advance repayment costs

Break costs

- 7.1 We may suffer a loss if you are under a Fixed Rate Home Loan option and, before the end of the *fixed rate period* you:

- (a) convert to the variable rate option; or
 - (b) convert to another fixed rate option; or
 - (c) repay all of the *total amount owing*; or
 - (d) are in default and the *total amount owing* becomes immediately due for payment; or
 - (e) partially repay the *total amount owing* and have your minimum monthly repayments recalculated.
- You are deemed to have repaid early if any of the above occur.

We calculate *break costs* (acting reasonably) and our calculation binds you and us in the absence of manifest error. Generally we calculate *break costs* as follows:

1. We calculate the present day value of the repayments we would have received from the time of the break to the end of the *fixed rate period* (assuming that you had not "broken the loan", had not paid any amounts in advance prior to the break, had no amount due but unpaid at the time of the break, and had made all repayments when due). If these repayments would not have repaid the loan in full, we then add the present day value of the amount that would have been needed to repay the loan in full on the last day of the *fixed rate period*. To determine the discount rate to be used to calculate present day values, we use the current fixed loan rates offered by us at the time of the break.
2. We then calculate the *total amount owing* and, depending on whether your loan is in advance or arrears, either add any amount paid in advance prior to the time of the break, or deduct any amount that is due but unpaid at the time of the break (excluding amounts that are due because you repay the *total amount owing* early or are in default, so that the total amount owing has become immediately due for payment).
3. If the amount we calculate under (1) is greater than the amount we calculate under (2), then:
 - (i) where any of events (a) to (d) above occurred, the *break costs* you must pay us will be the difference between the amounts calculated under 1 and 2; or
 - (ii) where event (e) above occurred, we determine the proportion which the partial repayment represented of the amount calculated in 2, and the *break costs* you must pay us will be that proportion of the difference between the amounts calculated under 1 and 2.
4. Otherwise, if the amount we calculate under 1 is less than the amount we calculate under 2 then there are no *break costs* payable to us.

Warning

Break costs can be substantial, particularly if interest rates fall within the *fixed rate period*. A Fixed Rate Home Loan option may not be suitable for you if you plan on repaying the loan or converting to another home loan

option within the *fixed rate period*.

Before you make a decision to repay early during a *fixed rate period*, you should ensure that you have an understanding of the likely *break costs* and if appropriate, seek independent financial advice. On request, IMB can give you an estimate of the likely amount of the *break costs*, but the actual amount will be determined on the day that early repayment occurs as described under clause 7.1(a) to (e) above.

You can obtain further information in the document entitled 'Break Costs and Advance Repayment Costs for Fixed Rate Home Loans' a copy of which has been provided to you and can also be obtained at www.imb.com.au or by calling 133 462.

Advance repayment costs

7.2 If the *schedule* states your account is under a Fixed Rate Home Loan option and, at any time during the *fixed rate period*, repayments you have made to date exceed your scheduled monthly repayments by more than twelve times the scheduled monthly repayment, you may be required to pay us an amount equal to our reasonable estimate of any loss we suffer. This amount is called "*advance repayment costs*". We calculate the *advance repayment costs* and our calculation binds you and us.

Where you are required to pay *advance repayment costs* these will be calculated in respect of each day and debited to your *loan account* on the last calendar day of each month.

Note that *advance repayment costs* are not payable by you if you do not make any extra repayments on your loan, or if you make extra repayments but the total repayments which you have made to date do not exceed the scheduled monthly repayments to date by more than twelve times the scheduled monthly repayment.

Generally, we calculate *advance repayment costs* as follows, acting reasonably:

- (a) we determine the advance repayment rate to be used for each day during the month by calculating the difference between the fixed rate applying to your loan and the 30 day Bank Bill Swap rate for the last day of the previous calendar month, and then dividing this difference by 365. Note that if the relevant 30 day Bank Bill Swap rate for the last day of a month is greater than the fixed rate applying to your loan, then no *advance repayment costs* will be payable by you in respect of the following month;
- (b) we determine the advance repayment amount for each day during the month by calculating, at the end of the day, the amount by which the total loan repayments you have made to date is greater than the total of the scheduled repayments to date plus twelve scheduled monthly repayments; and
- (c) for any particular day, the amount of the *advance repayment costs* payable by you is the amount calculated by applying the advance repayment rate calculated under (a) to the advance repayment amount calculated under (b).

8 Interest off-set facilities

8.1 The availability of these facilities will vary from time to time and will be offered at IMB's discretion. You can ask us whether the interest off-set facilities are available for any of your accounts and your home loan.

100% off-set

8.2 An interest off-set facility may allow, subject to approval by us, accounts for which the interest off-set facility is available to be linked to an eligible home loan account. You can ask us whether the interest off-set facility is available for any of your accounts and your home loan.

8.3 If the interest off-set facility applies to your home loan, to calculate your interest charges, each day we divide the *balance owing on your loan account* into two parts:

- (a) a part equal to the credit balance in the loan off-set account linked to your home loan. We do not charge interest on this part; and
- (b) the remaining part of the *balance owing on your loan account*. We charge interest on this part at the *annual percentage rate* applying under this *contract*.

8.4 If the total of the credit balance in the linked loan off-set account is greater than the *balance owing on your loan account*, then we do not charge any interest.

8.5 You must keep a credit balance of at least the minimum we set in a loan off-set account in order to get the interest off-set benefit with that account. You do not earn interest on any credit balance in a loan off-set account (even if the credit balance is more than the *balance owing on your loan account*).

8.6 The interest off-set facility will not affect your obligation to repay in full the *balance owing on your loan*

account. It will not give you a lower repayment amount. Instead, your *loan term* may shorten.

- 8.7 The interest off-set facility is only available on selected home loans as notified by IMB. If you are not sure whether your home loan is eligible for the interest off-set facility please contact us.
- 8.8 We may change the type of home loans or accounts for which the interest off-set facility is available at any time acting reasonably.
- 8.9 We may cancel the interest off-set facility at any time at our discretion by giving you advance notice.
- 8.10 If your loan off-set account and your *loan account* which are to be linked are held jointly the express consent of all account holders is required.
- 8.11 If you switch your *loan account* to another home loan option which has the interest off-set facility available, your existing interest off-set facility will continue to apply.
- 8.12 If you switch part of your loan to another home loan option we establish a new *loan account* for that part of your loan. In this case your existing interest off-set facility will continue to apply to your existing *loan account* but it will cease to apply to the part of the loan which is switched to another home loan option. If the interest off-set facility is available on the home loan option you have switched part of your loan to you will need to make a new application to link an interest off-set facility to another eligible loan off-set account and your new *loan account* (you can only link one loan off-set account to one *loan account* under an interest off-set facility).
- 8.13 If you switch your *loan account* to another home loan option which does not have the interest off-set facility available, your interest off-set facility will cease to apply from the effective date of the switch. If you then switch your *loan account* again to another home loan option which has the interest off-set facility available you will need to make an application to link an interest off-set facility to an eligible loan off-set account and your *loan account*.
- 8.14 If you increase the amount of your loan we establish a new loan under a new loan *contract*. Depending on the circumstances the new loan account may be for all your loan or just the increased amount and one of the following will apply:
- (a) if the new loan account is just for the increased amount you will have two loan accounts and your existing interest off-set facility will continue to apply to your existing *loan account* but it not apply to the new loan account for the increased amount. In this case you will need to make a new application to link an interest off-set facility to another eligible loan off-set account and your new loan account (you can only link one loan off-set account to one loan account under an interest off-set facility); or
- (b) if the new loan account is for all your loan, your existing interest off-set facility will not apply to your new loan account and you will need to make a new application to link an interest off-set facility to an eligible loan off-set account and your new loan account.
- 8.15 If your linked loan off-set account or your *loan account* is closed at any time the interest off-set facility will cease to apply from the date of closure. You will need to make a new application to link an interest off-set facility to an eligible loan off-set account and your *loan account*.

9 Switching and Platinum Package Home Loan option

Switching

- 9.1 At any time during the *loan term* (during an *interest only period* and during a principal and interest period) you may switch a *loan account* from a variable rate to a fixed rate and from a fixed rate to a variable rate as many times as you like subject to acceptance by us and Conditions 9.2 to 9.7.
- 9.2 A switching fee may be payable each time you switch. The switching fee as at the *disclosure date* is indicated in the Fees and Charges section of the *schedule*. In addition, if you switch from a fixed rate to any other rate (including another fixed rate) before the expiry of the *fixed rate period break costs* may be payable by you in accordance with Condition 7.1.

Platinum Package Home Loan option

- 9.3 If the *schedule* states your account is part of the Platinum Package Home Loan option you may establish up to 4 accounts with either variable or fixed rates under the same Platinum Package Home Loan option (including *Equity Line* accounts). An account is established under the Platinum Package Home Loan option when the *schedule* states that the account is part of the Platinum Package Home Loan option.

- 9.4 No switching fee will be payable if you:
- (a) switch any fixed rate or variable rate under the Professionals Mortgage Home Loan option or Professionals Plus Home Loan option to the Platinum Package Home Loan option; or
 - (b) switch any fixed rate or variable rate which is already under a Platinum Package Home Loan option to another fixed rate or variable rate under a Platinum Package Home Loan option,
- but *break costs* may be payable in either case as stated in Condition 9.2 if you switch a fixed rate before the expiry of the *fixed rate period*.
- 9.5 If you pay out an account which is under the Platinum Package Home Loan option and at least one other account under the Platinum Package Home Loan option which is not an *Equity Line* is still active you may establish another account under the same Platinum Package Home Loan option, up to a maximum of 4.
- 9.6 The same Platinum Package Home Loan option will not apply to any of your other accounts when you already have 4 accounts established under that Platinum Package Home Loan option. If you want a Platinum Package Home Loan option to apply to any of your other accounts they must be established under a different Platinum Package Home Loan option.
- 9.7 If you have other accounts which are not part of a Platinum Package Home Loan option and you pay out an account which is part of a Platinum Package Home Loan option you must separately establish any other accounts that you want the Platinum Package Home Loan option to apply to in accordance with Conditions 9.1 to 9.4. Any other accounts that you may have will not automatically substitute an account under the Platinum Package Home Loan option which is paid out.

Other Platinum Package benefits

- 9.8 If the *schedule* states your account is part of the Platinum Package Home Loan option the other Platinum Package benefits set out in the document entitled 'Platinum Package Benefits Sheet' are also available from when you first establish and borrow under your account which is part of that package. The other Platinum Package benefits are only available for each package that you establish, not for each account that you establish as part of a package. Some of the other Platinum Package benefits may be subject to approval and acceptance by the relevant provider. A copy of the 'Platinum Package Benefits Sheet' has been provided to you and can also be obtained at www.imb.com.au or by calling IMB DIRECT on 133 IMB (133 462).
- 9.9 Separate terms and conditions, fees and charges apply to the other Platinum Package benefits and you can obtain full details by asking the staff at your local IMB Branch or by contacting IMB DIRECT on 133 IMB (133 462). The terms and conditions, fees and charges applicable to the other Platinum Package benefits may be changed or new terms and conditions, fees and charges may be introduced in the future.
- 9.10 We may also change the other Platinum Package benefits *including*, but not limited to adding or removing benefits or changing the amount of the Platinum Package Loan Administration Fee. We will give you at least 30 days' notice prior to the change taking effect if we increase or introduce a new charge or fee. Conditions 20.16 to 20.18 will also apply to any changes we make under this Condition 9.10.
- 9.11 The *annual percentage rates* available on home loans under the Platinum Package Home Loan option and the other Platinum Package benefits are not available in conjunction with any other special offers or discounts.
- 9.12 If there is more than one of you the benefits of the Platinum Package Home Loan option set out in Conditions 9.3 to 9.7 are only available to you jointly. Depending on the type of benefit, other Platinum Package benefits are only available to either:
- (a) one of you separately as primary account holder with the other of you as an additional or secondary account holder; or
 - (b) every two or more of you jointly.
- They will not be available to all of you separately.
- 9.13 If you are in default under this *contract* or there is not another active account under the Platinum Package Home Loan option which is not an *Equity Line* the benefits of the Platinum Package Home Loan option set out in Conditions 9.3 to 9.7 and the other Platinum Package benefits will cease to be available.

EQUITY LINE HOME LOAN

Conditions 10-13 apply only if your account is an *Equity Line*. Conditions 10-13 do not apply to *standard home loans*.

10 Your Equity Line

Equity Line account

- 10.1 You authorise us to open an account in your name that is to be used for transactions using your *Equity Line*. You authorise us to debit to your *loan account* without first notifying you:
- (a) each amount we lend you under your *contract* when we pay or transfer the amount in accordance with your instructions; and
 - (b) any other amount you must pay in connection with your *contract* on the date it becomes due.

Cheque book

- 10.2 At your request we may issue you with a cheque book to enable you to draw on your *loan account*. Where you are issued with a cheque book, you must comply with the terms and conditions applying to the cheque book facility.

Electronic funds transfer card

- 10.3 We may also issue you with an electronic funds transfer card ("EFT card"). If we do, you must comply with the conditions of use applying to the EFT card.
- 10.4 If the conditions of use applying to the EFT card are inconsistent with this *contract*, then this *contract* overrides those conditions of use to the extent of the inconsistency.

11 Using your Equity Line

Accessing your *Equity Line*

- 11.1 You may use credit under your *Equity Line* by:
- (a) drawing cheques on your *loan account*; or
 - (b) requesting us to make direct debits to or other payments from your *loan account* (including by using an EFT card linked to your *loan account*); or
 - (c) withdrawing cash from our Branches, and (if you have an EFT card linked to your *loan account*) electronic banking terminals we nominate from time to time; or
 - (d) other means we authorise from time to time.

Credit limit

- 11.2 Without our approval you must not allow the *balance owing on your loan account* to exceed your *credit limit*. If you do, you must repay us an amount equal to the excess immediately. Also, if the *balance owing on your loan account* is more than the *credit limit*, we may charge you a *default fee* (see Conditions 16.5 – 16.7).
- 11.3 On the 15 year anniversary of the *settlement date*, the *credit limit* will be an amount determined by us as follows:
- at the end of each monthly interval after the *initial period* we will reduce the *credit limit* so that by the end of the *loan term* the *credit limit* is zero; and
 - the *credit limit* will be reduced by equal amounts at the end of each monthly interval after the *initial period* except at the end of the last monthly period in the *loan term*, when the *credit limit* will be reduced to zero. The amount by which the *credit limit* will be reduced at the end of each monthly interval except the last will be calculated by dividing the *credit limit* at the end of the *initial period* by the number of months in the period from the end of the *initial period* to the end of the *loan term* and rounding up the result to the next cent.
- 11.4 We can change the *credit limit* at any time, however we will only increase the credit limit with your consent. If any law regulates that change we may only make the change to the extent permitted by, and subject to, the requirements of that law.
- 11.5 Without limiting Condition 11.4, acting reasonably we may reduce the *credit limit*. If we do this, we will give you written notice as soon as practicable after we decide to reduce the *credit limit* (we may also cancel the *credit limit* totally - see Condition 13.4).

Account closure

- 11.6 Upon release of the *security*, the *loan account* will be closed.

12 Interest Charges

- 12.1 At the end of each *statement period* we:
- calculate the interest payable on your *loan account* during the *statement period*; and
 - debit that interest to the *loan account*.
- 12.2 When the balance of your *loan account* is in debit (i.e. you are using credit from us), you must pay an interest charge on each amount debited to your *loan account* from the date shown on your statement for that transaction until the date we receive payment of it in full.
- 12.3 The interest charge for each day is calculated by applying the daily percentage rate to the *balance owing on your loan account* for the end of that day. The daily percentage rate on any day is the *annual percentage rate* for that day divided by 365.

13 What you must pay and when

Statements

- 13.1 We send you a monthly statement (not always on the same day of each month) for your *loan account*. However, we need not send you a statement if:
- no amounts have been debited or credited to your *loan account* during the *statement period* (other than debits for government charges, or duties, on receipts or withdrawals) and the amount outstanding is below \$10; or
 - we wrote off your debt during the *statement period* and no amounts have been debited or credited to your *loan account* during the *statement period*.
- 13.2 You should check the entries on your statement carefully and promptly report any error or unauthorised transaction to us before the due date for payment.

What you must pay

- 13.3 **You must pay the minimum repayment set out in each statement by the due date for payment set out on each statement. You may at any time pay more than the minimum repayment if you wish.**

In addition to any other rights we have on default, we may charge a *default fee* if you do not pay on time all amounts due under this *contract* (see Conditions 16.5 – 16.7). If you are in financial difficulty at any time you should promptly inform us of this.

The minimum repayment is stated in the *schedule*.

Your minimum repayment can vary from month to month.

You must pay us the *total amount owing* at the end of the *loan term*, or, if you default, on the date it becomes due for payment under Condition 16. When you pay us the *total amount owing*, we may close your *loan account*.

Final repayment

- 13.4 We may cancel the *credit limit* by giving you 30 days written notice. If we do this, you must pay us, on the date we specify in our notice as "the date the final repayment is due", the *total amount owing*.

Annual review

- 13.5 We may conduct reviews of your *Equity Line* from time to time.

After any review, if we find that the way in which you are operating your *Equity Line* is unsatisfactory to us (acting reasonably), we may change the way in which we calculate repayments to *principal and interest repayments*. If we do so, we will give you notice.

We calculate *principal and interest repayments* so that, during the period they are payable, the:

- *balance owing on your loan account* at the start of the period; and
- all the interest charges and other fees and amounts you must pay under this *contract* during this period;

are repaid during the period.

ALL HOME LOANS

Conditions 14 to 21 apply to *standard home loans* and *Equity Lines*.

14 Declarations

14.1 You declare that:

- (a) you are not an undischarged bankrupt or *insolvent* and have neither assigned your estate nor entered into any arrangement or composition for the benefit of creditors; and
- (b) if you or a *security provider* enter this *contract* or a *security* as a trustee:
 - the trustee has the power and is entitled to enter into this *contract* and each *security* to which the trustee is a party; and
 - the trustee has taken all steps necessary to allow the trustee to enter into and perform the trustee's obligations under this *contract* and each *security* to which the trustee is a party; and
 - the trustee's entry into and performance of obligations under this *contract* and each *security* to which the trustee is a party does not result in or involve a breach of trust; and
- (c) you are not in default under any arrangement (including an agreement) that could have a material adverse affect on your ability to perform your obligations under this *contract* or a *security* to which you are a party.

14.2 You must tell us if anything has happened which prevents you repeating all the declarations in Condition 14.1 before you ask us at any time to lend you any of the *amount of credit*.

15 Providing information

15.1 You must supply us with any information or documents we ask for about your financial circumstances.

15.2 You must tell us in writing, come into a Branch, or contact IMB DIRECT if you change your residential or postal address.

16 Default

When are you in default?

16.1 You are in default if:

- (a) you do not pay on time all amounts due under this *contract*; or
- (b) you do something you agree not to do, or don't do something you agree to do under this *contract*; or
- (c) you give, or another *person* gives, us incorrect or misleading information in connection with this *contract* or a *security*; or
- (d) we reasonably believe that you or another *person* has acted fraudulently in connection with this *contract* or a *security*; or
- (e) you are, or a *security provider* is, in default under a *security* or withdraws from it; or
- (f) you become, or a *security provider* becomes, *insolvent* or steps are taken to make you or the *security provider* so; or
- (g) you surrender to us goods secured by a *security* and you do not ask us to return these goods within the time contemplated by the National Credit Code; or
- (h) a power of sale arises under any *security interest* over any property which is secured by a *security*; or
- (i) where you enter this *contract* as a trustee:
 - a receiver, or receiver and manager of the trust is appointed; or
 - any judgment is enforced against trust property; or
 - you suspend payments of the debts of the trust, you admit in writing your inability to pay these debts or you cease, or threaten to cease, to carry on the business of the trust.

What can happen then?

16.2 If you are in default, we may give you a notice stating that you are in default.

If you do not, or cannot, correct the default within any period specified in the notice (or if you are in

default again for a similar reason at the end of that period), then, at the end of that period (subject to any applicable laws) and without further notice to you, the *total amount owing* becomes immediately due for payment (to the extent it is not already due for payment).

We may then sue you for that amount, or enforce any *security*, or do both.

In addition, if you are in default because you have not paid on time all amounts due under this *contract*, then we may debit a *default fee* to your *loan account* (see Conditions 16.5 – 16.7).

In enforcing any *security*, we may do one or more of the following:

- (a) sue you for the *total amount owing*;
- (b) take possession of the property the subject of any *security interest*;
- (c) remove personal possessions from the property the subject of any *security interest* and either abandon them or store them without being liable to you. (If we store them and you do not reclaim the possessions within one month after we notify you that we intend to sell them, we may dispose of them and use the proceeds towards paying the *total amount owing*.);
- (d) do anything an owner of the property the subject of any *security interest* could do, including selling or leasing it on terms we choose;
- (e) do anything else the law allows us to do as holder or grantee of the *security*;
- (f) enter any place we believe the property the subject of any *security interest* is held, in order to do any of the above;
- (g) give valid discharges for purchase money or other consideration relating to the disposal of the property the subject of any *security interest*;
- (h) execute any transfer or other document we consider useful in exercising our rights under the *security*;
- (i) appoint a receiver to do any of those things.

Even if we take possession of the property the subject of any *security interest*, we may allow you to take the property the subject of any *security interest* back. If we do so, we are not to be taken as waiving any default under this agreement, unless we expressly say so in writing.

- 16.3 In limited circumstances set down by law (such as if we are unable to locate you), we need not give the notice or wait until the end of any period specified in a notice we have given you. Instead, if you are in default, the *total amount owing* becomes immediately due for payment without notice (or before the end of the period specified in any notice we have given you). We may then immediately sue you for that amount, or enforce any *security*, or do both.
- 16.4 If you are in default, we may use any money you have in another account with us towards repaying the *total amount owing* (this is known as “combining accounts”). We may combine accounts without giving you any notice but we will tell you afterwards.

Default fee

Under this *contract*, we may charge *default fees* when you are in default because you do not pay on time all amounts due under this *contract*.

- 16.5 We may charge you a *default fee* when any amount is overdue.
- 16.6 A *default fee* is debited to your *loan account* after each repayment date whilst any amount is overdue. You are then liable for interest charges on the new *balance owing on your loan account*.
- 16.7 Your obligation to pay on time all amounts due under this *contract* is not affected by the provisions of this condition.

17 Other costs and charges

Enforcement expenses may become payable under this *contract* or any mortgage or other *security* in the event of a breach.

- 17.1 You must pay us:
- (a) all fees and charges in the circumstances indicated in the *schedule* and any changed or new fees or charges notified to you under Condition 17.3; and
 - (b) any government taxes and all additional government stamp and other duties and charges payable on receipts or withdrawals in connection with this *contract* or a *security*; and
 - (c) any reasonable expenses we reasonably incur in enforcing this *contract* or a *security* after you are in default (including enforcement costs we incur in enforcing our rights under this contract,

including from a third party, such as our processing *costs*, collection agency *costs*, solicitors *costs*, and court fees, and also in the case of a mortgage, enforcement expenses incurred in preserving and maintaining property such as by paying insurance, rates and taxes for the property).

We may keep any credit fees and charges shown in the *schedule* that have already been paid.

17.2 You authorise us to debit any of these amounts to your *loan account*. We may do so on or after the date we pay them or the date they become due or payable by you or us (whichever is earlier).

17.3 The credit fees and charges current at the *disclosure date* are shown in the *schedule*.

Acting reasonably, we may change the amount of any fee or charge or change how often they are charged, or impose new fees or charges at any time, except that:

- (a) we will only do so in accordance with the requirements of any applicable law;
- (b) we will not increase your obligations in relation to break costs or advance repayment costs which are payable upon early repayment or advanced repayment of a fixed rate loan (including by changing the method of calculation or changing the timing of imposition of such charges), unless:
 - you have agreed to the change; and
 - the change is reasonably necessary to meet our increased costs associated with the early repayment or advance repayment.

Information on current interest rates and fees and charges is available on request.

18 Transactions

18.1 Acting reasonably we may assign any date we consider appropriate to a debit or credit to the *loan account* (except that, in the case of a debit, the date must not be earlier than the date on which the relevant transaction occurs).

However, we credit payments to the *loan account* as soon as practicable after we receive them. This is not necessarily the same day that you pay.

18.2 We may subsequently adjust debits and credits to the *loan account*, and the *balance owing on your loan account*, so as to accurately reflect the legal obligations of you and us (for example, because of an error or because a cheque is dishonoured). If we do this, we may make consequential changes (including to interest charges).

18.3 We may use any payment we receive in connection with this *contract* to reduce the *total amount owing* in any order we choose. Generally, payments received will be applied to your *loan account* in the following order of priority:

- repayment of any amount in excess of your *credit limit*;
- payment of any previously billed but unpaid minimum repayment;
- payment of any minimum repayment not yet overdue.

A repayment of any amount in excess of your *credit limit* will also be applied towards payment of any previously billed but unpaid minimum repayment and then payment of any minimum repayment not yet overdue.

19 Substituting security

19.1 You may ask us in writing to allow you to substitute a new *security interest* for a *security*. We don't have to agree but, if we do, we will almost certainly impose conditions. These conditions would include:

- (a) the new *security interest* and the property it is over being satisfactory to us; and
- (b) you or (if relevant) a *security provider* giving us any information and signing and providing us with any documents we request; and
- (c) you paying all *costs*, stamp duty, government charges and other amounts payable under the *security* or in connection with us taking the new *security interest*; and
- (d) you paying us the property substitution fee and the discharge fee (see the *schedule*).

Of course, we can impose other or additional conditions or not agree to the substitution at all. Even if we agree to the substitution, the *security* to be replaced is not affected until (and then only to the extent that) we give a written discharge for it.

20 General matters

How we may exercise our rights

- 20.1 We may exercise a right or remedy or give or refuse our consent in any way we consider appropriate including by imposing conditions.
- 20.2 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later so long as appropriate notice has been provided and the default remains outstanding.
- 20.3 Our rights and remedies under this *contract* or a *security* are in addition to other rights and remedies provided by law independently of it.
- 20.4 Our rights and remedies under this *contract* may be exercised by any of our employees or any other *person* we authorise.
- 20.5 We are not liable for loss caused by the exercise of, attempted exercise of, delay in the exercise of, or failure to exercise, a right or remedy.

Our certificates

- 20.6 We may give you a certificate about a matter or about an amount payable in connection with this *contract*. The certificate is sufficient evidence of the matter or amount, unless it is proved to be incorrect. In giving any certificate, we will act reasonably.

Assignment

- 20.7 We may assign or otherwise deal with our rights under this *contract* or a *security* in any way we consider appropriate. You agree that we may disclose any information or documents we consider desirable to help us exercise this right. You also agree that, subject to any applicable law, we may disclose information or documents at any time to a *person* to whom we assign our rights under this *contract*.

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

Valuations

- 20.8 Any valuation or report we obtain is for our benefit, not yours. You may not rely on it.

Blanks

- 20.9 You agree that we, acting reasonably and in good faith, may fill in any blanks in any document related to this *contract* (such as an acknowledgment).

Notices, other communications and serving documents

- 20.10 Notices, certificates, consents, approvals and other communications in connection with this *contract* must be in writing or in any other form permitted by it.
- 20.11 Communications from us may be signed by any of our employees. If you are a company, communications from you must be signed by a director.
- 20.12 Communications for us may be:
- (a) given personally to one of our employees at:
 - the Branch shown in the *contract*; or
 - any other Branch we tell you; or
 - our registered office; or
 - (b) sent by prepaid post or electronically (such as by fax) to any of those places; or
 - (c) given by any other means permitted by law.
- 20.13 Subject to any applicable law, communications for you may be:
- (a) given to you personally or left at:
 - (if you are an individual) your residential or business address last known to us; or
 - (if you are a body corporate) your registered office by leaving it with one of your officers; or
 - (b) sent by post to your postal or residential or business address last known to us; or
 - (c) sent by fax to your residential or business fax number last known to us; or
 - (d) given by any other means permitted by law.
- 20.14 Subject to any applicable law, communications take effect from the time they are received unless a later time is specified in them.
- If they are sent by post to your last known residential or business address, they are taken to be

received on the day they would be received in the ordinary course of post. If they are sent by a fax machine which produces a transmission report, they are taken to be received on the date the transmitting machine produces a report indicating the communication was sent to the recipient's fax number.

If they are given by newspaper advertisement, they are taken to be received on the date they are first published.

- 20.15 We may serve any document in a court action (including a writ of summons, other originating process or third or other party notice) on you by delivering it to your address in the *schedule* (or any changed address notified to us) or by leaving it there. This does not prevent any other method of service.

Variations and waivers

- 20.16 Acting reasonably, we can change this *contract* (such as by varying an existing provision or adding a new provision) at any time without your consent *including*, but not limited to:

- imposing a new fee or charge;
- changing a reference rate or any other rate that applies to this *contract*, except that during a *fixed rate period* we cannot change the *annual percentage rate*;
- changing the manner in which interest is calculated or applied under this *contract*;
- changing the way in which repayments are calculated or when they are due;
- changing when we will give you a statement of account.

If any law regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that law.

- 20.17 If the National Credit Code applies to this *contract*, we will notify you when we:

- (a) change any reference rate or any *annual percentage rate* that is not determined by referring to a reference rate that applies to this *contract*. Where such a change does not reduce your obligations we will notify you either by advertising in a newspaper circulating throughout the *jurisdiction* or in writing to you not later than the day on which the change takes effect. If we notify you by advertisement we will also provide you with such particulars of the change as are required by law before or when we provide your next statement of account after the change takes effect; or
- (b) discontinue any reference rate or change the manner in which interest is calculated or applied under this *contract*. Where such a change does not reduce your obligations, we will give you at least 20 days prior written notice; or
- (c) change the amount or frequency of payment of a credit fee or charge or impose a new credit fee or charge. Where a change to the amount of a credit fee or charge or the imposition of a new credit fee or charge does not reduce your obligations or does not extend the time for payment, we will give you at least 20 days prior notice either by advertisement in a newspaper circulating throughout the *jurisdiction* or in writing to you. If we notify you by advertisement we will also provide you with such particulars of the change as are required by law before or when we provide your next statement of account after the change takes effect. Where a change to the frequency of payment of a credit fee or charge does not reduce your obligations or does not extend the time for payment, we will give at least 20 days prior notice in writing to you. Where a change of the amount or frequency of payment of a credit fee or charge or the imposition of a new credit fee or charge reduces your obligations or extends the time for payment we will notify you before or when we provide your next statement of account after the change takes effect; or
- (d) change the amount or frequency or time of payment of a repayment. Where such a change does not reduce your obligations or does not extend the time for payment, we will give at least 20 days prior written notice to you. Where such a change reduces your obligations or extends the time for payment, we will give you written notice no later than before or when we provide your next statement of account after the change takes effect; or
- (e) change the *terms and conditions* of the *contract* and fees and charges (other than in the ways set out in sub-conditions (a) to (d) above). We will do this either in writing to you or by newspaper advertisement or both.

- 20.18 If the National Credit Code does not apply to this *contract*, we will notify you of a change to this *contract* either in writing or by advertisement and the change takes effect from the time we specify in the notice. When we give the notice depends on the type of change we make.

- 20.19 A provision of this *contract* or a *security*, or a right created under it, may not be waived except in writing signed by the party or parties to be bound.

Set-off

20.20 Except to the extent you have a right of set-off granted by law which we cannot exclude by agreement, you must pay all amounts due under this *contract* in full without setting off amounts you believe we owe you and without counterclaiming amounts from us.

Lender's mortgage insurance

20.21 If there is lender's mortgage insurance for this loan, you acknowledge that the insurance protects us and not you. If you default under this *contract* or any mortgage *security* and the mortgaged property is sold and the sale proceeds are insufficient to fully repay the *total amount owing* under this *contract* we may incur a loss. We may recover this loss under the lender's mortgage insurance policy. However, you become legally responsible for repaying to the insurer the *total amount owing* under the *contract* or *security* because you are not protected by the lender's mortgage insurance.

National Credit Code

20.22 Conditions 20.23 and 20.24 apply to the extent that the National Credit Code applies to this *contract*.

20.23 If:

- (a) that Code would otherwise make a provision of this *contract* illegal, void or unenforceable; or
- (b) a provision of this *contract* would otherwise contravene a requirement of that Code or impose an obligation or liability which is prohibited by that Code;

this *contract* is to be read as if that provision were varied to the extent necessary to comply with that Code or, if necessary, omitted.

20.24 If that Code is inconsistent with this *contract*, that Code overrides this contract to the extent of the inconsistency.

Inconsistent law

20.25 To the extent allowed by law and subject to Conditions 20.23 and 20.24, this *contract* prevails to the extent it is inconsistent with any law.

Applicable law

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

General information

20.27 You may obtain from any of our Branches or IMB DIRECT general information concerning:

- account opening and operating procedures;
- our confidentiality obligations;
- dispute handling procedures;
- our right to combine accounts;
- procedures relating to cheques;
- what you should do if you are in financial difficulty; and
- current interest rates, fees and charges.

21 Meaning of words

advance repayment costs means an amount determined in accordance with Condition 7 and the *schedule*.

the **amount of credit** is stated in the *schedule* or, for an *Equity Line*, is the credit facility available or to be made available to you under this *contract*.

annual percentage rate means a per annum rate of interest.

balance owing on your loan account means, at any time, the difference between all amounts credited and all amounts debited to your *loan account* under this *contract* at that time.

business day means a day when we are open for normal business in New South Wales, other than a Saturday or Sunday.

break costs means an amount determined in accordance with Condition 7 and the *schedule*.

construction period has the meaning specified in Condition 6.6.

contract means the contract (as varied from time to time) you make with us when you accept the offer set out in the *schedule*.

costs includes charges and expenses; and *costs*, charges and expenses in connection with legal and other advisers.

credit limit means the amount we determine to be the *credit limit* from time to time. Any applicable credit limit as at the *disclosure date* is stated in the *schedule*.

default fee means the *default fee* payable under Condition 16.

the **disclosure date** is stated in the *schedule*.

the **discount margin** is stated in the *schedule* (if none is stated in the *schedule*, there is no *discount margin*).

the **discount rate period** (if any) is stated in the *schedule* (if none is stated in the *schedule*, there is no *discount rate period*).

Equity Line means an account which the *schedule* states is under the Equity Line Home Loan option.

fixed rate period means the period described as the *fixed rate period* in the *schedule* or any period during which we agree that the *annual percentage rate* is fixed.

including or **such as** when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

initial period (if any) is the period from the *settlement date* to (but not including) the 15 year anniversary of the *settlement date*.

insolvent means being an *insolvent* under administration or *insolvent* or having a controller appointed (each as defined in the Corporations Act – such as being bankrupt), in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

interest only period (if any) is stated in the *schedule*.

interest only repayment has the meaning specified in Condition 4.2.

jurisdiction means the State or Territory of the National Credit Code that applies to this *contract*, or, if a National Credit Code does not apply to this *contract*, New South Wales.

loan account means the account, or accounts we establish in your name for the purposes of this *contract*.

loan category - means any of:

- (a) owner occupier loans;
- (b) investment purpose loans;
- (c) interest only owner occupier loans;
- (d) interest only investment purpose loans; or
- (e) any other loan category which is stated in the *schedule* or otherwise notified to you.

the **loan term** is, in respect of all loans, a period beginning on the *settlement date*. The length of the *loan term* is specified in the *schedule*.

the **loan-to-security percentage** is stated in the *schedule*.

person includes an individual, a firm, a body corporate, an unincorporated association or an authority.

principal and interest repayment has the meaning specified in Condition 4.2.

schedule means the document titled "Home Loan Contract Schedule".

security means each *security interest* described in the *schedule* under "Security" and any substitute or

additional *security interest* given in connection with this *contract*. The property the subject of any mortgage of real property described in the *schedule* under “Security” comprises all the mortgagor’s estate and interest in the property and rights which may arise in connection with it; and rights to personal goods left on the property if we take possession; and rights to set-off any money we owe the mortgagor against the amount secured by that mortgage.

security interest means any mortgage, charge, lien, pledge, trust, power or other rights given as or in effect as *security* for the payment of money or performance of obligations. *Security interest* also includes a guarantee or an indemnity.

security provider means each *person* (other than you) who gives a *security*.

settlement date means the date we first lend you all or any part of the *amount of credit* (or, if earlier, the date we first debit any of it to your *loan account*).

standard home loan means any credit contract, other than an *Equity Line*, to which these *terms and conditions* apply.

standard variable rate means the variable reference we determine from time to time for the *loan category* currently applicable to your *loan account*. We call this reference rate the “standard variable rate” (or any name we substitute for that name) for that *loan category*. The name of the variable reference rate for the *loan category* that is initially applicable to your *loan account* is specified in the *schedule* (but the type of reference rate may change from time to time, including if that *loan category* changes).

statement date means the date shown as the *statement date* on a statement issued under this *contract*. A *statement date* ends when we close off your *loan account* for updating purposes in respect of that day.

statement period means a calendar month. The start and end dates of the *statement period* are shown on the statement.

such as see *including*.

terms and conditions mean the *terms and conditions* of the *contract* set out in this booklet.

total amount owing means, at any time, the *balance owing on your loan account* at that time, plus all accrued interest charges, default and enforcement charges and other amounts which you must pay under this *contract* but which have not been debited to your *loan account* at that time.

The singular includes the plural and vice versa. A reference to:

- **we, us** and **our** means IMB Ltd, its successors and assigns.
- **you** and **your** means the person or persons named in the *schedule* as “borrower”. If there are more than one, **you** and **your** means each of them separately and every two or more of them jointly. **You** and **your** includes your successors and assigns.
- a **document**, includes any variation or replacement of it;
- **law**, means common law, principles of equity, and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them);
- any **thing**, includes the whole and each part of it.

INFORMATION STATEMENT

If the borrower is a company, or if 50% or more of this loan is used for business or investment purposes (other than investment in residential property), the loan will not be regulated by the National Credit Code despite any statement that the National Credit Code applies to this loan.

Some of the information in the information statement below will only apply to you if your loan is regulated by the National Credit Code.

Information Statement

Things you should know about your proposed credit contract

This statement tells you about some of the rights and obligations of yourself and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact your credit provider and, if you still have concerns, your credit provider's 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 your 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 your credit provider to charge one) and other fees.

7 Can my contract be changed by my credit provider?

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
 - 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. Your credit provider's external dispute resolution provider is the Australian Financial Complaints Authority ABN 38 620 494 340 and can be contacted on 1800 931 678 or in writing to GPO Box 3, Melbourne VIC 3001 (Australia).

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 the 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 22 and 23. Otherwise you may:

- if the mortgaged property is goods, give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- 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 my credit provider take or sell the mortgaged property?

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

20 If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit provider all the information you have so they can be traced.

21 When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General**22 What do I do if I cannot make a repayment?**

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

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

23 What if my credit provider and I cannot 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 25.

24 Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

25 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.**

INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING YOUR 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 ABN 38 620 494 340 AND CAN BE CONTACTED ON 1800 931 678 OR IN WRITING TO GPO BOX 3, MELBOURNE VIC 3001 (AUSTRALIA). PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

IMB Ltd trading as IMB Bank
ABN 92 087 651 974
Australian Credit Licence Number 237391

W19C
(v11/2018)