

Bendigo Bank Unregulated  
Term Loan Principal & Interest.  
Key General Terms & Conditions.

08 July 2021

## **1. Banking Code of Practice**

**1.1** The Banking Code of Practice is a code of conduct which sets standards of good banking practice for the Bank to follow when dealing with the Borrower. It only applies to this Agreement if the Borrower is an individual who is not treated as a business under the Code or a small business (within the meaning of the Code). The Borrower can obtain a copy of the Banking Code of Practice from any of the Bank's branches.

**1.2** The Banking Code of Practice requires the Bank to draw your attention to the availability of general descriptive information concerning our banking services and cheques. This includes information about:

- (a) complaint handling procedures,
- (b) the advisability of you informing us promptly when the Borrower is in financial difficulty, and
- (c) the advisability of the Borrower reading the terms and conditions applying to this banking service.

Some of this Information is contained in this Agreement. The Borrower can get further information in relation to this banking service including:

- (a) information about standard fees, charges and interest rates,
- (b) information about our complaint handling procedures,
- (c) information about confidentiality of your information,

on request by telephoning the Bank on 1300 236 344, or visiting our website [www.bendigobank.com.au](http://www.bendigobank.com.au).

**1.3** The Borrower should tell the Bank as soon as possible if the Borrower is experiencing financial difficulty. Please contact the Mortgage Help Centre by:

Phone: 1300 652 146  
Fax: (03) 5485 7631  
Email: [mortgagehelpcentre@bendigobank.com.au](mailto:mortgagehelpcentre@bendigobank.com.au)

**1.4** If the Borrower has a problem, please let the Bank know immediately because the Bank may be able to fix it. The Bank will attend to your concern promptly and courteously.

**1.5** The Borrower can raise its concern or complaint with the Bank by:

- (a) telephoning the Bank on 1300 236 344 7.00am – 11.00pm (AEST) Monday to Friday,
- (b) emailing <mailto:feedback@bendigoadelaide.com.au>,
- (c) writing to the Bank at PO Box 480, BENDIGO VIC 3552.

**1.6** If the Borrower is not satisfied with the response provided it has the option of referring the matter to the Customer Advocate who will impartially assess the Borrower's complaint, keep the Borrower informed of the progress and provide the Borrower with a response.

(a) telephone – 1300 139 572 (+61 3 5485 7919) between 8.30am and 5.00pm (AEST/AEDT) weekdays

(b) email – [customeradvocate@bendigoadelaide.com.au](mailto:customeradvocate@bendigoadelaide.com.au)

(c) post/letter – write to Customer Advocate, PO Box 480, Bendigo VIC 3552

## **2. The Australian Financial Complaints Authority**

**2.1** The Bank hopes it never has a situation where it cannot resolve a concern or complaint to the Borrower's satisfaction. However, if this happens, the Borrower can refer the matter to the Australian Financial Complaints Authority.

**2.2** The Australian Financial Complaints Authority's role is to investigate matters only after customers have fully exhausted the established complaint procedures of their bank.

**2.3** The Borrower can get more information about this service by contacting the Australian Financial Complaints Authority at:

GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

## **3. Pre-settlement requirements**

The Advance is subject to the Bank's solicitor certifying that:-

- (a) all legal aspects of the application for finance are in order; and
- (b) satisfactory searches of title, copies of land and water rates, and any other usual searches required from time to time to confirm that the title is satisfactory security for the Bank; and
- (c) all charges upon the land (including any outstanding rates) have been paid prior to settlement; and
- (d) security is taken for the Advance.

## **4. Legal Costs and Government Charges**

Legal costs and fees including government charges relative to mortgage preparation and registration are payable by you.

## **5. Fees and Charges**

- 5.1** You must pay to the Bank the fees and charges set out in this Agreement and any other standard fees and charges the Bank imposes from time to time, including any standard fees relevant to your loan account which are referred to in the Bendigo Bank Schedule of Fees, Charges and Transaction Account Rebates (personal customers) or Business Fees and Charges (business customers).
- 5.2** Information on current fees and charges is available on request by asking any of our officers at any of the Bank's branches or by telephoning 1300 236 344. A copy of the Bendigo Bank Schedule of Fees, Charges and Transaction Account Rebates (personal customers) or Business Fees and Charges (business customers) can be obtained by contacting any of the Bank's branches, by telephoning 1300 236 344 or by visiting the Bank's website at [www.bendigobank.com.au](http://www.bendigobank.com.au).
- 5.3 Break Cost Fee and Prepayment Fee:** A Break Cost Fee is payable to us each time any of the following break events occur during a fixed rate period:
- at your request, we agree to vary your annual percentage rate; or
  - you repay your loan account balance in full.

A Prepayment Fee is payable to us if, during a fixed rate period, you prepay an amount (repay more than your required repayments) that exceeds 20% of:

- if the fixed rate period started on the date we first advanced any part of the amount of credit, the amount of credit – in which case the prepayment amount is the amount you prepay less 20% of the amount of credit during the fixed period; or
- if the fixed rate period started on a date after the date we first advanced any part of the amount of credit, the loan account balance at the start of the fixed rate period – in which case the prepayment amount is the amount you prepay less 20% of the loan account balance at the start of the fixed rate period.

A Break Cost Fee or a Prepayment Fee is only charged where we estimate we have suffered a loss as a result of the break event or prepayment due to differences in interest rates using the formula below.

**WARNING:**

**Break Cost Fees and Prepayment Fees may be significant. If you are considering requesting a change to your Annual Percentage Rate or partially or fully repaying your loan early during a fixed rate period please contact us at any of our branches or by telephoning 1300 236 344 for assistance and to obtain an estimate of the Break Costs Fee of Prepayment Fee before doing so.**

The amount of a Break Cost Fee or Prepayment Fee is calculated using the following formula:

$$\text{Break Cost Fee/Prepayment Fee} = \frac{A}{(1 + j)^{\frac{d}{365}}} \times \left[ \frac{(i - j) d}{365} + B - C \right]$$

Where:

wholesale swap rate = the applicable wholesale swap rate utilised by us at the relevant time, being an annual rate which is updated by us at least once on each Australian Securities Exchange trading day (as determined by the ASX Listing Rules) to reflect the wholesale market swap rate available to us.

*A* = The following amount at the repayment date, excluding accrued interest:

- For a Break Cost Fee: the loan account balance; or
- For a Prepayment Fee: the prepayment amount

*i* = the wholesale swap rate for the full fixed rate period at the start of the fixed rate period

$j$  = the wholesale swap rate for the remainder of the fixed rate period (from the date of the break event or prepayment) at the time at which the Break Cost Fee or Prepayment Fee is calculated by us, which must be a time on a date not more than 5 business days prior to the date of the break event or prepayment

$m$  = number of months from the date interest was last debited to the loan account to the end of the fixed rate period

$n$  = number of months from the date interest was last debited to the loan account to the end of the loan term

$d$  = number of days to the next date interest is to be debited to the loan account

and

$$B = \frac{g}{1 - v^n} x \left[ \frac{1 - w^{m-1}}{h} - v^n x \left[ \frac{x^{m-1} - 1}{x - 1} \right] \right]$$

$$C = \frac{h}{1 - w^n} x \left[ \frac{1 - w^{m-1}}{h} - (m - 1) w^n \right]$$

where:

$$g = i/12$$

$$h = j/12$$

$$v = 1/(1 + g)$$

$$w = 1/(1 + h)$$

$$x = w/v$$

## 6. Interest

- (a) Interest will be calculated from the date when funds are advanced by the Bank and may be varied during the term of the Advance in accordance with the Agreement.
- (b) Interest will be calculated on monthly rests.
- (c) The Bank may, in its sole and absolute discretion, at any time and from time to time increase or decrease either or both of the rates of interest payable on the Advance and shall notify the mortgagor and the borrower or either of them of such increase or decrease in accordance with condition 17.4. You can find out what the Bank's standard home loan interest rates are by asking any of the Bank's officers at any of the Bank's branches or by telephoning 1300 236 344.
- (d) The Bank may, from time to time, recalculate the repayments payable upon the variation in the rate of interest payable on the Advance whereupon the mortgagor and the borrower shall pay to the Bank the repayments in the amount recalculated by the Bank.

## 7. Progress Payments for Construction Advances

If funds are advanced by progress payments during the construction of your dwelling you will be requested to commence repayments at a rate pro rata to the amount advanced.

## 8. Mortgage Insurance

Mortgage guarantee insurance is a requirement of the Bank where the amount of the advance is greater than:

(a) 80% of the Bank's valuation for Advances secured by residential property

(b) 80% of the Bank's valuation for Advances secured by residential vacant land

The mortgage guarantee insurance protects the Bank against loss in respect of the Advance.

There is a once only premium which will be added to the amount borrowed and deducted at settlement from the proceeds of your advance (if applicable).

## 9. Insurance

The mortgage provides that the security (except vacant land) must be insured against fire, storm and tempest, etc., under a comprehensive policy. ***A copy of the relevant Policy must be provided to the Bank with our interest noted as Mortgagee prior to settlement.***

If you have elected to insure the security through an insurance company not represented by the Bank, a receipted renewal certificate must be forwarded each year prior to the insurance expiry date. If the receipt is not received and the Bank has to contact the insurance company, all insurance charges will be debited to your account, together with a \$10 fee payable to the Bank.

## 10. Correspondence with Bank

Always quote your application number when contacting the Bank regarding your Advance.

## 11. Repayment Fees

(a) If you pay the Advance in full there are Legal Fees and Land Titles Office registration fees payable.

## 12. Period of Offer

The offer contained in the Letter of Offer is open for acceptance for seven (7) days from the date appearing on the Letter of Offer and subsequently at the Bank's discretion. If the Advance is not utilised within ninety (90) days from the date of this letter due for whatever reason at any time prior to the Advance being utilised, whether or not the offer has been accepted, the Bank has a right at the time the Advance is utilised to amend the interest rate offered in the Letter of Offer to the rate currently offered by the Bank for a similar loan product at that time.

Should any conditions, events or other circumstances occur, which in the opinion of the Bank are likely to, or will have a material adverse effect on the borrower's ability to repay the Advance or the value or integrity of the Securities or any part of them, then the Bank has a right to immediately terminate its commitment under the Letter of Offer to provide the Advance without incurring any loss itself or any liability for any loss, cost or expense which the borrower, any Security Provider or any third party may incur as a direct or indirect result of that termination and the borrower shall be liable to the Bank for all the Bank's reasonable expenses caused as a result of such termination.

### **13. Special Advance Conditions**

- (a)** The terms and conditions contained in each applicable Agreement are incorporated into and form part of the Mortgage.
- (b)** The expression 'Agreement' means letter of offer issued by the Bank to the mortgagor and/or the borrower (as amended or varied from time to time), which when accepted forms a contract whereby the Bank agrees to advance monies to the mortgagor and/or the borrower the payment of which are secured by this Mortgage on the terms of the Agreement and the General Terms and Conditions to the Agreement (of which these Special Advance Conditions form part).
- (c)** Where there is more than one Agreement to which this Mortgage relates then the expression 'Principal Sum' in the Memorandum will mean the Advance under each relevant Agreement.

### **14. Joint and Several Liability**

If there is more than one borrower, each borrower is jointly and severally liable for the obligations of the borrower under the Letter of Offer. This means that each of the borrowers is liable both on their own and together for the whole of any debit balance on the loan account.

### **15. Statements of account**

**15.1** The Bank will send the borrower statements of account six monthly. However, the Bank need not send a statement of account if:

- applicable law or the Banking Code of Practice says that the Bank does not have to;
- the Bank agrees to a greater frequency of reporting to the Borrower;
- no amount was credited or debited to the loan account during the statement period and the debit balance on the loan account is less than \$10;
- The Bank wrote off the borrower's debt during the statement period and no further amount has been debited or credited to the loan account during the statement period;
- or
- The borrower has been in default under this Agreement during the statement period and the Bank has commenced enforcement proceedings.

**15.2** The Borrower can request a statement of account at any time by contacting any of the Bank's branches or by telephoning 1300 236 344.

### **16. Account combination**

The Bank may at any time combine the balances of 2 or more of the borrower's accounts even if the accounts are at different branches or in joint names. The Bank will promptly inform the borrower if the Bank combines the borrower's accounts. The Bank need not notify the borrower in advance.

### **17 Changes to Agreement**

**17.1** The Bank can change this Agreement (such as by varying an existing provision or adding a new provision) at any time without the Borrower’s consent including:

- imposing a new fee or charge;
- changing a reference rate or any other rate that applies to the Agreement;
- changing the manner in which interest is calculated or applied under the Agreement;
- changing the way in which repayments are calculated or when they are due;
- changing when the Bank will give the Borrower a statement of account.

If any law or the Banking Code of Conduct regulates that change, the Bank may only change to the extent permitted by, and subject to, the requirements of that law or the Banking Code of Conduct.

**17.2** The Bank will notify the Borrower of changes to this Agreement as set out below:

<b>Type of change</b>	<b>Minimum notice period*</b>	<b>Notification method*</b>
Adding, deleting or changing the terms and conditions (that isn't covered elsewhere in this table)	30 days in advance	In writing
Introducing or changing fees and charges (including timing)	30 days in advance	In writing or by newspaper advertisement
Interest rate changes (other than those below)  (This does not apply to rates linked to money markets or other external rates (which the Bank does not control for which the Bank cannot notify changes in advance.) These changes take effect from the earlier of the date the Borrower receives notification, or they are first published.)	No later than the date of the change	In writing or by newspaper advertisement
A change to the: <ul style="list-style-type: none"> <li>• method by which interest is calculated or applied</li> <li>• frequency with which interest is debited or credited</li> </ul>	30 days in advance	In writing

Introducing or changing any Government charge or tax (Note: the Bank will only notify the Borrower if not publicised by the government separately)	30 days in advance	In writing or by newspaper advertisement
A change to amount of, frequency or time for repayments, the period over which they are to be paid, the manner in which they are to be paid or the method of calculation of repayments	30 days in advance	In writing

\*The Bank may not give the Borrower advance notice if a change reduces the Borrower's obligations (for example if the interest rate drops) or if the Borrower gets longer to pay, but the Bank will nevertheless give the Borrower notice with the Borrower's next statement.

\*\*In addition to the methods described in the table, the Bank will always give the Borrower notice of each change in the next statement after the change, and the Bank may also notify the Borrower by any other method permitted or required by law or the Banking Code of Practice. Where the Bank gives the Borrower notice in writing, the Bank may do so electronically only if the Borrower has agreed to us doing so.

\*\*\*The Bank may give the Borrower a shorter notice period, or no notice, of an unfavourable change if:

- it is reasonable for it to manage a material and immediate risk; or
- there is a change to, or introduction of a government charge that the Borrower pays directly, or indirectly, as part of the Borrower's banking service. In that case, the Bank will tell the borrower about the introduction or change reasonably promptly after the government notifies the Bank (however, the Bank does not have to tell the Borrower about it if the government publicises the introduction or change).

## 18.1 Default Event

It is a default ('Default Event') under the Agreement if:

- (a) the Borrower does not pay money the Borrower is required to pay the Bank under the Agreement when it is due and in the required manner ('Monetary Default');
- (b) The Borrower defaults or an event of default, however described, occurs under the Agreement or under any other contract or deed with the Bank, and, in respect of a default under any other contract or deed with the Bank that default or event of default would be a Default Event under the Agreement if references in this clause 18.1 to the Agreement were taken to be references to that contract or deed;

- (c) an Insolvency Event occurs in respect of the Borrower or a Guarantor ('Insolvency Default');
- (d) the Borrower or a Guarantor no longer has legal capacity;
- (e) another creditor commences legal proceedings against the Borrower or a Guarantor to recover an overdue payment or takes any action to enforce security over the Borrower's or a Guarantor's assets;
- (f) the Bank believes on reasonable grounds that the Borrower, the Borrower's agent or a Guarantor has not complied with the law or any requirement of a statutory authority or it becomes unlawful for the Borrower or the Bank to continue with the Agreement (including if the Borrower is or becomes a Proscribed Person) ('Compliance Default');
- (g) the Borrower or a Guarantor gives the Bank information or makes a representation or warranty to the Bank which is materially incorrect or misleading (including by omission) in connection with the Agreement ('Misrepresentation Default');
- (h) the Borrower uses the Agreement for a loan purpose not approved by the Bank ('Unapproved Purpose Default');
- (i) property of the Borrower or a Guarantor is dealt with, or attempted to be dealt with, in breach of the Agreement or any other agreement or deed with the Bank without the Bank's consent;
- (j) the Borrower or a Guarantor does not provide financial information required to be provided by the Agreement or the guarantee;
- (k) if the Borrower or a Guarantor carry on a business at or after the date of the Agreement, the Borrower or a Guarantor does not maintain a licence or permit necessary to conduct the business;
- (l) the Borrower or a Guarantor does not maintain insurance required to be maintained under the Agreement;
- (m) legal or beneficial ownership or management control of the Borrower or a Guarantor or a business of the Borrower or a Guarantor changes without the Bank's consent; or
- (n) the status, capacity or composition of the Borrower or a Guarantor changes without the Bank's consent.

## **18.2 Insolvency Event**

An Insolvency Event occurs if:

- (a) for any person that is a body corporate, any one or more of the following events occurs in relation to it:
  - (i) except for the purpose of a solvent reconstruction or amalgamation which has our prior written consent:

- a. process is filed in a court seeking an order that it be wound up or that a Controller be appointed to it or any of its assets, unless the application is withdrawn, struck out or dismissed within 7 days of it being filed,
  - b. an order is made that it be wound up or that a Controller be appointed to it or any of its assets, or
  - c. a resolution that it be wound up is passed or proposed,
- (ii) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking,
  - (iii) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed or proposed, or any other steps are taken to appoint an administrator to it,
  - (iv) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition,
  - (v) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is proposed or effected,
  - (vi) any action is taken by the Australian Securities and Investments Commission with a view to its deregistration or its dissolution, or an application is made to the Australian Securities and Investments Commission that any such action be taken,
  - (vii) it is insolvent within the meaning of section 95A of the Corporations Act, as disclosed in its accounts or otherwise,
  - (viii) it is unable to pay any of its debts as they are due or is presumed to be insolvent under any applicable law,
  - (ix) it stops or suspends or threatens to stop or suspend:
    - a. the payment of all or a class of its debts, or
    - b. the conduct of all or a substantial part of its business,
  - (x) any event or circumstance set out in section 461 (General grounds on which company may be wound up by the Court) of the Corporations Act occurs in relation to it,
  - (xi) as a result of the operation of section 459F(1) (When company taken to fail to comply with statutory demand) of the Corporations Act, it is taken to have failed to comply with a statutory demand, or

- (xii) anything having a substantially similar effect to any of the events specified above happens to it under the law of any jurisdiction, or
- (b) for any person who is an individual, any 1 or more of the following events occur in relation to that person:
- (xiii) the person has a bankruptcy notice issued against the person,
  - (xiv) a receiver or a trustee for creditors or in bankruptcy is appointed to any of the person's property,
  - (xv) a garnishee notice is given concerning any money that the person is said to be owed,
  - (xvi) the person proposes or enters into an arrangement or composition with, or an assignment for the benefit of, any of the person's creditors,
  - (xvii) the person proposes or effects a moratorium involving any of the person's creditors,
  - (xviii) the person stops or suspends, or threatens to stop or suspend:
    - a. the payment of all or a class of its debts, or
    - b. the conduct of all or a substantial part of the person's business,
  - (xix) the person is unable to pay any of the person's debts as they fall due or is presumed to be insolvent under any applicable law, or
  - (xx) anything having a substantially similar effect to any of the events specified in paragraphs above happens to the person under the law of any jurisdiction.

### **18.3 Obligation to notify of Default Event**

The Borrower must immediately notify the Bank once the Borrower becomes aware that a Default Event has occurred.

### **18.4 Consequences of a Default Event**

- (a) At any time after a Default Event has occurred without limiting any other right that the Bank has the Bank may give the Borrower a default notice which tells the Borrower:
- (i) the grounds on which the Bank considers a Default Event has occurred; and
  - (ii) unless the Default Event is unable to be remedied:
    - a. what action is necessary to remedy the Default Event; and
    - b. that the Borrower has to remedy the Default Event within a specified period (at least 30 days from the date of the default notice unless it is

reasonable for the Bank to act after giving a shorter period or no notice period to manage a material and immediate risk relating to the nature of the relevant default, the Borrower's particular circumstances, or the value of the security).

- (b) If the Bank gives the Borrower a default notice in relation to a Default Event and the Borrower does not remedy the Default Event within the period specified in the default notice or the Default Event cannot be remedied, the Bank may:
- (i) make the Outstanding Money immediately due and payable (subject to any rights the Borrower may have under the National Credit Code or any other law), or
  - (ii) sue the Borrower for that amount or enforce any Security; or
  - (iii) do both.

However, if the Borrower is a small business (within the meaning of the Banking Code of Practice) the Bank may only act under this clause 18.4 in relation to a Default Event other than the Default Events described as a Monetary Default or Insolvency Default in clause 18.1 above if the Default Event by its nature is material or the Bank reasonably considers the Default Event has had, or is likely to have, a material impact on:

- (i) the Borrower's or a Guarantor's ability to meet their financial obligations to the Bank (or its ability to assess this); or
- (ii) the Bank's security risk (or its ability to assess this); or
- (iii) in relation to a Default Event described as a Compliance Default, Misrepresentation Default or Unapproved Purpose Default in clause 18.1 above, the Bank's legal or reputation risk.

### **19.1 Applicable Law**

If the Borrower resides in an Australian state or territory then the Agreement is subject to the laws of that state or territory. Otherwise the Agreement is subject to the laws of the Australian state or territory under which the Bank first provide the loan under this Agreement.

- 19.2** The Borrower submits to the jurisdiction of the courts of the Australian state or territory whose laws apply to the Agreement and the proper jurisdiction of any other court.

### **19.3 Redraw Facility**

The Bendigo will allow a redraw facility to be attached to your loan account.

The redraw facility will operate on the following conditions:

- (i) You may have previously from time to time during the term of the Loan paid to the Bank an amount or amounts in addition to the scheduled instalment amounts which

you are obliged to pay during the term of the Loan. The total of such amounts is referred to as the 'Prepayment Amount'.

- (ii) Upon completion of the Bank authorised Redraw Request form which is available from any Branch of the Bank, or via Bendigo e-banking if you have completed an Application for Online Redraw form, you may request the Bank to redraw all or any part of the Prepayment Amount against your current loan balance provided that the maximum amount you may redraw will be the Prepayment Amount less the next scheduled instalment amount. Where there is more than one borrower, all borrowers must sign the Redraw Request form or Application for Online Redraw form.
- (iii) Interest will be charged in accordance with the existing interest provisions applying to the Loan upon the amount redrawn.
- (iv) The Bank may be in its absolute discretion decline any request for a redraw made
- (v) Any amount redrawn under the Loan shall form part of the loan balance and shall be subject to all the terms and conditions of the Loan. You do not have a redraw facility.

## Talk to us today

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<b>In person</b>	At your nearest Bendigo Bank branch
<b>On the phone</b>	Call <b>1300 236 344</b>
<b>Online</b>	At <a href="http://bendigobank.com.au">bendigobank.com.au</a>
<b>By mail</b>	The Bendigo Centre PO Box 480 Bendigo VIC 3552

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