

# Reverse Mortgage Home Loan

## Terms & Conditions

Effective from 17 April 2020



## **Important Information**

This booklet contains the terms and conditions of our Reverse Mortgage Home Loans.

The Contract for the Loan is made up of the terms and conditions in this booklet and a Schedule setting out the particulars of the Loan. By signing and returning the Schedule to us you agree to be bound by the Contract as set out in both documents.

**NB: This booklet does not contain all the information we are required to give you before you enter into the Contract. Other information is contained in the Schedule. Please read both documents carefully.**

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## 1. Interpretation

### *What some important words mean*

- 1.1 The following definitions apply to this booklet and the Schedule:

**Amount of Credit** is the amount which is described in the Schedule as the Amount of Credit.

**Annual Percentage Rate** is the interest rate applicable to the Contract, described in the Schedule as the Annual Percentage Rate (but subject to change as described or authorised by the Schedule or these Terms and Conditions).

**Bank, we, us, our** means Police & Nurses Limited (ABN 69 087 651 876, Australian Credit Licence 240701).

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

**Contract** is the Schedule you sign and this booklet.

**Default Rate** is the default interest rate applicable to the Contract, described in the Schedule as the Default Rate.

**Insurance** means any compulsory insurance or insurance in respect of the Property that we reasonably require, up to the limit required by us, and on terms and with an insurer acceptable to us.

**Loan** is that part of the Amount of Credit we provide to you under the Contract.

**Loan Account** means the account we open in your name to record transactions under the Contract.

**Maximum Amount Owed** has the meaning given to that term in clause 12.2.

**Mortgage** is the security, being the mortgage stated in the Schedule, which we require you to grant us over the Property.

**National Credit Code** is the National Credit Code set out in Schedule 1 of the *National Consumer Credit Protection Act 2009* (Cth), Chapter 7 of the *National Consumer Credit Protection Regulations 2010* (Cth) and any amendments to, replacements of or statutory instruments or determinations issued under them from time to time.

**Property** is the property which is described in the Schedule as the Property over which you grant a Mortgage.

**Schedule** is the Schedule which records the particulars of the Contract and includes the Financial Table.

**Security Interest** means any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust, power, guarantee, indemnity or guarantee and indemnity.

**Unpaid Balance** is the difference between all amounts credited and all amounts debited to your Loan Account.

**Valuer** means a person who is:

- (a) accredited as a certified practicing valuer by the Australian Property Institute;
- (b) a professional member of the Royal Institution of Chartered Surveyors who is entitled to be described as a Chartered Valuation Surveyor; or
- (c) registered or otherwise authorised, under the laws of the State or Territory in which the Property is situated to value the Property.

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

### *Working out when something must be done*

- 1.2 Except in the case of clause 9, where the Contract says something will or must be done on or by a particular day (including a payment you are required to make) and:
- (a) that day is the 29th, 30th or 31st of any month – that thing will or must be done on or by the 28th day of the month;
  - (b) if clause 1.2(a) does not apply and that date is not a Business Day – that thing will or must be done on or by the next Business Day unless that Business Day is in the next calendar month, in which case it will or must be done on or by the preceding Business Day.

## 2. What makes up your contract?

- 2.1 The Contract for your Loan comprises the Schedule you sign and this booklet.
- 2.2 To the extent of any inconsistency between the Schedule and any of this booklet, the terms of the Schedule will prevail.

## 3. Customer Owned Banking Code of Practice

We will comply with the Customer Owned Banking Code of Practice in our dealings with you. You may obtain a copy of the code by contacting us on 13 25 77.

## 4. Things that must happen before you get your Loan

- 4.1 The Bank will not provide any part of the Amount of Credit unless and until:
- (a) you complete all necessary documentation to open your Loan Account and provide the Bank with suitable identification (if required);
  - (b) the Mortgage is in registrable form, is stamped, has priority for all amounts that may become payable under the Contract and is signed;
  - (c) you obtain Insurance and the Bank has received proof you have done so (for example, you have provided us with evidence of currency of the insurance, to our satisfaction);
  - (d) the Bank has received written settlement and disbursement instructions from you in respect of the Loan at least three (3) days before you want the settlement and/or disbursement to occur;
  - (e) you pay to the Bank those fees and charges that are described as the Initial Fees and Charges in the Schedule (unless the Bank agrees to their payment out of the Amount of Credit);
  - (f) you notify us of the name(s) and address(es) of the executor(s) you have appointed under your Will;
  - (g) the Bank has received all of the following in a form satisfactory to us:
    - (i) a statutory declaration made by you, which confirms that you have received independent legal advice, and received or waived your right to receive independent financial advice, in relation to your Loan and the Mortgage;
    - (ii) a certificate from a lawyer confirming that the lawyer has given you legal advice in relation to the Contract and the Mortgage, and their effect on you; and
    - (iii) unless you have waived your right to receive the recommended independent financial advice,

a certificate from a financial advisor or an accountant confirming that the financial advisor or accountant has given you financial advice in relation to the Contract and the Mortgage, and their effect on you; and

- (h) you provide the Bank with such other documents or authorities that the Bank reasonably requires.

4.2 In addition, the Bank will not provide any part of the Amount of Credit where:

- (a) we become aware of any adverse change to your financial situation or status (such as your capacity to contract) after the Contract is made;
- (b) any circumstances which, in our reasonable opinion or in the reasonable opinion of any solicitors, may prejudice our interests;
- (c) the result of any title or other document searches are not satisfactory, including where such results show that you do not own the whole of the Property;
- (d) the Bank discovers that you do not have a valid Will in place;
- (e) the particulars set out in the P&N Bank Reverse Mortgage Home Loan Application Form cannot be confirmed to our satisfaction, including that you are at least 65 years old;
- (f) you do not provide us with evidence that you have obtained separate independent legal advice about entering into the Contract; or
- (g) you do not provide us with a medical certificate that confirms you are not suffering from any physical or mental condition likely to affect your capacity to understand the Contract where we request you obtain such a certificate.

## 5. Your Loan and Loan Account

- 5.1 Subject to clause 4 the Bank will provide the Amount of Credit in accordance with the Contract and your written instructions.
- 5.2 The Loan must be used for personal, domestic or household purposes.
- 5.3 The Bank will open a Loan Account for the purpose of the Contract. You must:
  - (a) repay the Loan;
  - (b) pay interest as described in clause 9;
  - (c) pay the fees and charges (including Initial Fees and Charges) set out in the Schedule or otherwise imposed by the Bank under the Contract. In respect of fees and charges which are not included in the Amount of Credit, you must pay them to us when they are incurred by you (if a fee or charge is stated as being payable to a third party, we will make this payment to the third party once we receive the payment from you); and
  - (d) pay all other amounts (including amounts which have not been debited to your Loan Account), which the Contract requires you to pay, including enforcement expenses we reasonably incur.
- 5.4 You authorise us to debit the amounts specified in clause 5.3 to your Loan Account when they are incurred.
- 5.5 The Bank may close your Loan Account if the balance of your Loan Account is zero.

## 6. Your Will

- 6.1 You declare that you have executed a valid Will at the date of this Contract, and that you agree you will have a valid Will at all times during the term of this Contract.
- 6.2 You must notify us immediately in writing if you change the executor(s) of your Will, or they change their address(es) during the term of this Contract.

## 7. What is your Annual Percentage Rate?

- 7.1 The Annual Percentage Rate that applies to your Loan Account will be the P&N Bank Reverse Mortgage Home Loan variable interest rate (as specified in the Schedule).
- 7.2 The P&N Bank Reverse Mortgage Home Loan interest rate is published on the Bank's website at pnbank.com.au. You may also find out information on the Bank's current interest rates by calling us on 13 25 77.

## 8. Equity in your Property may decrease

You acknowledge that your equity in the Property may decrease as a result of you entering into this Contract.

## 9. How are interest charges calculated?

- 9.1 Interest charges will accrue daily and will be calculated on the Unpaid Daily Balance of your Loan Account at the Daily Percentage Rate where:
    - (a) **Daily Percentage Rate** is the applicable Annual Percentage Rate divided by 365; and
    - (b) **Unpaid Daily Balance** is the Unpaid Balance at the end of the day.
  - 9.2 If your Loan Account has a credit balance on any day, the Unpaid Daily Balance will be treated as zero.
  - 9.3 The interest charges (calculated to the end of the day prior to the debiting) will be debited to your Loan Account monthly in arrears on the last day of each month (see also clause 1.2).
  - 9.4 On the date of termination of the Contract (such as the day you pay out the Unpaid Balance), interest charges (calculated to the end of the day prior to the debiting) will also be debited to your Loan Account and will be payable on that date.
  - 9.5 Interest charges debited to a Loan Account form part of the Unpaid Balance upon which interest charges are calculated. This means that interest charges will be subject to interest charges.
  - 9.6 If you are in default, interest charges are higher (see clause 10). In such a case, we will exclude from the Unpaid Daily Balance, used for the purposes of calculating interest under this clause 9, any amount on which interest charges are higher. We will charge interest on this amount in accordance with clause 10 instead.
- ## 10. When can default interest apply and how is it calculated?
- 10.1 The Bank may charge you default interest on any overdue amount (that is any amount payable under the Contract which you fail to pay by its due date for payment).
  - 10.2 Default interest is charged at a rate equal to 2% per annum above the Annual Percentage Rate applying to your Loan Account at the time ("**Default Rate**") and accrues daily on the overdue amount from the day it was due for payment until the amount is paid, and at the Default Rate divided by 365.
  - 10.3 We will debit default interest (calculated to the end of the day prior to the debiting) to your Loan Account monthly in arrears on the same day that other interest charges are debited pursuant to clause 9.

10.4 You must pay us on demand any default interest which is debited to your Loan Account. Default interest debited to your Loan Account will form part of the overdue amount and will attract interest at the Default Rate.

### **11. Your payment obligations**

11.1 You are not required to make any minimum repayments.

11.2 Unless you are in default under this Contract, you will not be liable to pay us any part, or the whole, of the Unpaid Balance until the last surviving person named in this Contract as the Borrower dies or decides to no longer reside in the Property (for example, by moving into aged care accommodation). When this occurs, you (being the last surviving Borrower) must pay the Unpaid Balance (or if applicable, such lesser amount determined under clause 12).

11.3 You may, at any time, choose to:

- (a) make repayments of any amount; or
- (b) pay out the Unpaid Balance (or if applicable, such lesser amount determined under clause 12), in which case the Mortgage will be discharged upon payment of the Discharge of Mortgage Fee as specified in the Schedule.

Repayments can be made by direct debit, direct credit or any other payment method approved by us at any time.

### **12. Your liability is limited – no negative equity guarantee**

12.1 This clause 12 does not apply where:

- (a) you engaged in fraud; or
- (b) you have given us incorrect or misleading information, which poses a material credit risk to us in respect of the Contract,

before, or at the time, this Contract was entered into.

12.2 The maximum amount you are required to pay us under this Contract is:

- (a) where you have sold the Property, the sale price of the Property;
- (b) where we enforce our rights under the Mortgage, the total amount we obtain by enforcing our rights under the Mortgage; or
- (c) in all other cases, the market value of the Property as determined by a Valuer within the three (3) month period before the Bank receives an amount from you to pay out the Unpaid Balance,

but if the amount we receive in accordance with clause 12.2(a) or 12.4(b) is reduced because:

- (d) you, or a person who occupied the Property with your consent, deliberately damaged the Property; or
- (e) in the case of a sale by you under clause 12.2 the sale was not concluded:
  - (i) in good faith; or
  - (ii) on fair or reasonable terms,

then we can require you to pay us an amount under this Contract equal to the market value of the Property at the time the Property was sold, as determined by a Valuer and, on the assumption, in the circumstances contemplated by clause 12.2(d), that the Property has not been damaged.

12.3 Upon you paying us the amount equal to the Maximum Amount Owed, or us recovering that amount by enforcing our rights under the Mortgage, you will be taken to pay out the Unpaid Balance and your obligations under this Contract are discharged.

12.4 If, by enforcing our rights under the Mortgage:

- (a) we recover an amount greater than the Maximum Amount Owed, we will pay you the excess; or
- (b) we do not recover an amount equal to the Maximum Amount Owed, we have no right to take any action against you personally to recover any shortfall between the amount received by us and Unpaid Balance.

### **13. Fees and charges**

13.1 You must pay the Bank the fees and charges that are, or may become, payable under the Contract and must do so when required by the Schedule or otherwise by the Contract or the Bank.

13.2 The Bank may add the fees and charges to your Loan Account when they are payable. The Bank will not debit the fees and charges to your Loan Account where you have paid those fees and charges.

13.3 The Bank can apply any payments you make in respect of your Loan Account to any amount you owe under the Loan in any order the Bank determines.

13.4 If you have more than one loan contract with the Bank, and you make any payment to the Bank without telling the Bank in writing to which account the payment is to be applied (or if you do tell the Bank but are in default under this Contract), the Bank can apply it to any or all of the loan contracts or Loan Account in any way the Bank thinks fit.

13.5 If you attempted to make a payment to us by cheque, payment order or direct credit but such payment is dishonoured, we may:

- (a) reverse the credit to your Loan Account;
- (b) charge you a Dishonour Fee;
- (c) change default interest under clause 10; and
- (d) exercise any right or remedy we have under this Contract.

### **14. Revaluation of Property**

We may arrange for the Property to be revalued:

- (a) approximately every 5 years from the date that we make the Loan available to you;
- (b) if you notify us that you intend to sell any or all of your interest in the Property; or
- (c) at any time we reasonably suspect that the value of the Property may have, or has decreased,

and you must provide all reasonable assistance to ensure that we can obtain a valuation (including by giving the valuer access to the Property).

### **15. Will you get a statement of account?**

15.1 The Bank will send you a statement of account for your Loan Account at least every six months. However, in circumstances where the National Credit Code states that no statement of account need be given, none will be sent.

15.2 You may opt-in to receive electronic statements (you can do this through P&N Bank Internet Banking). If you do, your statements will be available for you to review in P&N Bank Internet Banking and the P&N Bank Mobile Banking App. We will send you an email to tell you when you have a new statement to view. If you do opt-in to receive electronic communications, we will no longer send you a physical statement of account.

**16. When we can change your Contract and how we will tell you**

16.1 The Bank can change the Contract, or any part of it, at any time without your consent, as set out in this clause 16, for one or more of the following reasons:

- (a) to comply with any change or anticipated change in any relevant law, code of practice, guidance or general banking practice;
- (b) to reflect any decision of a court, ombudsman or regulator;
- (c) to reflect a change in our systems or procedures, including for security reasons;
- (d) to respond to changes in the cost of providing credit (including by changing interest rates); or

(e) to make the Contract clearer or to add features.

16.2 The Bank can:

- (a) change the amount, frequency or time of a repayment;
- (b) change the manner in which interest is calculated or applied;
- (c) impose a new fee or charge;
- (d) change the amount, method of calculation, frequency or time for payment of a fee or charge;
- (e) change any other term or condition that applies to the Contract.

16.3 The Bank will give notice of changes by the times and methods set out in the following table.

Change	Does the change reduce your obligations* or extend the time for payment?	Minimum number of days' notice	Method of Notification
Change to a reference rate or an Annual Percentage Rate	No	Day of change	New reference rate notified in writing or by press advertisement in The Australian or another national newspaper
	Yes	Period of notification will be chosen by the Bank	Method of notification will be chosen by the Bank
Change to the way interest is calculated or applied	N/A	20 days	In writing
Increase a fee or introduce a new fee	N/A	20 days	In writing or by press advertisement in The Australian or another national newspaper with details provided before, with or on your next statement
Decrease a fee	N/A	No later than your next statement after the change has taken effect	Details will be provided before, with or on your next statement
<ul style="list-style-type: none"> <li>• Change the frequency or time for payment of a fee;</li> <li>• Change the amount, frequency, time for payment, or method of calculation of instalments or minimum repayments; or</li> <li>• Change any other term or condition in the Contract</li> </ul>	No	20 days	In writing
	Yes	No later than your next statement after the change has taken effect	Details will be provided before, with or on your next statement

\*Examples of reduced obligations are where an applicable interest rate, fee or repayment is reduced

## 17. Property requirements

### 17.1 During the term of this Contract:

- (a) you must:
  - (i) take out and maintain the Insurance;
  - (ii) allow us to inspect the Property on us giving you 10 days notice that we wish to do so;
  - (iii) maintain the Property in the same or better condition as at the date that Contract is entered into, fair wear and tear excepted;
  - (iv) pay all local council rates and strata levies where required; and
- (b) you must not, without our prior written consent:
  - (i) make any additions or alterations to the Property;
  - (ii) create or allow to exist any Security Interest over or in connection with the Property other than the Mortgage;
  - (iii) sell or agree to sell any or all of your interest in the Property; or
  - (iv) lease or rent the Property or part of it.

### 17.2 If you ask us to consent to you doing anything under clause 17.1, we may:

- (a) give you our written consent;
- (b) not give you our written consent, provided we have reasonable grounds to withhold our consent; or
- (c) give you our written consent on conditions that we, acting reasonably, determine. If we give you our written consent on conditions that we determine, then if you breach those conditions you will be in breach of this Contract.

## 18. When will you be in default?

### 18.1 You will be in default under this Contract if:

- (a) you do not use the Loan for personal, household or domestic purposes;
- (b) you do not comply with any obligations under this Contract, the Mortgage or the Insurance policy and we make an assessment, acting reasonably, that your default is material or poses a material credit risk to us in respect of the Contract;
- (c) any Mortgage is unenforceable according to its terms;
- (d) the insurer terminates any Insurance due to your default under the Insurance policy;
- (e) you fail to renew any Insurance on terms that satisfy our requirements;
- (f) you become bankrupt;
- (g) you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy;
- (h) you give us incorrect or misleading information, which poses a material credit risk to us in respect of the Contract before, or after, you enter into the Contract; or
- (i) we reasonably believe you have acted fraudulently in connection with this Contract.

### 18.2 If you are in default, the Bank may give you a notice stating that you are in default. The notice will also tell you:

- (a) what the default is;
- (b) what you have to do to remedy the default; and

- (c) that you will have at least 30 days from the date of the notice to remedy the default.

18.3 If we believe, on reasonable grounds, that we were induced by fraud on your part to enter into this Contract, or we have made reasonable attempts to locate you but without success, we do not need to give you a default notice before taking the actions specified in clause 18.2.

18.4 If you do not, or cannot, correct the default within the period specified in the default notice, at the end of that period and without further notice to you:

- (a) the Unpaid Balance and any other amount owing under the Contract will become immediately due for payment (to the extent it is not already due for payment); and
- (b) the Bank may sue you for that amount and exercise any and all of its rights under the Contract and the Mortgage.

18.5 If the Bank is required by law to first give you notice to remedy your default, you will be deemed to have failed to remedy the default specified in the notice if, at the end of the time allowed by the notice, you have remedied that default but have committed another of the same type.

## 19. What happens when the Contract ends or the Bank enforces its rights?

19.1 If the Contract ends or the Bank enforces its rights under the Contract:

- (a) Subject to the no negative equity guarantee set out in clause 12, you will be required to repay the Loan, interest as described in clause 9 and the fees and charges (including Initial Fees and Charges) set out in the Schedule or otherwise imposed by the Bank under the Contract.
- (b) The Bank may recover the amount specified in clause 19.1(a) by enforcing its rights under the Mortgage. In which case, any person occupying the Property who does not have the benefit of tenancy protection provision under clause 30 will need to vacate the Property.

## 20. Enforcement expenses you must pay

20.1 You must pay the Bank the enforcement expenses reasonably incurred by the Bank or its agents where:

- (a) you breach any term or condition of the Contract or the Mortgage; and
- (b) the Bank or its agents incur enforcement expenses in enforcing the Bank's rights under the Contract or the Mortgage.

The Bank will debit these enforcement expenses to your Loan Account, they will be due and payable immediately.

20.2 Enforcement expense include the Bank's internal and external expenses in enforcing or taking any action to recover any amounts owing, dealing with the Property or otherwise in connection with its rights under this Contract or any Mortgage.

20.3 The Bank's internal expenses include but are not limited to the Bank's internal lawyers' fees and expenses and internal administration costs. The Bank's external expenses include but are not limited to barristers' fees, lawyers' fees and expenses (on a full indemnity basis), receivers' fees and charges, valuers' fees, real estate agents' commissions, licensed debt recovery agents' fees and commissions, process servers' fees, enquiry and other Bank agents' fees and charges.



## **21. Our certificates**

You agree that a certificate which has been signed by a Bank officer is admissible evidence of any fact or matter stated in the certificate (including, for example, that a default has occurred under the Contract or the Mortgage, or that an amount is due and payable by you to the Bank under the Contract) and that, unless the contrary is established, it is conclusive evidence.

- 21.1 To the extent permitted by law, the Bank can appoint agents to do anything the Bank can do under the Contract or the Mortgage.
- 21.2 If there is more than one Borrower and there is more than one copy of the Contract signed by any or each of you, then each signed copy taken together is part of the same Contract.
- 21.3 If the Bank obtains a valuation or inspection report in respect of the Property the subject of the Mortgage, that report is for the Bank's own internal use only and is the Bank's exclusive property. The Bank is not obliged to disclose the report or any of its detail to you or any person. In providing the Loan to you, the Bank makes no representation to you about the Property's condition, construction or value.
- 21.4 If the Contract allows the Bank to do something on a day then the Bank can do that thing on that day or any later day unless the Bank is required by law to do it on that day.
- 21.5 The rights of the Bank under this Contract will not be prejudiced by any indulgence granted to you. The rights of the Bank under this Contract can only be waived in writing, and a waiver of your breach will not affect the Bank's rights and remedies in relation to any continuing, recurring or subsequent breach of this Contract.
- 21.6 If the Bank decides not to exercise a right, remedy or power, this does not mean it cannot exercise it later. In addition, the Bank is not liable for any loss caused by exercising or attempting to exercise a right, remedy or power or by not exercising it, whether or not it is caused by the Bank's negligence.
- 21.7 You must not reduce or seek to reduce your liability to the Bank under this Contract by claiming that you or any other person has a right of set-off or counter claim against the Bank (except to the extent you have a right of set-off granted by law which the Bank cannot exclude by agreement). We may set-off, against any amount you owe us, any amount we owe you.
- 21.8 You must not, at any time, pay an amount to the Bank which would cause the Loan Account to have a credit balance. Should that occur, you agree to withdraw that credit balance. We will not pay interest on a credit balance.

## **22. Keeping us informed**

- 22.1 You must inform the Bank immediately of any change in your name or address (including email address). You can do this by contacting us on 13 25 77.
- 22.2 You must notify us immediately in writing if:
  - (a) there is a material adverse change in your personal or financial circumstances;
  - (b) anything happens which makes any of the statements made by you to us in your application for the Loan to be untrue or misleading; or
  - (c) anything happens which materially reduces the value of the Property the subject of the Mortgage.

## **23. What is the applicable law?**

The Contract is governed by the laws of the State or Territory in which the Property is located. You submit to the non exclusive jurisdiction of the courts of that place.

## **24. We can assign our rights**

The Bank may assign, transfer or otherwise deal with its rights under the Contract or any Mortgage in any way the Bank considers appropriate.

## **25. Disclosure of your information**

You agree that information about you (including, if relevant, documents concerning you, the Contract and any Mortgage) may be given to and obtained from:

- (a) an assignee or proposed assignee of the Contract or any Mortgage;
- (b) any person who has provided the Mortgage to the Bank;
- (c) a related entity of the Bank;
- (d) any agent, broker or contractor providing services to the Bank in connection with the Contract, its administration, or the marketing of the Bank's services e.g. postal services or debt collection;
- (e) any person, to the extent necessary in the view of the Bank, in order to carry out any instruction you give to the Bank; and
- (f) if the Schedule states that a commission is payable to or by the Bank, the person to or by whom such commission is payable including for the purpose of calculation of the commission payable.

## **26. Severance**

If:

- (a) any part or provision of the Contract is or becomes void or unenforceable in any State or Territory; or
- (b) any part or provision of the Contract otherwise would contravene a requirement of, or impose an obligation or liability which is prohibited by, the National Credit Code,

the Contract is to be read as if that provision were varied to the extent necessary to comply with the relevant law or, if necessary, as if it were omitted.

## **27. How we serve notices**

- 27.1 To the extent permitted by law, any notice or document given by us under this Contract, or required by law to be given by us, may be given in writing and can be delivered personally or by pre-paid post to the address you nominate for delivery of notices and documents, or by email to your nominated address for those purposes, or if no such address has been nominated by you, your address as last known to us. Unless required by law a notice given by us need not be signed but if required by law to be signed, or if signed when not so required, it can be signed by any officer of the Bank.
- 27.2 A notice, statement or demand from the Bank will be considered to have been received by you:
  - (a) if left at your address, on the date delivered or the date it bears, whichever is the later;
  - (b) if sent by post, on the date it would have been delivered in the ordinary course of post or the date it bears, whichever is the later; and
  - (c) if sent by email, on the date it bears or the date the transmitting machine reports it was sent, whichever is the later.

## 28. Anti-money laundering

- 28.1 You warrant that the payment of monies in accordance with your instructions by the Bank will not breach any laws in Australia.
- 28.2 You agree that the Bank may delay, block or refuse a payment in circumstances where the Bank believes, on reasonable grounds, that making a payment may breach any law in Australia or any other country, and the Bank will incur no liability if it does so.

## 29. Redraw facility

- 29.1 You can redraw (that is reborrow) all or part of the aggregate of the amounts paid by you to the Bank to repay the Loan less amounts you have previously redrawn on your Loan Account (“**Available Redraw Funds**”).
- 29.2 A request for a redraw must be made in writing by completing and signing our “Loan Redraw Request Form” or alternatively, if you have signed a “Redraw Authority Nomination” for the Loan Account, you can also access Available Redraw Funds via P&N Bank Internet Banking and the P&N Bank Mobile Banking App.
- 29.3 All amounts you redraw are debited to the Loan Account and will be subject to interest charges in accordance with clause 9.
- 29.4 You acknowledge and agree that, if there is more than one Borrower, by signing the Redraw Authority Nomination, you each authorise any co-Borrower to access alone any Available Redraw Funds pursuant to your right to redraw, until such time as you advise us in writing to the contrary.
- 29.5 The Bank will not provide a redraw:
- (a) if the Loan has been fully repaid (ie it has been paid out);
  - (b) the amount you ask to redraw is less than the minimum amount you can redraw, as advised by us from time to time;
  - (c) if you are in default under the Contract;
  - (d) if you do not provide the Bank with instructions on how the redraw is to be applied;
  - (e) if you have cancelled your right to redraw (see clause 29.6);
  - (f) if we have cancelled your right to redraw (see clause 29.7).
- 29.6 You acknowledge and agree that you, or any of you if there is more than one Borrower, can cancel your right to redraw at any time. If you cancel your right to redraw, you will no longer be able to access Available Redraw Funds via the P&N Bank Internet Banking and the P&N Bank Mobile Banking App.
- 29.7 The Bank can:
- (a) impose conditions on approving any request for a redraw;
  - (b) refuse any request for a redraw at any time;
  - (c) reduce your Available Redraw Funds for any reason, including but not limited to, when there has been a release of the Mortgage; and
  - (d) cancel your right to redraw at any time.
- We can do any of these things without your prior consent and without prior notice. However, if we do, we will give you notice after we do so (if we have not already given you prior notice).
- 29.8 We take no responsibility for your use of the redraw facility or amounts that you redraw.

## 30. Tenancy protection for Immediate Family Members nominated by you

- 30.1 If:
- (a) the Bank agrees that you are entitled to nominate an Immediate Family Member to have the same rights against the Bank to occupy the Property apart from the death of the Borrower (or if there is more than one Borrower, the death of the surviving Borrower) or vacation of the Property by the Borrower (or if there is more than one Borrower, the surviving Borrower vacating the Property); and
  - (b) you nominate an Immediate Family Member by completing and signing our Tenancy Protection Nomination form, and the Immediate Family Member nominated by you will have the same rights against the Bank to occupy the Property for a period specified by you (up to a maximum period of 6 months) and agreed to by the Bank.
- 30.2 An Immediate family member will only have the benefit of this tenancy protection provision where they execute an agreement with the Bank under which the Immediate Family member;
- (a) acknowledges the term of occupation of the Property (as nominated by you); and
  - (b) confirms they will comply with the obligations set out in clause 17 as if they were the Borrower.
- 30.3 You may, at any time by written notice to us revoke any nomination made by you pursuant to clause 30.4.
- 30.4 For the purposes of this clause, an ‘**Immediate Family Member**’ is a spouse, de facto partner or child who resides with you in the Property at the time of your nomination in accordance with this clause and will include the person (if any) we specify in the Schedule as your nominees at that time.

## 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 the Bank. It does not state the terms and conditions of your Contract.

If you have any concerns about the Contract, contact the Bank and, if you still have concerns, the Bank's external dispute resolution scheme, or get legal advice.

#### THE CONTRACT

##### 1. HOW CAN I GET DETAILS OF MY PROPOSED CREDIT CONTRACT?

The Bank 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 the Bank, you must be given a copy to keep.

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

If you want another copy of your Contract write to the Bank and ask for one. The Bank may charge you a fee. The Bank 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 Bank 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 the Bank 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 CONTRACT OUT EARLY?

Yes. Pay the Bank 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 the Bank at any time and ask for a statement of the payout figure as at any date you specify. You can also ask for details of how the amount is made up.

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

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

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your Contract permits the Bank to charge one) and other fees.

##### 7. CAN MY CONTRACT BE CHANGED BY THE BANK?

Yes, but only if your Contract says so.

##### 8. WILL I BE TOLD IN ADVANCE IF THE BANK 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
  - o a change in the way in which interest is calculated; or
  - o a change in credit fees and charges; or
  - o any other changes by the Bank;

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 the Bank. Discuss the matter and see if you can come to some arrangement.

If that is not successful you may contact the Bank's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. The Bank's external dispute resolution provider is:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne Vic 3001  
Phone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.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 YOU HAVE TO TAKE OUT INSURANCE?**

The Bank 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 Bank 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 the Bank. 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 the Bank then, within 14 days of that happening the Bank 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?**

The Bank 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 the Bank 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 Bank.

**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 Bank 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 the Bank'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 the Bank, together with a letter saying you want the Bank to sell the property for you;
- sell the property, but only if the Bank gives permission first;

OR

- give the property to someone who may then take over the repayments, but only if the Bank gives permission first.

If the Bank 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 the Bank even after mortgaged property is sold.

**19. CAN THE BANK TAKE OR SELL THE MORTGAGED PROPERTY?**

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

**20. IF THE BANK WRITES ASKING ME WHERE THE MORTGAGED GOODS ARE, DO I HAVE TO SAY WHERE THEY ARE?**

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

**21. WHEN CAN THE BANK OR ITS AGENT COME INTO A RESIDENCE TO TAKE POSSESSION OF MORTGAGED GOODS?**

The Bank 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 the Bank immediately. Discuss the matter and see if you can come to some arrangement. You can ask the Bank to change your Contract in a number of ways, for example

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

**23. WHAT IF THE BANK AND I CANNOT AGREE ON A SUITABLE ARRANGEMENT?**

If the Bank refuses your request to change the repayments, you can ask the Bank to review the decision if you think it is wrong.

If the Bank still refuses your request, you can complain to the external dispute resolution scheme that the Bank belongs to. Further details about this scheme are set out below in question 25.

**24. CAN THE BANK 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 Bank'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 THE BANK. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH THE BANK BEFORE CONTACTING THE BANK'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO THE BANK YOU CAN CONTACT THE BANK'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.**

**THE BANK'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS:**

**Australian Financial Complaints Authority**

**GPO Box 3**

**Melbourne Vic 3001**

**Phone: 1800 931 678**

**Email: [info@afca.org.au](mailto:info@afca.org.au)**

**Website: [www.afca.org.au](http://www.afca.org.au)**

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

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