

# bcu, a division of Police & Nurses Limited

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General Terms and Conditions Booklet

For Personal Loans

Version 3 dated November 2019

**This is the General Terms and Conditions Booklet incorporated into your Loan Agreement referred to in these terms and conditions. This Booklet does not contain all the precontractual information required to be given to you. You must read this document together with your Loan Agreement.**

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# 1 THINGS YOU MUST DO

## 1.1 Keep us informed

You must notify us immediately if at any time:

- there is a material change in your personal circumstances (including if you separate, divorce or remarry) or in your financial condition or affairs from those which you have told us about; or
- anything happens which makes any of the statements made by you in your Loan Agreement or in any application for this loan be untrue or misleading; or
- anything happens which reduces the value of the Security property or which has, or might have, a material adverse effect on the Security property; or
- after you enter into your Loan Agreement, the Security property is no longer your principal place of residence.

You must notify us by giving us a notice in writing (such as by sending us a letter).

## 1.2 Securities

You must:

- make all repairs necessary to keep the Security property in good repair,
- punctually pay all rates, taxes, charges, outgoings, assessments and other expenses in connection with the Security property.
- not alter the Security property or change its use without our prior written consent; and
- otherwise comply with your obligations in respect of the Security property.

## 1.3 Security Property Inspections and Valuations

You authorise us to enter the Security property to conduct an inspection and/or valuation of the Security property:

- at any time we suspect that the Security property is being, or has been, wilfully neglected; or
- at any time upon giving you prior notice.

We may ask you to pay for any inspection or valuation and will give you reasonable notice of any inspection or valuation unless we reasonably believe that urgent action is necessary to protect the Security property. You authorise us to debit the cost of that valuation to your loan account.

## **1.4 Selling Security Property**

- 1.4.1 You must notify us as soon as practicable after you decide to sell, and in any event, before you sell any Security property.
- 1.4.2 If the price for which you propose to sell the Security property is less than the aggregate of the balance of your Loan Accounts and all other amounts payable by you under your Loan Agreement:
- you must, before you sell the Security property, obtain our written consent to the sale. We will not unreasonably withhold our consent. However we may attach conditions to our consent; and
  - you consent to us entering the Security property to obtain a current valuation and authorise Security to debit the cost of that valuation to your Loan Account.
- 1.4.3 If we have given our written consent to the sale of the Security property in accordance with, and for the purpose of Clause 1.4.1, 1.4.2 and 1.4.3, if there is more than one of you, none of you can sell or authorise transfer of your interest in any Security property without first obtaining our written consent. We may withhold our consent in our absolute discretion and may attach conditions to our consent.

## **2 INTEREST**

### **2.1 Payment of interest**

You must pay interest as set out in the Loan Agreement and this clause 2, as varied from time to time in accordance with your Loan Agreement.

### **2.2 Calculation of interest**

Interest accrues daily on the unpaid balance in your Loan Account at the applicable Daily Percentage Rate. We calculate the Daily Percentage Rate by dividing the applicable Interest Rate by 365 which is then rounded to two (2) decimal points.

### **2.3 No interest on credit balances**

We will not pay interest on any credit balance in a Loan Account. If your Loan Account has a credit balance on any day we will calculate the interest charges payable by you as if the Loan Account had a zero balance on that day.

### **2.4 Debiting of interest**

Interest will be debited to your Loan Account on each Interest Charge Date and on the date on which your loan is repaid in full.

Interest debited to your Loan Account forms part of your loan balance upon which interest is calculated and debited, ie that interest will itself bear interest.

Interest debited will be all interest calculated up to and including the day before the date on which the debit is made (excluding interest which has already been debited).

## **2.5 Default interest**

We may charge you interest at the default interest rate if you do not make a payment when due on the overdue amount from the day it was due until it is paid.

If your Loan is an Unregulated Loan then, while any amount is due but not paid we may also charge interest at the default rate on the entire balance in your Loan Account, not just the overdue amount.

Default interest will be calculated daily utilising the Default Daily Percentage Rate. We calculate the Default Daily Percentage Rate by dividing the default interest rate by 365 which is then rounded to two (2) decimal places. The default interest rate will be the interest rate then applicable plus the Default Margin. That interest accrues before and after any judgment.

We may debit your Loan Account with accrued interest under this clause on any day. Unless we do so more often, we will be taken to have done so on the relevant day specified in clause 2.4. That interest will then itself bear interest. If we do not debit your Loan Account with accrued interest under this clause 2.5, that does not mean we are giving up that right and cannot do it later.

You must pay the interest debited to your Loan Account under this clause 2.5 on demand.

## **3 REPAYMENTS**

### **3.1 Repayments and prepayments**

You must repay the amount of the Loan Account on each Payment Due Date or as set out in this clause 3, or as varied from time to time in accordance with your Loan Agreement.

You may prepay all or part of the amount lent at any time. Partial prepayments can be for any amount.

### **3.2 Method of payment**

3.2.1 You can make payments by:

- direct salary credit;
- other types of direct credit payments, for example rent, dividend and Pay Anyone arrangements (offered by some financial institutions); or
- any other payment method approved by us from time to time.

Whichever way you choose to repay, you will need to arrange to have the funds credited to your Loan Account on or before your Payment Due Date.

### **3.3 Payment in Australian dollars**

Payments must be in cleared funds and free of any set-off or deduction, except for taxes where required by law. This means you will need to pay any money you are

required to pay under this Loan Agreement without deducting amounts you claim are owing to you by us or any other person.

All payments must be made in Australian dollars.

### **3.4 Time of payment**

Unless otherwise specified in this Loan Agreement or unless we tell you otherwise, your payments on a Loan Account are due on the Anniversary Date. All payments must be made before the end of a Business Day in the place of payment. Payments made after the end of a Business Day may not be treated as received, or credited, until the next Business Day.

### **3.5 Non-Business Days**

Unless the context does not permit or we tell you otherwise, if an event under this Loan Agreement (including a payment you are required to make) falls due on a day which is not a Business Day, that event must occur on the following Business Day unless that Business Day is in the next calendar month, in which case the event must occur on the preceding Business Day. If an event falls due on the 29th, 30th or 31st day of a month but that month does not have that many days, that event must occur on the last Business Day of that same month.

### **3.6 What happens to payments we receive?**

3.6.1 Except as set out in paragraph 3.6.2, we may apply any money we receive or recover in any way in respect of money you owe, in paying whatever of the money you owe we choose (despite any direction to the contrary) but may first pay anyone who we believe ranks ahead of us.

3.6.2 If you have more than one Loan Account and no Default Event has occurred you may ask us to apply payments in a particular way among your Loan Accounts. If you do not make such a request, or if we do not agree, we may credit any payments we receive to any Loan Account as we see fit.

## **4 REDRAW AND LIMITS**

### **4.1 When this clause applies**

This clause 4 applies to any Loan Account under which a redraw is possible. It does not apply if the Loan Account has not been fully drawn down. Available Redraw Funds can only be redrawn in accordance with this clause 4.

### **4.2 When you can redraw**

If you have a Loan Account while the interest rate is variable you may request to reborrow any amount of Available Redraw Funds on the following conditions:

4.2.1 We may cancel your ability to redraw if you give a mortgage or other charge over the Security Property without consent;

4.2.2 You may redraw amounts up to –



the amount by which all payments made by you under this Loan Agreement exceed the minimum required payments under this Loan Agreement;

less the total of:

- the next due minimum required payments; and
- amounts you have previously redrawn on the Loan Account;

as long as you comply with all of the following conditions:

- you must redraw at least \$500.00. (We may vary this amount from time to time) We do not allow you to redraw using the redraw facility if the total amount you may redraw is less than \$500.00;

4.2.3 All amounts you redraw using the redraw facility are debited to your Loan Account. Interest will accrue on redrawn amounts in terms of Clause 2;

4.2.4 There must not be any breach or other event which with notice, time or both would become a Default Event; and

4.2.5 You must comply with any other condition we may impose, including any terms and conditions applicable to a method by which you can make a redraw (e.g. via the internet only) and the purpose of the drawing.

We may refuse any request for a redraw at any time. We may also cancel your ability to redraw at any time. We will tell you if we do so.

We take no responsibility for your use of the redraw facility or amounts that you redraw.

#### **4.3 Exceeding the Credit Limit**

If a transaction would cause the debit balance on your Loan Account to exceed the Credit Limit or the Scheduled Limit we may, without notice, decline, stop or reverse the transaction.

If for some reason we allow the debit balance in your Loan Account to exceed the Credit Limit or Scheduled Limit it does not mean we are increasing the Credit Limit or Scheduled Limit.

You must pay the excess immediately in addition to any scheduled repayment and any applicable fees and charges. Default interest may also apply under clause 2.5

#### **4.4 When there is more than one of you**

Where there is more than one of you:

- any one of you may cancel the redraw facility. If this happens we will not allow any further drawings to be made from your Loan Account by any of you; and

- the funds available for redraw may be accessed by all of you jointly via online banking.

If the redraw facility has been cancelled by us or by any of you, you may ask us later to reactivate the redraw facility. If we agree we will require a new redraw authority signed by all of you.

## **5 LOAN ACCOUNT**

### **5.1 Account**

You authorise us to open a Loan Account in your name and to debit to it any of the following without first notifying you:

- 5.1.1 each amount we lend referable to that Loan Account;
- 5.1.2 any fees and charges (see clause 8) and any Enforcement Expenses unless you pay for them in another way;
- 5.1.3 interest (including default interest) referable to that Loan Account; and
- 5.1.4 any other amount you have authorised us to debit to that Loan Account.

### **5.2 Account statements**

We will send you a statement of your Loan Account each six months unless the law says otherwise.

### **5.3 Transactions on your Loan Account**

A debit or credit to your Loan Account is taken to be made, and has effect, on the date assigned to it (which may be different from the date we processed it and recorded it in the Loan Account). We may subsequently adjust debits or credits, and the Loan Account balance, to accurately reflect the legal obligations of you and the Lender (for example, if we discover an error or a cheque is dishonoured). If we do this we may make consequential changes (including to the interest charged).

### **5.4 Nil balances**

We can close your Loan Account if at any time the balance is zero.

## **6 DRAWINGS**

### **6.1 Loan Purpose**

You can only draw the Loan for the purpose stated in the Loan Agreement.

Unless your Loan is a Regulated Loan you can only draw the Loan if the purpose for which you are going to use the money is wholly or predominantly (that is, more than half) a business or investment purpose other than investment in residential property (or a combination of business and investment purposes other than investment in residential property).

## **6.2 What needs to happen before drawing**

Before you can draw your Loan you need to:

- sign and return a copy of the Loan Agreement within 30 days of the date of your Loan Agreement or any longer period agreed by us in writing;
- complete and sign any necessary forms to open the Loan Account(s);
- deliver the following in form and substance satisfactory to us:
- the Security documents referred to in the Loan Agreement duly executed;
- where a Security document has previously been given to us by another entity for another transaction, and is to be used for the Loan, consent from that entity;
- evidence of any insurance we require;
- evidence that any special condition set out in the Loan Agreement has been satisfied;
- any other document listed in your Loan Agreement or any other document we reasonably require; and
- pay the fees and charges under "Initial Fees and Charges" and any other initial fee which is payable under "Possible Fees and Charges" in relation to the Settlement of your Loan, as set out in your Loan Agreement, unless we agree they can be paid out of the Loan proceeds; and
- give us not less than 3 Business Days' written notice of the date you want to Settle your Loan.

## **6.3 No advance**

We are not obliged to provide any advance you request. We will not provide any advance if on the drawdown date:

- there is a Default Event which has not been waived by us, or remedied to our satisfaction;
- there is a breach or other event which with notice, time or both would become a Default Event;
- any guarantor or other Security provider:
- withdraws from or stops a guarantee or other Security taken in relation to the Loan; or
- is dead or is under Administration; or

- there has occurred any event or circumstance which in our reasonable opinion may detrimentally alter the status or financial condition of you or any guarantor or which may reduce the value of the Property.

We will not be liable to you for any loss, damage or costs which you may suffer or incur as a result of us not providing an advance for any reason, including any reason listed above. Certain fees specified in your Loan Agreement may be payable even if we decide not to provide an advance for any reason.

## **7 FEES, COSTS AND ADDITIONAL PAYMENTS**

### **7.1 Fees and charges**

You must pay the applicable fees and charges as set out in the Loan Agreement and this clause 7, or as varied from time to time in accordance with your Loan Agreement.

All fees and charges are non-refundable to the extent permitted by law.

### **7.2 Enforcement expenses**

You may have to pay Enforcement Expenses after a default. All Enforcement Expenses are payable on demand or when we debit your Loan Account for them.

### **7.3 Government Charges**

You must pay to us on demand all government charges and duties on receipts relating to your loan. We may debit your account with these items as incurred.

### **7.4 Insurance Premiums**

You must arrange the insurances required by the Security at your own cost. If you do not pay a premium for any insurance required by your Loan Agreement or any Security, we may debit it to the Loan Account and you must repay that amount to us on demand.

## **8 OTHER LOAN FEATURES**

### **8.1 Portability**

You may be able to replace the Security for your Loan with another Security either:

- for a period of time specified by us; or
- for the remaining term of the Loan.

To do this you will need our approval. Please contact us if you wish to provide replacement Security.

If we approve the replacement Security you will need to sign new documentation and satisfy our insurance and other requirements in relation to the new Security.

## **8.2 Internet Service -iBank**

If you use the Internet Service - iBank, you must comply with the conditions which apply to that service. Conditions for the Internet Service - iBank are available from the Internet Service- iBank itself. When you first use the Internet Service you confirm your acceptance of those terms and conditions as amended from time to time. If there is any inconsistency between those terms and conditions and the Loan Agreement and this Booklet, the Loan Agreement and this Booklet will prevail.

## **9 VARIATIONS TO YOUR LOAN AGREEMENT**

### **9.1 Variations we may make under the Loan Agreement**

We may introduce new fees and charges and may vary:

- the Interest Rate;
- the Default Margin;
- the Initial Amount of Credit, Scheduled Limit or Credit Limit;
- the Loan term;
- the amount, frequency and number of repayments, and time for repayments or the method of calculation of repayments;
- the existing fees and charges and their times for payment; and
- the Loan Account or Loan Agreement number.

We may vary any other term or condition of your Loan Agreement.

### **9.2 Telling you of the changes**

We will notify you of, or advertise, any changes to your Loan Agreement as follows:

- 9.2.1 any change in the Interest Rate – we will notify you or advertise on or before the day the change happens;
- 9.2.2 any change in the amount of fees or charges, or the introduction of any new fee or charge – we will notify you or advertise the change and will give you:
  - if your Loan is a Regulated Loan, whatever period of notice is required by the National Credit Code, but in any event not less than 20 days; and
  - if your Loan is an Unregulated Loan, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine;
- 9.2.3 any other change – we will notify you and will give you:

- if your Loan is a Regulated Loan, whatever period of notice is required by the National Credit Code, but in any event not less than 20 days; and
- if your Loan is an Unregulated Loan, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine.

However, where the change reduces your obligations or extends the time for payment, we will only give you details of the change before or when we send you the next statement of account after the change takes effect unless any applicable law or code of conduct requires us to do something different.

Any advertisements of changes will appear in The Australian or another national newspaper. If we advertise a variation, we will give you the details when we send you the next statement of account.

### **9.3 Changes in repayments or loan term following changes in interest rate**

If the Interest Rate changes we may, but need not, change the amount of your repayments.

If we do not immediately change the amount of your repayments, we may do so later.

If the Interest Rate increases and your repayments do not increase, you are still required to repay the whole amount outstanding in your Loan Account at the end of the loan term specified in your Loan Agreement for the Loan Account (this may mean you have to make a large lump sum payment at that time).

## **10 DEFAULT**

### **10.1 When there is default**

If any one or more of the following occur we may decide a Default Event has occurred. You must ensure no Default Event occurs.

10.1.1 There is a breach of any term or condition of the Loan Agreement.

10.1.2 There is default under any mortgage or other Security given for the Loan Agreement.

10.1.3 You fail to pay any person (including us and/or other lenders) any money by the due date.

10.1.4 Any representation made by you to us or our agents proves to be untrue or misleading.

10.1.5 You become bankrupt or are jailed.

10.1.6 You do not maintain appropriate fire and general insurance over all Security property.

10.1.7 You breach any material undertaking given at any time to us.

## **11 OUR REMEDIES AND POWERS**

### **11.1 Regulated Loans**

If a Default Event occurs in relation to a Regulated Loan and:

- the default continues for at least 31 days after service of a notice telling you what the default is; or
- we believe on reasonable grounds that we were induced to enter into this Loan Agreement or any Security by fraud; or
- we believe on reasonable grounds that urgent action is necessary to protect the Property; or
- we cannot locate you after making reasonable efforts to do so; or
- a court authorises the following without any notice to you,
- then:
- all amounts lent under this Loan Agreement, all accrued interest, and all other amounts outstanding under this Loan Agreement shall become immediately due and payable without further notice; and
- we may terminate the Loan and cancel our obligations to make any further advances.
- we can take action even if we do not do so promptly after the Default Event occurs.

### **11.2 Unregulated Loans**

If a Default Event occurs in relation to an Unregulated Loan then:

- all amounts lent under this Loan Agreement, all accrued interest, and all other amounts outstanding under this Loan Agreement shall become immediately due and payable without further notice; and
- we may terminate the Loan and cancel our obligations to make any further advances.

### **11.3 Statement**

A written statement by us as to any amount due under this Loan Agreement will be sufficient evidence of that amount unless you prove it wrong.

### **11.4 Appointment as Attorney**

11.4.1 In consideration of the mutual obligations contained in this Loan Agreement and to better secure the performance of the your obligations under this Loan Agreement, you hereby irrevocably nominate, constitute and appoint the entities referred to in clause 11.4.2 jointly and each of

them severally to be your attorney for the purposes referred to in clause 11.4.3.

11.4.2 The entities referred to in clause 11.4.1 are:

11.4.2.1 the Lender;

11.4.2.2 each director and secretary of the Lender for the time being;

11.4.2.3 the Lender's legal representative.

11.4.3 The purposes referred to in clause 11.4.1 are to do any one or more of the following in your name and as your act and deed;

11.4.3.1 to do any act or sign, seal, deliver or execute any document in connection with the exercise of all or any of the powers contained or implied in this Loan Agreement;

11.4.3.2 to do any matter, act or thing which you should do or should have done;

11.4.3.3 to institute, proceed with, settle or defend any legal proceedings or disputes against or by any person claiming any interest in the Goods or Property or in connection with any claim for loss or damage under any insurance policy or in respect of any money which we are authorised to receive or in respect of any matter or thing affecting the Goods or Property the subject of this Loan Agreement or our rights and to give effectual release and receipts of the same;

11.4.3.4 to sign any document and do anything necessary to:

11.4.3.4.1 give effect to the Security referred to in clause 11.5.1;

11.4.3.4.2 create, give effect to, execute, stamp or register any Security, pursuant to your obligations under clauses 11.5.2 and 11.5.3; or

11.4.3.4.3 execute, stamp or register with any appropriate authority or on any appropriate register a caveat or consent to caveat in relation to the Security referred to in clause 11.5.1 or the Security referred to in clause 11.5.2;

11.4.3.5 to liaise with and disclose information regarding this Loan Agreement to the holder of any Security over the Property or the Goods or to any other person;



- 11.4.3.6 to consent to the creation or registration of any Security over the Property or Goods on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion;
  - 11.4.3.7 to seek the consent of any encumbrancee of the Property or Goods in respect of any matter concerning the charge referred to in clause 11.5.1 or any Security relating to that charge, on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion;
  - 11.4.3.8 to sign any document or do anything necessary to obtain the consent referred to in clause 11.4.3.7, on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion;
  - 11.4.3.9 to produce and/or give to any other entity any instrument of title relating to the Property;
  - 11.4.3.10 to seek the production and/or delivery to the Lender of any instrument of title relating to the Property by any encumbrancee of the Property or any other person;
  - 11.4.3.11 to sign any document or do anything necessary to obtain the production and/or delivery to the Lender of any instrument of title to the Property pursuant to clause 11.4.3.10, on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion;
  - 11.4.3.12 to enter into and execute a Deed of Priority or similar document with any other encumbrancee of the Property, on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion;
  - 11.4.3.13 to sign any document or do anything necessary to exercise any of your powers in respect of the Property, on such terms as the attorney considers necessary or desirable, in the exercise of its sole discretion.
- 11.4.4 The appointment referred to in clause 11.4.1 applies until all your obligations under this Loan Agreement are completely discharged. A declaration by one or more of the attorneys referred to in clause 11.4.2 that the appointment referred to in clause 11.4.1 remains operative is conclusive evidence of that fact.
- 11.4.5 You must promptly ratify and confirm anything done pursuant to the appointment referred to in clause 11.4.1.
- 11.4.6 To avoid doubt, any of the entities referred to in clause 11.4.2 are entitled to do anything pursuant to the appointment referred to in clause 11.4.1, notwithstanding that this results or may result in:

- 11.4.6.1 a benefit being conferred on the Lender, the attorney or any other entity referred to in clause 11.4.2; or
- 11.4.6.2 a conflict of interest or duty.

## **11.5 Mortgage**

- 11.5.1 As security for the due and punctual payment by you of the amount lent and the due and punctual performance and observance by you of your obligations under this Loan Agreement, you hereby charge in our favour all your rights, title and interest in the Property and the Goods.
- 11.5.2 If required by us, you must, at your own expense and within seven (7) days of being requested to do so by the us, execute and return to us any Security evidencing or giving effect (either in whole or part) to the charge referred to in clause 11.5.1, containing such terms as we may reasonably consider necessary or advisable.
- 11.5.3 You must, at your own expense, promptly sign any document and do anything we require you to do :
  - 11.5.3.1 give effect to the charge referred to in clause 11.5.1;
  - 11.5.3.2 give effect to a Security referred to in clause 11.5.2, including, without limitation, stamping and registering the Security with any appropriate authority or on any appropriate register;
  - 11.5.3.3 execute, stamp and register with any appropriate authority or on any appropriate register a caveat or consent to caveat in relation to the charge referred to in clause 11.5.1 or a Security referred to in clause 11.5.2; or
  - 11.5.3.4 produce and give to us any instrument of title to the Charged Property.
- 11.5.4 You hereby irrevocably authorise us, at your expense, to sign any document and do anything necessary to:
  - 11.5.4.1 give effect to the charge referred to in clause 11.5.1;
  - 11.5.4.2 create, give effect to, execute, stamp or register any Security referred to in clause 11.5.2, including, without limitation, stamping and registering the Security with any appropriate authority or on any appropriate register;
  - 11.5.4.3 execute, stamp and register with any appropriate authority or on any appropriate register a caveat or consent to caveat in relation to the charge referred to in clause 11.5.1 or a Security referred to in clause 11.5.2;
  - 11.5.4.4 procure the production and/or delivery to us of any instrument of title to the Charged Property.

## 12 GENERAL

### 12.1 Transfer of Loan

We may assign or otherwise deal with our rights under this Loan Agreement in any way. You must sign anything and do anything we reasonably require to enable any dealing with this Loan Agreement. Any dealing with our rights does not change your obligations under this Loan Agreement in any way.

In exercising our power to assign or otherwise deal with our rights under this Loan Agreement, you agree that we may disclose to anybody any information about you or this Loan Agreement.

### 12.2 No deduction

To the maximum extent allowed by law, you give up any right to set off any amounts we owe you against amounts you owe under this Loan Agreement or any Security.

If you have any money in any account with us, we can, but need not, use it to pay amounts owing under this Loan Agreement and Security. If we do this, the balance of the account will reduce by the amount used for this purpose.

### 12.3 Notices

We may give you a notice by personal delivery, prepaid ordinary post, or facsimile sent to your address shown on the Loan Agreement, sent to your registered office (if you are a company), or sent to your last address known to us. We may also give a notice in any other way authorised by law.

The notice may be signed by any employee, solicitor, or agent on our behalf.

### 12.4 Information to guarantors

You consent to us giving information to any guarantor(s) or their lawyers. This includes copies of documents concerning you, the Loan and any Security.

### 12.5 Severability of provisions

If part of the Loan Agreement is not legally enforceable in a relevant place that part will be ignored in that place, but in all other respects the Loan Agreement has full effect.

If your Loan is a Regulated Loan then the following applies:

- the Lender's rights and powers under the Loan Agreement and any Security are limited as required by the National Credit Code; and
- the amounts that you are required to pay under the Loan Agreement, and which are secured by the Security, will not be more than the Lender is allowed to recover from you, or that may be secured, under that law.

This applies despite anything in the Loan Agreement. It does not affect the Loan Agreement if your Loan is an Unregulated Loan. It does not affect any Security to

the extent it secures arrangements which are not regulated by the National Credit Code.

## 12.6 Governing Law

This Loan Agreement is governed by and interpreted in accordance with the law for the time being in force in the place where the principal Security is located.

## 12.7 General

If there are two or more of you, each of you is individually liable, and all of you are jointly liable. This means we may sue any one of you for all the amount outstanding. References to a person includes companies and trusts and any other kind of body. Singular words include plural words and vice versa.

## 12.8 Financial Statements

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

# 13 INTERPRETATION

## 13.1 Definitions

In this Booklet and the Loan Agreement:

**Account Available Funds** means, in relation to a Loan Account, the amount we determine on any day to be while the interest rate is variable, the greater of nil and the difference between the Scheduled Limit of that Loan Account on that day and the amount outstanding in that Loan Account on that day (for these Loan Accounts you will only have a difference if you make higher repayments than the repayments you are required to make or you make extra or lump sum repayments).

**Additional Advance** means an approved increase in the Credit Limit, Initial Amount of Credit or Scheduled Limit of a Loan Account.

**Administration** includes bankruptcy, administration (including arising out of insolvency, mental illness or incapacity), compromise or arrangement with creditors, assignment for creditors, receivership, winding up, dissolution or anything similar.

**Amount of Credit** means, in relation to a Term Loan Account, the amount set out for that Loan Account in the "Amount of Credit" section of the Financial Information Table in the Loan Agreement. This is the initial amount available on that Loan Account.

**Anniversary Date**, in relation to each Loan Account comprising a Loan that requires monthly repayments, means, subject to the following, the date of the month on which the Loan Settles.

For example, if a Loan Settles on the 20th of a month, the 20th is, subject to the following paragraph, the Anniversary Date for each Loan Account comprising that Loan in each month during the term of the Loan.

If the frequency of your loan repayments is not monthly, e.g. weekly or fortnightly, the Anniversary Date will be each and every week or fortnight following the date on which the Loan Settled.

If an Anniversary Date for a month falls on a day which is not a Business Day, the Anniversary Date will be the next Business Day unless that Business Day is in the next calendar month, in which case the Anniversary Date for the relevant month will be the preceding Business Day. If an Anniversary Date would fall on the 29th, 30th or 31st of a month but that month does not have that many days, the Anniversary Date for that month will be the last Business Day of that same month.

**Available Redraw Funds** means, the amount calculated in clause 5.2.4.

**Banking Day** means a day other than a Sunday or a national holiday in Australia.

**Business Day** means a day other than a Saturday or Sunday or a public, special or bank holiday in Sydney.

**Daily Percentage Rate** has the meaning given in clause 2.2.

**Default Daily Percentage Rate** has the meaning given in clause 2.5.

**Default Event** has the meaning given in clause 10.

**Default Margin** has the meaning given in the Loan Agreement (opposite the heading "Default interest").

**Disclosure Date** is the date defined as such in the Loan Agreement.

**Enforcement Expense** means any reasonable amount we reasonably spend or incur in relation to:

- the enforcement or exercise of our powers under the Loan Agreement or any Security (including any guarantee or any Security for a guarantee); or
- any Property, including amounts claimed against us or our officers/representatives relating to that Property and any goods and services or other tax payable by us in connection with the sale of any Property.

**Goods** means any Security referred to in the Schedule (whether or not particulars of that asset are also set out in the Schedule) together with any other goods you acquire in replacement of or as additions or accessories to it.

**Guarantee** means any Guarantee given to secure this Loan Agreement.

**Guarantor** means any person who has given a guarantee.

**Initial Amount of Credit** means, in relation to a Term Loan Account, the amount set out for that Loan Account in the "Initial Amount of Credit" section of the table in the Loan Agreement. This is the initial amount available on that Loan Account.

**Interest Charge Date** means, in relation to each calendar month, the last day of the month.

**Interest Charge Period** means the period from the day after an Interest Charge Date until the next Interest Charge Date.

**Interest Rate** means, in relation to a Loan Account, at any time the interest rate described for that Loan Account in the table in the Loan Agreement opposite the heading "Interest Rate" as applicable at that time or any other interest rate we notify you from time to time will apply to the unpaid balance in the relevant Loan Account.

**Internet Service** means the service we make available through the internet network to enable the electronic receipt and transmission of information and instructions.

**Lender, Credit Provider, we, us** means bcu, a division of Police & Nurses Limited ABN 69 087 651 876.

**Loan** means the loan referred to in your Loan Agreement, or if you have more than one Loan Account, means all the Loan Accounts and, where the context permits, each of them.

**Loan Account** means a loan account in your name opened for the purposes of the Loan. It includes any separate loan account created by the split of an existing Loan Account into two or more Loan Accounts.

**Loan Account Opening Date** means the first date on which your Loan Account is opened and:

- debited with funds; or
- the Initial Amount of Credit is available for drawing.

**Loan Agreement** means the agreement which arises if you accept our Offer. The terms of that agreement are set out in the Offer and this Booklet.

**Loan Available Funds** means, in relation to your Loan, the amount we determine on any day to be:

- the lesser of:
  - the Amount of Credit described in the Loan Agreement; and
  - the sum of all Credit Limits and Scheduled Limits on your Loan Accounts at that time; less
- the balance of all Loan Accounts on that day.

**Mortgage** means any mortgage or security interest given to secure this Loan Agreement.

**Chargor** means any person who has given a mortgage.

**Offer** means the offer of credit from us to you contained in the Loan Agreement.

**Payment Due Date** means the date specified in your Loan Agreement as the date on which payments of interest or repayments of principal and interest are due, or any other date we tell you from time to time is your payment due date;

**Property or Charged Property or Collateral or Mortgaged Property** means any property referred to in the Schedule mortgaged or charged, or to be mortgaged or

charged by a Security and includes any part of that property and all your right, title and interest in that property.

Where the Security is over a lease of land, the **Property** includes the land the subject of the lease, the unit or house and all other buildings or improvements on the land and all rights under the lease.

**Regulated Loan** means a Loan made under a Loan Agreement which we are treating as regulated by the National Credit Code. Your Loan Agreement says, opposite the heading "Purpose", whether we are treating your Loan Agreement that way.

**Scheduled Limit** means in relation to a Term Loan Account the amount determined by us to be the maximum amount which may be outstanding in the Loan Account from time to time. It reduces on each Payment Due Date. To give you a guide as to how it is determined, it is the amount which would be outstanding in the Loan Account if you drew down the whole of the Initial Amount of Credit and then made all payments required under your Loan Agreement on time and you did not pay more than you are required to pay under your Loan Agreement, nor incur any fees and charges (other than the fees and charges under "Initial Fees and Charges" in your Loan Agreement).

**Security** means any Security (for example, a mortgage, caveat or guarantee), claim or other right we hold against you or anyone else in relation to your obligations under this Loan Agreement, now or in the future, including all security interests registered or capable of being registered on the Personal Property Securities Register.

**Settle** means when the Loan Account is opened and the Amount of Credit is available for drawing.

**Settlement Date** means the date on which your Loan Settles.

**Term Loan** means, at any time, any Loan Account other than a Card Account or a Loan Account in relation to which the Revolving Credit Period has not ended.

**Transfer Day** means a day on which we process your repayments to your Loan Account.

**Unregulated Loan** means any Loan which is not a Regulated Loan.

**You** means the person or legal entity to whom the Loan Agreement is addressed. If there are more than one, it means each of them separately and every two or more of them jointly.

## 13.2 Interpretations

Mentioning something after include, includes, included or including does not limit what appeared before. Examples do not limit what else may be included.

## 13.3 Currency

In the Loan Agreement and in this Booklet all stated amounts are Australian dollars.

# INFORMATION STATEMENT

The following information statement only applies if your loan is a Regulated Loan

## 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 the 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 precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before

- your contract is entered into; or
- you make an offer to enter into the contract;

whichever happens first.

### 2 HOW CAN I GET A COPY OF THE FINAL CONTRACT?

If the contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep.

Also, the credit provider must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply, if the credit provider has previously given you a copy of the contract document to keep.

If you want another copy of your contract write to your credit provider and ask for one. Your credit provider may charge you a fee. Your credit provider has to give you a copy

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

### 3 CAN I TERMINATE THE CONTRACT?

Yes. You can terminate the contract by writing to the credit provider so long as

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by your credit provider has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.



#### **4 CAN I PAY MY CREDIT CONTRACT OUT EARLY?**

Yes. Pay your credit provider the amount required to pay out your credit contract on the day you wish to end your contract.

#### **5 HOW CAN I FIND OUT THE PAY OUT FIGURE?**

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up.

Your credit provider must give you the statement within 7 days after you give your request to the credit provider. You may be charged a fee for the statement.

#### **6 WILL I PAY LESS INTEREST IF I PAY OUT MY CONTRACT EARLY?**

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits 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 written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for
  - a change in the way in which interest is calculated; or
  - a change in credit fees and charges; or
  - any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

#### **9 IS THERE ANYTHING I CAN DO IF I THINK THAT MY CONTRACT IS UNJUST?**

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful you may contact your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your credit provider's external dispute resolution provider is Credit Ombudsman Service Limited and can be contacted by post at PO Box A252 Sydney South NSW 1235, by phone on 1800 138 422 or 02 9273

8400 by fax on 02 9273 8400, by email at [members@cosl.com.au](mailto:members@cosl.com.au) or on their website [www.cosl.com.au](http://www.cosl.com.au).

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 can not 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 CONTACT 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 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 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 our 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, for example

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

**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 the 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 can not be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

**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.

**IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION**

**SCHEME. IF YOU HAVE A COMPLAIN 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 CREDIT OMBUDSMAN SERVICE LIMITED AND CAN BE CONTACTED BY POST AT PO BOX A252 SYDNEY SOUTH NSW 1235, BY PHONE ON 1800 138 422 OR 02 9273 8400 BY FAX ON 02 9273 8400, BY EMAIL AT [members@cosl.com.au](mailto:members@cosl.com.au) OR ON THEIR WEBSITE [www.cosl.com.au](http://www.cosl.com.au).**

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