

Information relating to Valuation Fee Reimbursements

What is the reason that IMB is making these reimbursements?

IMB recently identified an error with some valuation fees that it charged in connection with providing a home loan or in relation to inquiries for potential loans. Please note the error has potentially impacted the valuation fees only and has not impacted the loan. We are sorry for this error and will be reimbursing those members and customers that have been affected by the issue.

Under the National Credit Code (the Code), valuation fees, as described in IMB's loan contracts, are fees payable to a third-party valuer and must be a direct reflection of the third-party costs less a component of GST. In some cases, IMB has identified that we charged an amount for a valuation fee that exceeded the amount we paid to a third-party valuer, meaning we did not meet our obligations under the Code.

We have reported this error to ASIC and are keeping it informed as to how we are fixing the issue.

What is the date range applicable to potential reimbursements?

We have reviewed all valuation fees paid from July 2014 to identify any instances where the error may have occurred. We've worked hard to remedy this and ensure that we continue to do the right thing by our members now and into the future.

What types of valuation fees may be reimbursed?

We have reviewed the following fees to identify any errors that we may have made that require us to reimburse any affected members:

1. Valuation fees that were paid when IMB provided a loan;
2. Valuation fees that were paid in connection with an inquiry or application that did not result in IMB providing a loan; and
3. Valuation fees paid during the life of an IMB loan.

How has IMB determined the amounts of any reimbursements?

IMB will be making reimbursements in relation to valuation fees. If we identified that a member or customer paid a valuation fee that exceeded the valuation costs IMB was charged by a third-party valuer, IMB will make a reimbursement of any amount that we were not entitled to charge under the Code, together with interest (i.e the difference between the amount paid by the member or customer and the amount charged to IMB).

Interest on that amount has been calculated at the Reserve Bank of Australia's cash rates plus an additional 6%, compounding daily. The interest start date for the interest calculation is 30 calendar days prior to the date IMB ordered the valuation. The interest end date will be the date on which IMB makes a reimbursement to an affected member.

Who receives the reimbursement?

If the loan associated with the valuation fee remains open, we will pay the reimbursement amount into the open loan account. If there are multiple members

associated with the valuation fee, we will only pay one reimbursement amount into the open loan account.

If the loan associated with the valuation fee is no longer open, we will pay the reimbursement amount into any open IMB transaction account that is held in the same name(s).

If there are multiple members associated with the relevant valuation fee, we will only pay the one reimbursement amount into any open joint IMB transaction account. If there are no applicable joint transaction accounts open with IMB but any individual member(s) associated with the relevant valuation fee have an open IMB transaction account(s), we will divide the reimbursement amount so that we pay an equal share of the reimbursement amount to each of those member(s') open IMB transaction account(s).

If the loan associated with the valuation fee is no longer open and none of the members associated with the valuation fee have an open IMB transaction account, we will request that they provide us with updated payment and contact details in a payment nomination form along with updated EFT instruction details (which may be verified by IMB). As we are using last known addresses and we are not sure if these letters will reach our former members, to ensure privacy and security we have kept reimbursement details out of these letters. The payment nomination form requests that former members provide us with closed account details for verification purposes so that we can accurately refer to historical member information. Please note that any such details provided to IMB will not be used for any other purpose except to except to make the reimbursement payment.

If we don't receive a response to our request for updated payment details, IMB will instead make payment to either a charity or to ASIC's unclaimed monies scheme in accordance with those legal requirements.

What happens if I have or have had multiple valuation fees due to multiple loans with IMB?

We are reviewing all valuation fees paid since 1 July 2014, and in a small number of cases it is possible that members will be entitled to a reimbursement of multiple valuation fees in relation to multiple loans they hold or have held with IMB. We are reviewing all valuation fees charged by IMB as quickly as possible and as we identify any errors that have occurred, we are arranging a reimbursement for any amount that we were not entitled to charge. Therefore, it is possible that we may contact members or customers more than once if we later identify other valuation fees paid that exceeded our costs.

Who can we contact if we would like further information?

You can contact us on 133 462 where our specialist advisers are ready to help if you have any questions or concerns.