Home Loan General Terms

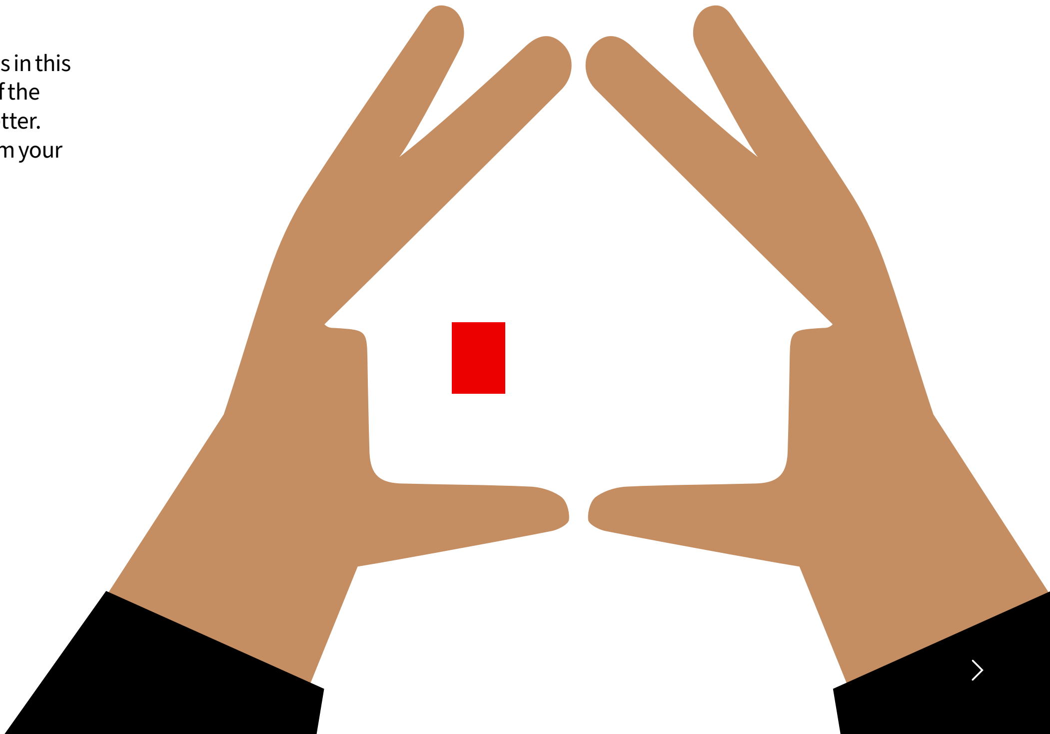
for Home Loans, Building Loans and Bridging Loans

Getting a loan is a big commitment and we're here to guide you through your journey.

We've set out the terms of your contract with us in this document. It doesn't contain all of the terms of the contract – you can find the rest in your Offer Letter. This document, plus your Offer Letter, also form your pre-contractual statement.

This document will help you to:

- Understand your contract with us and our obligations to each other.
- Better understand how loans work through simple examples and explanations.
- Get the most out of your loan with features such as redraw and offset accounts.



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Your journey starts here.

Congratulations! You've been offered a loan. We're here to guide you through each step of the loan journey.

START

1 How to settle your loan

This section will give you an overview of what you need to do before you're able to get your loan and what happens once you get your loan.

- **Before you get your loan**
- **Once you get your loan**

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Before you get your loan

First steps on your loan journey

Did you know?

People often think 'mortgage' is another term for a 'home loan'. A mortgage is actually a contractual agreement where the borrower provides a property as security for the home loan provided by the bank (this can be the property you're buying). When the loan funds and all other amounts owing are repaid, the mortgage is discharged.

Here's what needs to happen before we lend you the money.

1.1 You'll need to accept this contract in the way we've outlined in your Offer Letter.

1.2 You'll also need to do the following:

- Provide a mortgage over the security property, including providing title documents and control of any applicable electronic title documents.
- Provide any other security we may reasonably request, as well as any documents that acknowledge or accept the security.
- Take out applicable insurance, such as building or landlord insurance, and make sure NAB is listed as mortgagee on the policy, and provide evidence of the policy to us, for example the certificate of insurance.
- Provide us with authorisations we require to debit your loan account or nominated bank account for repayments, interest, fees and charges you owe us in line with this contract.
- Provide additional documents or information when requested by your banker or broker.
- For a building loan, meet the additional requirements outlined in '**Conditions of building loans**'.

1.3 Things we'll do:

- Obtain a valuation on each security property. Any valuation is for our use only and shouldn't be relied upon by you or anyone else.
- Make inquiries and searches about the security property that we may require, such as a title search, and inquire about any existing encumbrances on title (eg. a caveat).
- If Lenders Mortgage Insurance applies to your loan, we'll confirm if the fees for this will be paid out of your loan at settlement or whether you'll need to pay them out of your own funds.
- Deduct fees and charges listed in your Offer Letter from your loan at settlement.

1.4 Your loan won't go ahead if:

- You haven't accepted this contract or completed the tasks listed under 1.1 and 1.2.
- We reasonably believe you've had a significant change to your financial situation that affects your ability to repay your loan since applying (or we reasonably expect a change like this is likely to happen).
- We reasonably believe there are problems with the enforceability of any security, or anyone who's provided a security is in default under, or has withdrawn from or terminated, the security (unless this happens with our consent).
- You're in default under this contract. For example, you haven't paid all relevant interest, fees or charges.
- You've given us information that we reasonably believe is false or misleading or you haven't provided satisfactory responses to information which we've reasonably requested.
- The valuation on each security property, or the results of our inquiries and searches into each security property, aren't satisfactory to us (having regard to our commercial legitimate interests).
- We reasonably believe you're intending to use the entire loan, or part of the loan, for business or unapproved purposes.

1.5 Rate Lock

You may want to 'lock in' an interest rate for a fixed rate period, that begins on the settlement date, before that fixed rate period begins.
If we agree to lock in a rate, there will be a fee.

This 'locked' rate will be held and remain available to you for up to 90 days. If your fixed rate period starts within this 90 days, the fixed rate that will apply for that fixed period will be the lower of the following: the locked rate or the advertised fixed rate on the day your fixed rate period begins (or the most recent advertised rate if nothing has been published on that day). We'll then apply any applicable margins outlined in your Offer Letter to this rate.

For more information about this, talk to your local branch or banker.

Did you know?

If there's more than one borrower:

- You'll each receive a copy of this contract.
- This contract is treated as accepted when each of you have accepted in the way we've outlined in the Offer Letter.
- The acceptance date will be the date of whoever accepts last.

Once you get your loan

Next steps when you get your loan

1.6 If you're getting a home loan, we'll make your loan available through a home loan account that we'll open for you. Your home loan must be borrowed in full within 90 days of the offer date, unless it's a building loan or we agree otherwise. If you don't borrow the loan in full within 90 days, we may treat the contract as ended and keep any loan application or establishment fees. If you think you'll need longer than 90 days, you should contact us within the 90 days to discuss your options.

The periodic fees, such as service fees or package fees as applicable, described in your Offer Letter, continue to be payable while your home loan account is open. If your home loan is part of a package, package fees may continue after the closure of your loan account if you have other loans that remain open.

If you're getting a bridging loan, we'll open a bridging loan account for you with the credit limit attached.

1.7 The outstanding balance of your loan account is the amount debited to your loan account at any time, such as principal, interest, fees and other charges, which remain unpaid.

1.8 At settlement, the amount of your loan will be debited to your loan account. We'll then deduct the applicable fees and charges listed in your Offer Letter from your loan funds. Following settlement, you agree for us to debit the interest and ongoing fees and charges to your loan account, under the authorisation you've provided us, unless the contract requires that these be debited from your nominated account.

When you make a repayment of amounts debited to your loan account, we'll credit your loan account by the amount paid.

1.9 We may, acting reasonably, require you to do anything, such as producing and signing documents, to give full effect to the contract and security. We may also require further information from you, including about your financial position. You agree that you'll do this as quickly as possible.

1.10 We'll send you a statement for your loan account every six months (or every month for a bridging loan), except when it's not required by law. You can also access these statements electronically in the NAB app and NAB Internet Banking.

You can also ask us for information on current standard fees and charges and any interest rates relating to this contract. This information is also available directly on the **NAB website**, or search the NAB website for 'home loan interest rates'.

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Lenders Mortgage Insurance

You might have heard of Lenders Mortgage Insurance (or LMI).

LMI protects the lender – in this case, NAB – if you default on your loan and the proceeds of sale of the property result in a shortfall, which means there isn't enough to cover the total amount owing.

LMI is charged as a one-off cost by the LMI insurer to us, which is passed on to you as a fee. We'll deduct LMI fees from your loan at settlement unless we require you to pay them out of your own funds.

Keep in mind LMI protects us from loss, not you. You remain liable for repaying the total amount owing under the contract or security to the insurer.

If you'd like further information about this, please get in touch with your local branch or banker for the LMI customer fact sheet, head directly to the **NAB website**, or search the NAB website for 'LMI'.

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2 How your loan works

Find out more about:

- **How interest works**
- **How repayments are made and applied**
- **How an offset account works**
- **How redraw works**

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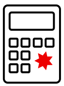
How interest works

Interest is the amount you're charged by us for providing you your loan. This section explains when and how we calculate and charge interest.

Interest charges

2.1 How interest is calculated

Interest is calculated daily on your loan based on your outstanding balance at the end of each day. This will commence from your settlement date. To calculate the daily interest, we take your annual interest rate that applies on that day and divide it by 365 (including in a leap year) and multiply it by your outstanding balance at the end of each day.



Daily interest rate
(Annual interest rate/365)
×
Outstanding balance
=
Daily incurred interest

If you have a variable rate loan and have linked it to an offset account, the outstanding balance for the purposes of the daily interest calculation will be reduced by the balance in your offset account at the end of the day. This is further explained in '**How an offset account works**'.

Example of how interest rates are calculated

Mary has a variable rate loan with an outstanding balance of $200,000. Here's how her interest is incurred daily and charged at the end of each month.

	Daily interest rate	Daily incurred interest
Day 1	3%	$16.44
Day 2	3%	$16.44
Day 3	3%	$16.44
Day 4–31	4%	$21.92 every day
Total interest Mary is charged on the last business day of the month		$663.08

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2.2 When you pay interest

Interest is charged by being debited to your loan account or nominated account on the last business day of each month. Interest charges incurred after the last business day of a month are debited to your loan account or nominated account on the last business day of the following month. An exception to this is if your loan is set up with interest only in advance repayments (find out more in '**How repayments are made and applied**').

You'll also make one final interest payment on the day your outstanding balance is fully paid.

Variable interest rates

A variable interest rate applies to your loan if you don't have a fixed interest rate. Variable rates can go up or down, so your interest charges will vary.

2.3 We calculate the variable rate that applies to your loan using the advertised variable indicator rate applicable for your type of loan, adjusted for any applicable margins.

The variable rate stated in your Offer Letter is the rate that applies at your offer date, but should only be considered as a guide. The actual rate which applies to your loan may be different.

2.4 We'll generally give you notice on or before the date of any change in the variable rate. We may not give you notice if it's not required by law or an industry code.

Variable rate changes will be available directly on the **NAB website** on the day the change commences, or search the NAB website for 'variable home loan interest rates'. Changes to our indicator rates will be published on the NAB website or in any other manner permitted by law.

Benefits of variable rates	Drawbacks of variable rates
• If NAB lowers variable interest rates, your interest charges will go down. • You can make extra repayments to reduce your outstanding balance without needing to pay us economic costs. Making extra repayments will allow you to save on interest and repay your loan faster. • You can reduce interest with redraw or an offset account.	• If NAB increases variable interest rates, your interest charges will go up. • Repayments can change.

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Fixed interest rates

This type of interest rate is fixed (locked in) for a certain period. This period is known as the 'fixed rate period'. When the fixed rate period ends, the interest rate on your loan will automatically change to the applicable variable rate, unless you choose to apply for another fixed rate period and we agree to it.

You can ask for a fixed interest rate to be applied at any time during your loan term. A fixed rate period can't end after the last day of your loan term, or be longer than an interest only period.

Benefits of fixed rates	Drawbacks of fixed rates
• Any rise in interest rates won't be passed onto you while your rate is fixed. • Certainty around repayments may help you budget more easily.	• Any fall in interest rates won't be passed onto you while your rate is fixed. • Your offset account won't offset any interest while you're on a fixed rate. • Redraw isn't available for fixed rate loans. • There may be economic costs if you change your loan during a fixed rate period, such as ending the fixed rate period early or making extra repayments totalling more than $20,000.

2.5 Which fixed rate will apply?

Fixed indicator rates and available fixed rate periods can be found directly on the **NAB website**, or search the NAB website for 'fixed home loan interest rates'.

If you ask for a fixed rate period to apply to your loan and we agree to it, the interest rate that applies over that period will be our applicable advertised fixed indicator rate that's published on the day the fixed rate period begins (or the most recent advertised rate if nothing has been published on that day). We'll then apply any applicable margins outlined in your Offer Letter to this rate.

Keep in mind that if you've 'locked in' an interest rate, the fixed rate that applies will be determined as described in '**Rate Lock**'.

2.6 What happens at the end of a fixed rate period?

The interest rate on your loan automatically changes from a fixed rate to a variable rate at the end of the fixed rate period, unless:

- we've agreed that another fixed rate period will apply,
- the end of the fixed rate period is also the end of your loan term, or
- your Offer Letter states otherwise.

We'll contact you before your loan changes to a variable rate and let you know the variable rate that will be applied.

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2.7 Making extra repayments or changes on a fixed rate loan

An additional repayment is a repayment which is more than your scheduled repayment. You can pay up to a maximum of $20,000 in additional repayments on your home loan during a fixed rate period without being charged any economic costs.

For any additional repayments over $20,000 in a fixed rate period, you may be charged economic costs.

For more information on economic costs and how they're calculated, refer to '**Economic costs**'.

2.8 Changing from a fixed rate to a variable rate

You can ask us to change your loan from a fixed rate to a variable rate at any time – or ask us to change the fixed rate period.

It's important to keep in mind that if we agree to this request, you may be charged economic costs and any other applicable fees.

For more information on economic costs and how they're calculated, refer to '**Economic costs**'.

Economic costs

When we lend you money, we need to fund it through the financial markets. The cost of us doing this is known as the 'cost of funds'. When our loan to you is for a fixed period, we may suffer loss when you break the fixed rate period or there's another economic cost event, which affects our cost of funds. Economic costs are our reasonable estimate of this loss.

2.9 If you have a fixed rate loan, you may be charged an amount (which we refer to as 'economic costs'), if any of the following events occur (which we refer to as an 'economic cost event'):

- You make a change to your loan, including:
  - switching to another fixed rate or a new fixed rate period,
  - changing to a variable rate,
  - changing your type of repayment, for example from interest only to principal and interest,
  - changing the amount or frequency of repayments, or
  - increasing your loan amount.
- You pay out all or part of your loan early, for example when you sell your home.
- You make extra repayments during your fixed rate period over a total of $20,000 (this doesn't include your scheduled repayments).
- You're in default, resulting in your total amount owing being payable to us.

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There are a few things that economic costs are based on.

They include:

- The change in the cost of funds between the start of the fixed rate period and the date the economic cost event occurs.
- The time left on your fixed rate period when the economic cost event occurs.
- The amount to which the economic costs relate, for example:
  - If the economic cost event happens because a repayment is made, the amount of economic costs will be based on the amount repaid.
  - If the economic cost event doesn't relate to a repayment made, such as changing your repayment frequency or breaking a fixed rate period, the amount of economic costs will be based on your outstanding balance.

The simple calculation of economic costs is based on:

- The amount to which the economic costs relate, multiplied by the change in the cost of funds, multiplied by the fixed rate period remaining.

We'll then discount the amount, using our cost of funds at the date the economic cost event happens. The discounted amount is the amount you're required to pay.

Economic costs can be high, so if you're planning to make any changes that may trigger an economic cost event, ask us for a quote to get a better idea of how economic costs might affect you.

See our Early Repayment of Fixed Rate Loans brochure on the **NAB website**, or search for 'economic costs' on the NAB website, for more information.

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How repayments are made and applied

Payments are required to be made regularly over the term of your loan. They include repayments of the money we've lent you for your loan and payments of interest, fees, charges and any other amounts due under the contract. Each of these payments is referred to as a repayment.

Loan repayments are based on:

- repaying the principal, which is the amount you've borrowed,
- paying interest, which is the amount we charge to lend you the money, and
- paying fees, charges and other amounts, which are other amounts you're required to pay to us as outlined in your contract.

If you have a bridging loan, regular repayments of principal and interest aren't required. The total amount owing must be paid in full at the end of the loan term. This is explained further in '**Conditions of Bridging Loans**'. Keep in mind that fees, charges and other amounts must be paid when due, as described in the contract, even if this is before the end of the loan term.

If you have a home loan, you can choose a home loan where you pay the principal and interest, or where you only pay the interest portion for an agreed period of time. Keep in mind that fees, charges and other amounts must be paid when due, as described in the contract.

Principal and interest repayments – home loans

2.10 If you have a principal and interest home loan, you'll need to make regular repayments of both the principal and interest. We'll agree with you how often you'll make these repayments – usually weekly, fortnightly or monthly.

You'll find the amount of your regular principal and interest payment in your Offer Letter.

We may increase the amount of your regular repayment to reflect any increase to the interest rate that's applied to your home loan, along with any increases to fees, charges or other amounts debited to your loan account. This is so your regular repayments will be sufficient to repay your total amount owing by the end of the loan term. We'll let you know in advance if we ever make changes to your regular repayment amount.

You'll also find the date your first repayment is due in your Offer Letter. Repayments are then due as agreed (weekly, fortnightly or monthly), usually on the same

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day of each period following the first repayment. If a repayment is due on a day that isn't a business day, it'll need to be made on the next business day instead.

You can ask us to change how much, or how often, you'd like to make your repayments. Changes only take effect once we've agreed to the requested change. It's important to keep in mind that if you have a fixed rate, and we agree to this request, you may be charged economic costs. For more information on economic costs and how they're calculated, refer to '**Economic costs**'.

2.11 The amount of your regular repayments won't change if you pay off part of your loan early (unless we've agreed for this to happen). However, once your total amount owing is reduced to zero, no further repayments will be required.

Did you know?

Making weekly or fortnightly repayments can help you pay off your home loan sooner and save on interest. As there are 12 months in a year, but 52 weeks and 26 fortnights, weekly or fortnightly repayments mean it's possible you could make up to an extra month's worth of repayments each year. Also, because interest is accrued daily, making your repayments more frequently can lower your interest charges.

Interest only repayments – home loans

2.12 This is when you pay only the interest portion of your home loan for a period agreed between us. This period is known as the 'interest only period'.

As you're not making repayments on the principal, the principal will remain the same, unless you make additional repayments.

At the end of your interest only period, you'll automatically change to principal and interest repayments and start paying off the principal along with interest.

When you have an interest only period, you can either choose to make repayments on the last business day of each month (interest only in arrears), or if your loan is for residential investment or investment purposes you can choose to make one repayment covering the next 12 months (interest only in advance).

2.13 **Interest only in arrears repayments**
Your first interest only in arrears repayment is due on the day specified in your Offer Letter or as we otherwise agree. After the first repayment, repayments are then due on the last business day of each following month.

The amount of each repayment will equal the unpaid interest which has accrued and has been debited to your account – up to and including the day before the repayment is due.

Find out more about how your interest is calculated in '**How interest works**'.

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2.14 Interest only in advance repayments

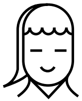
Your first interest only in advance repayment is due on the day specified in your Offer Letter or as we otherwise agree. After the first repayment, repayments are due annually on the anniversary of your first repayment.

The amount due on each repayment date is calculated as an estimate of the interest for the next 12 months by applying the applicable annual interest rate to the outstanding balance on your home loan the day before the repayment is due.

When you make an interest only in advance repayment, at the end of the applicable 12 month period:

- The actual interest for that period is calculated (in line with the '**How interest works**' section).
- If the amount of the repayment is more than the actual interest, we'll refund you the difference.
- If the amount of the repayment is less than the actual interest, you'll need to pay us the difference when we ask.

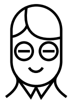
Example of how the two types of repayments compare



Principal and Interest

Georgia has bought her first apartment. She has a $500,000, 30 year home loan with an interest rate of 3.99% per year.

Georgia wants to pay as little interest as she can and own her apartment sooner, so she's chosen to make principal and interest repayments. By repaying the principal on her home loan every repayment, she's also reducing the amount of interest she pays with each repayment.



Interest only

Doug has a $500,000, 30 year home loan with an interest rate of 3.99% per year.

Doug has some other debts to pay off. To free up some extra cash to pay off these debts, Doug has decided to make interest only repayments for the first 5 years on his home loan, as the repayment amounts will be lower. When Doug's interest only period ends, he'll then start making principal and interest repayments.

Repayments over 30 years (Principal and Interest)

Year 1 → Year 30

Principal and interest
$2,387 per month

Total interest over life of the loan

$357,911

Repayments over 30 years (Interest only)

Year 1 → Year 5 → Year 30

Interest only
$1,656 per month

Principal and interest
$2,644 per month

Total interest over life of the loan

$390,304
($32,393 extra interest)

Over the life of the loan, Doug will pay $32,393 more than Georgia.

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Payments, fees and charges

2.15 You must pay us any fees and charges (including any government charges and duties calculated in line with relevant legislation) in the circumstances described in your Offer Letter, along with any other new or changed fees and charges we notify you of.

How payments work

2.16 You'll need to repay all amounts you've borrowed from us as part of your loan, as well as pay us all interest, fees, charges and other amounts as set out in the contract.

2.17 These payments must be paid on their due date as described in the table below. Where the table describes a payment as being debited to the loan account or nominated account, you agree that we're authorised to debit these amounts to your loan account or nominated account on or after the date they're due.

Payment type	Principal and interest	Interest only
Repayments of interest and principal (if applicable)	Your chosen payment method, eg. direct debit	Debited to nominated account
Fees, charges and other amounts	Debited to loan account	Debited to nominated account

Where a payment is to be made from your nominated account, make sure you've authorised us to have these payments debited from your nominated account.

2.18 If a repayment is due on a day that isn't a business day, it will need to be made on the next business day instead.

If any interest, fees and charges remain unpaid at the end of your loan term, we may debit it to your loan account. The outstanding balance and any other part of the total amount owing must be paid in full at the end of your loan term.

2.19 If we're liable to pay GST or any similar tax on a supply (as defined in relevant legislation) made in connection with the contract, you must pay us an additional amount equal to the consideration payable for the supply, multiplied by the prevailing GST rate, when we ask.

When we might debit other accounts

2.20 If your nominated account has insufficient funds to make the payment to be debited to that account, we might overdraw it to enable the payment to be made (your account statement for the nominated account will show you when we debited it).

As an alternative, we might:

- debit another one of your accounts (including the loan account or another loan account) to meet this amount, or
- open a new account in your name to meet this amount.

You should make sure that you have sufficient funds in your nominated account to avoid this.

2.21 If we give you a period of hardship relief, we may debit any interest only in arrears repayment to your loan account (rather than to your nominated account) during the period of hardship relief.

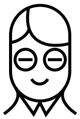
2.22 By agreeing to the contract, you authorise us to debit your accounts in the ways described in this contract.

How an offset account works

Linking your variable rate home loan to an eligible account (like a NAB Classic Banking account) allows you to 'offset' your home loan and pay less interest over the life of your home loan.

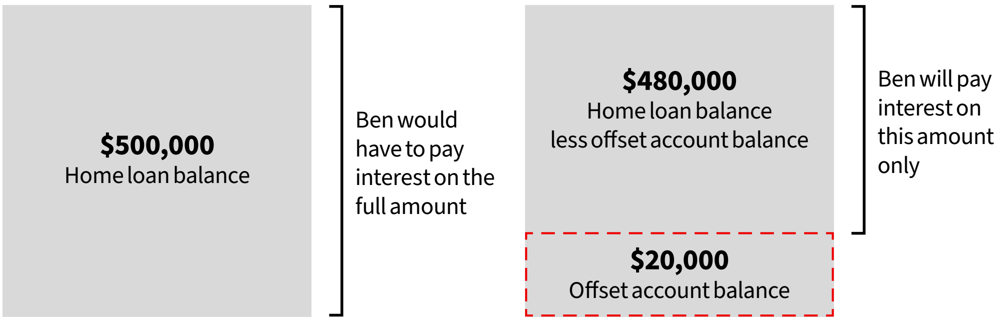
An offset arrangement reduces how much interest you're charged each day, as the daily interest will be calculated using the outstanding balance of your home loan account less the total balance of your offset account(s) at the end of that day.

Example of how interest is charged with an offset account



Ben has a $500,000 variable rate home loan and $20,000 in his linked offset account. His interest will be calculated on $480,000, which is his home loan balance less the balance of his offset account. This means that over the life of his home loan, Ben will reduce the amount of interest he pays, while having the flexibility to use the money in his offset account if he needs to.

Without a linked offset account | **With a linked offset account**



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2.23 An offset arrangement is available on request for eligible home loans and accounts. You can view your offset arrangements in the NAB app or NAB Internet Banking.

2.24 The following conditions apply if you ask us to offset your home loan and we agree:

- You need to have an eligible account linked to your eligible home loan.
- You can have up to 10 eligible accounts linked to an eligible home loan at the same time.
- An eligible account can only be linked to one eligible home loan.
- An eligible account must be:
  - in your name only if you're the only borrower under the home loan, or
  - in the same names or in the names of one or more of the borrowers if the home loan has multiple borrowers.

  An offset arrangement can't link a home loan with any account that includes a name or names other than the name or names in which the eligible home loan is held.
- If you link an eligible account solely in your name to a home loan with multiple borrowers, each other borrower under that home loan may see the BSB and account number of that account. They'll also be able to see that the deposit account is linked as an offset account to the home loan.
- You can choose to cancel the offset, as long as you give us reasonable notice.
- If we're entitled to terminate your home loan or close any of your eligible accounts, we can cancel the offset straight away by giving you notice. We may also choose to cancel the offset at any other time – if we do this, we'll give you at least 30 days' notice before the change takes effect. Our rights under this paragraph are subject to any longer notice period required under consumer credit law.
- If the total balance of your offset account(s) for any day is equal to or more than the outstanding balance of your home loan account, interest won't be charged to your home loan account for that day.
- Each eligible account you're using to offset your home loan doesn't earn any interest – even if the total balance of the eligible account(s) is higher than the outstanding balance on your home loan account.
- The offset will only operate while your home loan is a variable rate loan. This means that if your home loan is a fixed rate loan or changes to a fixed rate loan, the offset account won't reduce the amount of interest you pay during the fixed rate period.

2.25 The terms and conditions of the account you're using for your offset will outline whether or not you'll earn interest on the balance of that account while the offset isn't operating.

2.26 If your home loan account under an offset arrangement has an interest only period that ends on a day which is not a business day, you may not get the full offset adjustment for your interest charges for the month in which the interest only period ends until the following month.

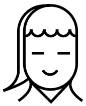
How redraw works

If you choose to make extra repayments or pay more than the minimum amount required on your home loan, you may be able to take this extra money back out - this is your 'redraw'. If you do redraw, we'll debit your home loan account by the amount you've withdrawn, which means your outstanding balance will increase by this amount.

Redraw is automatically available if you open your home loan account – so long as your home loan has a variable interest rate and certain conditions are met. You can cancel redraw at any time. Keep in mind that you'll need to re-apply if you want it back in place.

Example of how redraw accumulates and is applied

Susan takes out a $500,000 variable rate home loan with a loan term of 30 years.

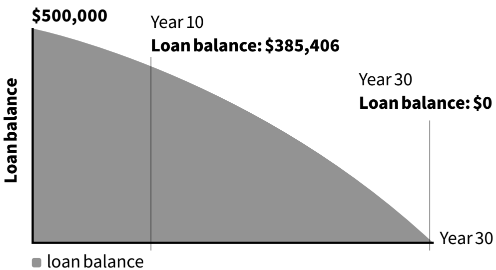


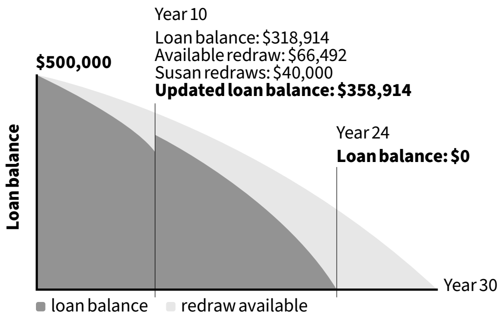
Susan makes no change to her repayments

Her scheduled monthly principal and interest repayment is $2,234 per month. The graph shows how her home loan balance will decrease to $0 over the 30 year period. Because she doesn't make additional repayments, no redraw is available.

Susan increases her repayments

If instead of paying her scheduled monthly repayment, Susan increased her monthly repayment to $2,700 per month, after 10 years she will have accumulated $66,492 in available redraw. Susan has some unexpected expenses come up and can use $40,000 of her redraw for this. If Susan continues to make increased monthly repayments, she may also achieve a $0 loan balance within 24 years of getting her loan.





Contents

Did you know?

If you choose to leave money in your redraw, your outstanding balance will be lower and the amount of daily interest on your home loan will reduce.

2.27 How much can you redraw?

All home loans have scheduled repayments to enable you to repay your home loan by the end of your loan term. Your available redraw amount is the total of all repayments you've made less the amount of all scheduled repayments and your next scheduled repayment. You can make a redraw using the NAB app or NAB Internet Banking.

2.28 You won't be able to access redraw if:

- Your home loan is a building loan.
- Your home loan is on a fixed rate.

2.29 You won't be able to automatically access redraw if:

- Your right to redraw has been cancelled by you or cancelled or suspended by us.
- There's another interest over the security property, such as a second mortgage.
- The redraw is to be used for business purposes.
- We reasonably believe that the redraw could impact your ability to repay your home loan.
- Your home loan has more than one borrower and a borrower has requested that all borrowers need to authorise the redraw and not all borrowers have done so.
- You have a guarantee on your home loan (unless the guarantor has agreed for you to redraw).
- We've taken out Lenders Mortgage Insurance (unless the Lenders Mortgage Insurance insurer has agreed to a redraw being made).
- You're in default on this home loan.

If any of this clause applies to you, you may still request a redraw – however, the redraw will be at our discretion.

2.30 When your redraw might be cancelled or suspended

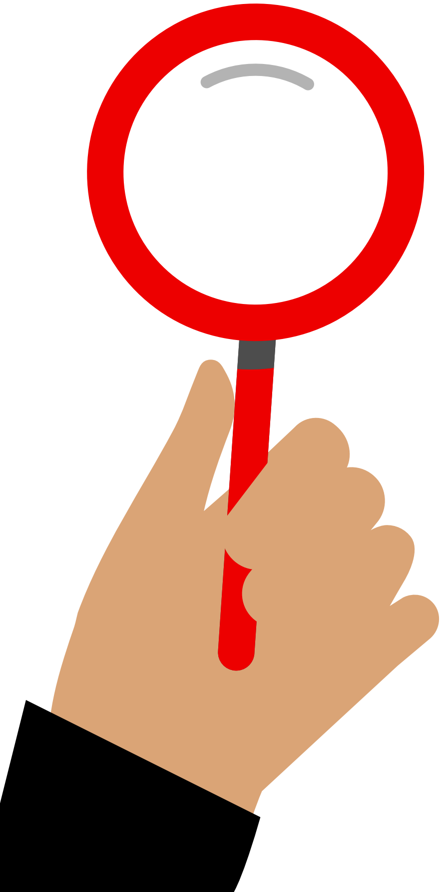
Along with your right to cancel your redraw, there are some instances where we might choose to cancel or suspend redraw (for as long as we need to manage a risk). This includes if:

- you're in default on your home loan or any other agreement you have with us, or we reasonably believe that using the redraw could impact your ability to repay your home loan,
- we're notified that one or more of the account holders is deceased (however, if you're a joint account holder, please contact us if you need to access funds),

- your guarantor limits the amount they guarantee (meaning you won't be able to redraw above that limit),
- where it's reasonable to prevent an anticipated loss to you or us, or we believe it's in your best interests to protect any security or your account,
- it's reasonable for us to do so because of things we might consider listed under clause 5.2 or 5.7, or
- action is reasonably required to prevent an anticipated breach of the law of Australia or any other country.

We'll always notify you if we're cancelling or suspending your ability to redraw.

Contents



3 Learn about loans with specific terms

There are different kinds of loans covered under these terms and conditions, including building and bridging loans. This section covers the specific conditions that apply to these loans, as well as what you should know if you're applying for a loan as a partnership or trust.

- **Conditions of building loans**
- **Conditions of bridging loans (formerly known as 'line of credit')**
- **Trustees and partnerships**

Contents

Conditions of building loans

If any of the conditions of your building loan outlined in this section conflict with the terms in the rest of this contract, the terms in this section will apply to the extent of any inconsistency.

Building loans are a type of home loan for those building or renovating their home using a registered builder. With building loans, you don't get all the money upfront – you'll receive it in agreed instalments at various stages of the project.

3.1 If your home loan is a building loan, the following applies to you:

- We lend you the building loan in a series of instalments as construction progresses, as agreed between us. We may pay these instalments directly to the builder. You authorise us to make those payments and agree that where we pay the builder, we will be taken to have lent you the relevant amount.
- When you finish building your home, if the final cost is lower than the amount shown in your Offer Letter, the amount we'll lend you will be reduced to this lower amount. If you anticipate the building will cost you more, let us know as soon as possible to discuss your options.
- If the building is used as a security, you need to make sure that the value of the building is fully insured as that value increases, while also providing any other insurance relating to the building that we may reasonably require.
- The first instalment of your building loan must be borrowed within 180 days of the offer date in your Offer Letter. If you don't do so, including as a result of the requirements in clause 3.2 not being satisfied, we may treat the contract as ended and keep any loan application or establishment fees. Let us know as soon as possible to discuss your options before the 180 days expires.
- Your building needs to be finished within 24 months of the settlement date, unless agreed otherwise. If you think you'll need an extension, let us know as soon as possible so that we can discuss your options before the end of the 24 month period.
- You can't make any changes to the building contract plans or specifications without our approval.
- We might inspect the property as part of a payment schedule or to approve alterations. This doesn't count as us inspecting or being responsible for the building works.
- Redraw isn't available until your building is completed and we've processed your final instalment or your repayments have changed to principal and interest repayments.
- Your building loan will start on an interest only basis. If you finish building before the end of your interest only period, you can ask us to change your building loan to principal and interest.
- After we pay the final instalment, or at the end of the 24 month building period (whichever occurs first), your building loan automatically converts to principal and interest repayments.

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3.2 In addition to the requirements in the section '**How to settle your loan**', these are the other conditions that need to be met, unless we agree otherwise, before we pay any instalments of your building loan:

- You've made the agreed contributions towards the cost of building.
- We've received the documents or certificates that we need and they're all satisfactory. This includes council approved plans and permits, a request from you for us to pay funds from the loan, and a certificate from your architect or builder showing the cost of works covered by the certificate.
- We're satisfied with any inspection that we request or carry out ourselves.
- For the final instalment, we've received a certificate of occupancy (or equivalent).

Contents

Conditions of bridging loans

(Formerly known as 'line of credit')

If any of the conditions of your bridging loan outlined in this section conflict with the terms in the rest of this contract, the terms in this section will apply to the extent of any inconsistency.

Bridging loans (previously called 'line of credit') are used when you need to fund the purchase of your new home before you've sold your current one. As there's a period of time when you'll be incurring the cost and risk of financing two properties at the same time, this is a special, short-term loan that's available for a maximum term of 12 months (or where your Offer Letter refers to your loan as a 'line of credit', there's no specified end date. Your account is reviewed annually and, depending on the outcome of the review, changes may be made, including cancelling your credit limit and closing the account. See '**Reviewing your loan**' for details).

3.3 Your bridging loan will be available seven days from the acceptance date for your bridging loan, or an agreed earlier date.

You need to draw down part or all of the bridging loan within 120 days of the acceptance date – otherwise we'll treat this contract as ended without having to notify you and keep any loan application or establishment fees. Let us know as soon as possible to discuss your options. If you think you'll need an extension, let us know as soon as possible so we can discuss your options within the 120 days.

3.4 You authorise us to open a bridging loan account for you, unless we've agreed that you'll use a NAB transaction account as your bridging loan account.

3.5 We'll debit your bridging loan account for any amount you draw on your bridging loan. We'll also debit this account for any other amounts (including interest, fees and charges) identified in your Offer Letter or the contract, unless we've agreed to debit those amounts from another nominated account.

3.6 A credit limit will be attached to your bridging loan account. The credit limit is a cap on how high the outstanding balance on your bridging loan account is permitted to reach.

You can draw on your bridging loan account up to the credit limit, making sure your account doesn't go over that limit.

We'll only increase the credit limit if you've asked us to.

3.7 Cancelling or reducing your credit limit

Your credit limit might be reduced or cancelled at any time (whether or not you're in breach of this contract).

You can ask us in writing to reduce or cancel your credit limit.

There are some other instances where we might reduce or cancel your credit limit without your permission, including:

- if you've defaulted on the contract or any other agreement you have with us,
- where we have good reason to believe that your existing credit limit is more than you can manage without financial difficulty,

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- we're notified that one or more of the account holders is deceased (however, if you're a joint account holder, please contact us if you need to access funds),
- your guarantor limits the amount they guarantee (meaning you won't be able to draw above that limit),
- where it's reasonable to prevent an anticipated loss to you or us, or we believe it's in your best interests to protect any security or your account,
- it's reasonable for us to do so because of things we might consider listed under clause 5.2 or 5.7, or
- action is reasonably required to prevent an anticipated breach of the law of Australia or another country.

Where we reduce or cancel your credit limit to avoid or reduce material losses, or manage a material and immediate risk (which may include the circumstances described on the previous page), we may not give you notice (or we may give you less than 30 days' notice). Where we're not required to give you notice in advance, we'll let you know in writing as soon as practicable after doing this (unless you're are in default under this contract). In other circumstances, we'll give you at least 30 days' notice in writing.

If we reduce your credit limit and the outstanding balance is above the new credit limit, you'll need to make payments to us to reduce the outstanding balance to the new credit limit. If your credit limit is cancelled, the credit limit will reduce to zero and you must pay the total amount owing. When we give you notice, we'll tell you when the payment's required.

3.8 You don't have to make regular repayments to a bridging loan account. However, if you draw an amount or any amounts are debited to your bridging loan account which results in the outstanding balance going over the credit limit, the extra amount needs to be paid promptly to reduce the outstanding balance to the credit limit, unless otherwise agreed. If you don't, we may exercise our rights under these terms and conditions when you're in default.

You agree to pay the total amount owing in full by the end of the loan term in your Offer Letter. Once you've paid the total amount owing, the bridging loan account will be closed – or we can change the account to a NAB transaction account.

3.9 We give you statements every month for your bridging loan account except where not required by law.

Trustees and partnerships

Undertaking or declaring as a trustee

This section applies if you enter into the contract as trustee of a trust.

If a trust is used to buy a property, the loan would generally be in the name of the trustee. For example, in the case of a family trust, the borrower may be listed in your Offer Letter as 'Marion Jones as trustee for the Jones Family Trust'.

3.10 As a trustee of a trust, you agree that you're liable under the contract both personally and as trustee of the trust – and you accept and declare that:

- You're a trustee of the trust and there haven't been any steps taken to remove you from that position.
- You have power and authority as trustee to enter into the contract and are doing so for a proper purpose.
- You have the right to be indemnified out of trust assets for obligations incurred as trustee under the contract before any beneficiary claims.
- You're not in default under the terms of the trust.
- You won't do any of the following without getting our written consent beforehand:
  - amend or alter the trust deed,
  - give up your position as trustee or permit this to occur,
  - transfer trust assets of a material value to any other person,
  - exercise any power as trustee without getting any required written consent from another person, or
  - take any action to end the trust, or propose to do so.
- The trust hasn't vested.
- True copies of the trust deed and any other necessary documents have been provided to us if requested and disclose all the terms of the trust.

3.11 If anything happens at any time that could prevent you from truthfully repeating any of the declarations above, you'll need to let us know promptly.

Partnerships

This section applies if you enter into the contract as partner of a partnership.

If a partnership is used to buy a property, the loan will be in the name of the individuals and will generally also include the trading name. For example, the borrower may be listed in your Offer Letter as 'Simone Chan and Melanie Smith trading as C&S Investments'.

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3.12 As partners of a partnership, you agree that each partner of the partnership is liable under and bound by the contract, even if:

- The partnership changes in some way, including as a result of:
  - a partner retiring,
  - a new partner joining,
  - a partner being removed,
  - death, or
  - incapacity.
- The partnership stops doing business.

You agree to make sure that any documents we need for these partnership requirements to take full effect are executed.

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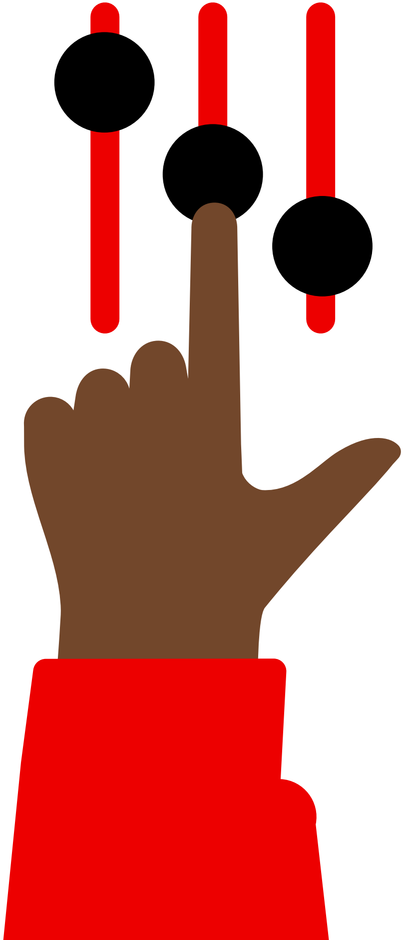


4 How changes are made to your loan

Find out how you can make changes to your loan, or how we might do the same, and how we can contact each other.

- **How we communicate with each other**
- **Instructions, reviews and changes**
- **Closing your loan**

Contents

How we communicate with each other

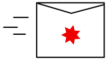
4.1 We may need to send each other communications from time to time. We call these 'notices' and they include things like offer details, statements, notices about your loan account, changes to the contract and other documents, communications and legal notices.

You can give us notices – and we can give the same to you – in the ways described below.

In writing

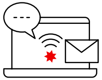
In person
We can give each other notices at a NAB branch or registered office.

We consider the notice received on the date on the notice or the date it's handed over – whichever comes later.



By post
We may send you a notice by post to your address recorded on our file – so let us know if your address changes. Sometimes, a notice may be a message in your statement.

We consider the notice received on the date on the notice or when it would have been delivered in the ordinary course of post, whichever is later.



Electronic communications
We can communicate with each other by providing notices by electronic methods. These methods may include email, SMS, a message in your statement, through NAB Internet Banking or the NAB app, or in another way permitted by law.

If we communicate with you by email or SMS, we'll use the email address or mobile phone number on file. If you communicate with us by email or SMS, you'll need to contact us on the email address or mobile phone number we provided to you for that specific purpose.

We consider the notice received on the date on the notice or when it reaches the addressee's electronic address, whichever is later.

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How we communicate with each other

By publication	
	Electronically We may publish notices electronically via NAB Internet Banking, the NAB app, on your statement or on the NAB website. When notices are available in NAB Internet Banking, we'll usually let you know by email or SMS. We may also notify you of changes to interest rates, fees and charges by publishing a notice electronically (for example, on our website or through NAB Internet Banking or the NAB app) without letting you know by SMS or email. We'll follow any regulatory rules in place when we do this. We consider the notice received when we let you know that the notice is available for viewing.
	In print We may publish notices in print, including newspaper (for example, in relation to an increase in interest rates). We consider the notice received on the date of the publication.

Contents

Instructions, reviews and changes

Giving us instructions

4.2 If there's more than one borrower, any of you can give us instructions regarding the contract (such as applying for a fixed rate or changing your offset arrangements) and you each agree that those instructions will bind all of you. If you prefer, you can set up your loan account so that all borrowers must approve withdrawals and other instructions.

If you've told us one or all of you are in dispute, we'll ask all of you to confirm the instructions provided.

At any other time we may, at our discretion, ask each of you to confirm those instructions before we can act on them.

4.3 Updating your contact details

Let us know as soon as possible if your contact details change (including email addresses, postal addresses and phone numbers). You can update your contact details in NAB Internet Banking or the NAB app, or get in touch in one of the ways listed on the last page of this document.

Use of electronic signatures

4.4 We use electronic signatures to speed up the process of getting your documents finalised, as this eliminates the need to print, scan and post documents.

You consent to us and you using electronic signatures as a way of signing any contract or document in relation to your loan.

Reviewing your loan

4.5 When your home loan has a variable interest rate and you're making principal and interest repayments, we review your home loan on or about the anniversary of your settlement date each year to make sure that your repayments are on track to repay the home loan by its end date. As a result of this review, we may change your principal and interest repayments under the contract so that the total amount owing is repaid within the loan term.

4.6 When your Offer Letter refers to your bridging loan as a 'line of credit', we review your line of credit annually and, as a result of this review, we may reduce or cancel your credit limit. We'll act fairly and reasonably when we do this.

Things you must do along the way

4.7 If we reasonably require further information from you, including about your financial position or a security property, you agree that you'll provide this information to us as quickly as possible.

4.8 You also agree that you won't sell or transfer any secured property or attempt to do so without our consent.

Contents

If we make changes to the terms of the contract

4.9 If the National Credit Code applies, we'll only vary the contract in line with that Code.

4.10 We might come to an agreement to defer, waive or vary any of these terms and conditions without creating a new contract. Where we do this, we'll confirm this by notifying you within 30 days after we agree.

4.11 We may change any of the terms of the contract without creating a new contract. We'll tell you about these changes by communicating with you as described in '**How we communicate with each other**', except in some scenarios where we may not be required to notify you. The table below outlines the different types of changes we may make and tells you if you'll be notified and when.

Type of change	When you'll be notified
Increasing your interest rate	No later than the day on which the change takes effect
Other interest changes (manner in which interest is calculated or charged), except reducing your interest rate	At least 30 days before the change takes effect
Changes to your scheduled repayments (amount or frequency or time for payment of, or a change in method of calculation of, your scheduled repayments), except reducing your scheduled repayments or extending the time to make scheduled repayments	At least 20 days before the change takes effect
Change that reduces your credit limit or loan amount	At least 30 days before the change takes effect, unless we're allowed to provide less notice or no notice (in which case, we'll let you know as soon as practicable after reducing the credit limit or loan amount unless you're in default under the contract)
Introducing a new fee or charge, or increasing an existing fee or charge, or changes to the frequency or time for payment of a fee or charge	At least 30 days before the change takes effect

Contents

Type of change	When you'll be notified
Change any other term of the contract	At least 30 days before the change takes effect
Change to manage a material and immediate risk if it's reasonable for us to do so, or there is a new or changed government charge in connection with the contract	If we do need to notify you, we may give you a shorter notice period than the period described elsewhere in this table (for example, reasonably promptly after the government notifies us of the new or changed government charge). However, we don't have to notify you about a new or changed government charge if the government publicises these details.
If we reduce your obligations (with the exception of reducing your credit limit, which is described above) – for example, if we extend the time to make a scheduled repayment or reduce the interest rate or the amount of a scheduled repayment	If we do need to notify you, we'll do this before or when your next statement is sent, after the change takes effect
Change to how regularly you're sent statements	At least 30 days before the change takes effect
Substituting a different indicator rate	At least 30 days before the change takes effect

Contents

Closing your loan

4.12 You agree to repay the total amount owing in full by the end of the loan term in your Offer Letter.

4.13 Your loan account will stay open until the end of the loan term or until the total amount owing is paid in full – whichever is later. We may close it earlier if:

- You let us know you'd like us to close it and the loan account has a zero or credit balance.
- The total amount owing is zero (or less than $100) for 3 months in a row and we decide to close it for you. We'll give you reasonable prior notice of our intention to close your loan account under this clause. If you ask us not to close your loan account at that time, we won't. However, we may close your loan account without prior notice if we need to act quickly to manage a risk, in which case we will notify you as soon as reasonably practicable.
- You haven't used your loan account for seven years (or the period of time specified in Australian law on unclaimed money) and we decide to close it. Any credit balance will be transferred to the Commonwealth Government as unclaimed money. We'll notify you at least 30 days before.

4.14 If your loan account is closed, you'll need to pay the total amount owing.

4.15 If the contract ends before you obtain credit under it, we'll keep fees that you've paid to set up your contract. We'll pay back to you or reduce any amounts that you paid us to cover third party fees or charges that no longer apply now that the contract's ended.

Contents

5 What can happen if things go wrong

This section explains your options if you find yourself in financial difficulty, while also outlining the ways we might exercise our rights and discretions.

- **If things go wrong and our rights and discretions**
- **Defaults**
- **Further terms of our agreement**

If things go wrong and our rights and discretions

We understand that financial situations can change quickly. If you're having trouble making your loan repayments, we want to work with you to find a solution.

It can feel overwhelming, but financial difficulty can be managed. The sooner you contact us, the sooner we can support you and discuss your options.

We will:

- treat every single customer fairly and individually,
- show understanding that loan repayments aren't your only bills,
- be open and clear about your options,
- work to get you to the other side in the best possible position, and
- start with the view that selling your home is a last resort, though it may be better for you to do so.

If you need loan support, you can learn more about the options available to you directly on the **NAB website**, or search the NAB website for 'home loan support'.

We can also refer you to a trusted partner for support with mental health, financial and elder abuse, domestic and family violence or unemployment. Find out more about additional support services directly on the **NAB website**, or search the NAB website for 'support services'.

How we may exercise our rights and discretions

5.1 When we exercise a right or discretion under this contract, we'll do it in a way that is fair and reasonable. This includes when we make changes to your credit limit, your access to redraw, fees and charges, or the terms of this contract.

5.2 Some of the things we might consider when exercising our rights and discretions include:

- our legal obligations, industry codes and payment scheme rules and the expectations of our regulators,
- protecting our customers, staff and systems and the personal information we hold,
- whether any information you provided us is misleading, incorrect or incomplete, or you haven't provided us with information we reasonably need when asked,
- how our products and services are intended to be used (and how you have used them),
- our public statements, including those relating to protecting vulnerable persons, the environment or sustainability,
- community expectations and any adverse impact on our reputation,
- whether we need to action to protect you or another person from a potential fraud or scam, or
- risk management, including sanctions risk management.

Contents

5.3 If we impose any conditions or requirements to any consent we give, or agree to any request that you make subject to conditions, then you'll need to comply with those conditions or requirements.

5.4 If we don't make a decision or do something straight away, we may still do so later. This includes where we delay or defer doing so, or we temporarily waive a requirement.

5.5 Our rights and remedies under this agreement are in addition to other rights and remedies given by law independently of this agreement.

5.6 Our rights and remedies may be carried out by any of our officers or employees, or any person we've authorised.

5.7 We're not responsible for any loss arising in connection with us exercising (or not exercising) our rights except to the extent caused by the fraud, negligence or misconduct of us, our related entities or our agents.

Unacceptable account conduct

5.8 We seek to protect our customers from harm arising from unlawful use of, or financial abuse conducted through, our products. We recognise financial abuse may happen to anyone and can include forms of family and domestic violence or elder abuse.

5.9 We'll investigate instances where we identify or are made aware that a product is being used in a financially abusive manner, including:

- coercive or controlling behaviour to limit a person's access to or use of funds,
- making profane, derogatory, discriminatory or harassing comments to any person,
- making or promoting threatening or abusive language to any person,
- making or threatening physical or psychological harm to any person.

5.10 We may reasonably exercise one or more of our rights in this contract to suspend, cancel or deny an account holder's access to credit, including redraw or to reduce a credit limit, if we reasonably consider it appropriate to protect a customer or another person from financial abuse.

5.11 If you are concerned about your banking safety call our NAB Customer Support Hub on 1300 308 175, find out more about additional support services directly on the **NAB Website**, or search the NAB website for 'support services'.

Defaults

5.12 You're in default on your loan if:

- You don't pay an amount that's due on time.
- You breach any material provision of the contract or other agreement you have with us – and that breach hasn't been fixed within 30 days' of you being notified.
- A security provider (like a guarantor) is in default under, or withdraws or breaches the terms of, a security.
- We reasonably believe you or someone else gives us information relating to the contract which is incomplete, incorrect or misleading.
- You or someone else doesn't carry out something required under or in relation to the contract within the period specified or as promptly as possible if no period is specified.
- You (or a security provider) can't pay the amounts owing (or are insolvent or are taking the steps to become insolvent).
- An event occurs which we believe, in our reasonable opinion, could negatively impact on our ability to realise or enforce the security.
- An event occurs which we believe in our reasonable opinion could negatively impact on the value of the security and either occurs because you or a security provider has failed to meet obligations owed to us under this agreement or a security, or the event means that you'll no longer be able to meet your payment obligations owed to us under this agreement.
- You or another relevant person has acted fraudulently in connection with the contract or another agreement you have with us.
- You have a bridging loan and you or we cancel the credit limit under the contract and you haven't paid what's owing. Find out more about cancelling credit limits in '**Conditions of Bridging Loans**'.
- You sell or transfer, or attempt to sell or transfer, the security property without our consent.

5.13 What happens if you're in default

We know sometimes circumstances change, and we'll try to help you manage this. However, if we can't agree, then we'll send you a notice asking you to fix the default, unless we're not required to do so by consumer credit law.

Where we give you a notice, we'll specify a period for you to fix the default. This period will be at least 31 days from the date of the notice. The notice will specify how you may fix the default. You should read the notice carefully and follow the instructions in the notice.

5.14 What we may do if a default isn't fixed

If you're in default and:

- you don't fix the default within the period specified in the notice, or
- consumer credit law doesn't require us to wait until that period has expired, or
- we don't have to give you notice,

then we may decide to do either (or both) of the following:

- ask that you immediately pay to us the total amount owing, or
- take legal action to recover any overdue amounts, including enforcing any rights we have under the security.

If we've asked for immediate payment of an amount, as described above, you must pay us the amount immediately. You'll still be required to pay any other amounts when due.

5.15 You may be liable for enforcement expenses. Enforcement expenses result from us having to enforce the terms of the contract (or a security) if you're in default. You'll need to pay reasonable enforcement expenses incurred or expended by us when asked. We may debit these enforcement expenses to your loan account – but we'll always try to give you notice before we do so.

Contents

Further terms of our agreement

Severance

5.16 If law makes a term of the contract illegal, void or unenforceable, we both agree that the term remains, but will be read down so that this doesn't occur. If this can't be done, you and we agree that only the affected term is to be excluded and the rest of the contract should not be affected.

Set off and counterclaim

5.17 You need to pay any amounts you owe as part of the contract in full, without set off, counterclaim or other deductions unless you have a right to set off granted by law which cannot be excluded (for example, where a court order permits or where you've established that a payment is not due and payable).

In some instances, we might need to set off money you have in other accounts with us to pay an amount that's owing on your loan. This could mean we convert an amount that's held in a foreign currency into Australian dollars, based on the exchange rate at that moment. We will promptly notify you if we need to do this.

Assigning rights

5.18 We may assign our rights under or in relation to the contract to any person or otherwise deal in any way with those rights where that other dealing is for legitimate business reasons. If this happens, you agree that we may disclose information or documents to help us exercise these rights.

You won't be able to assign your rights or responsibilities to another individual or party.

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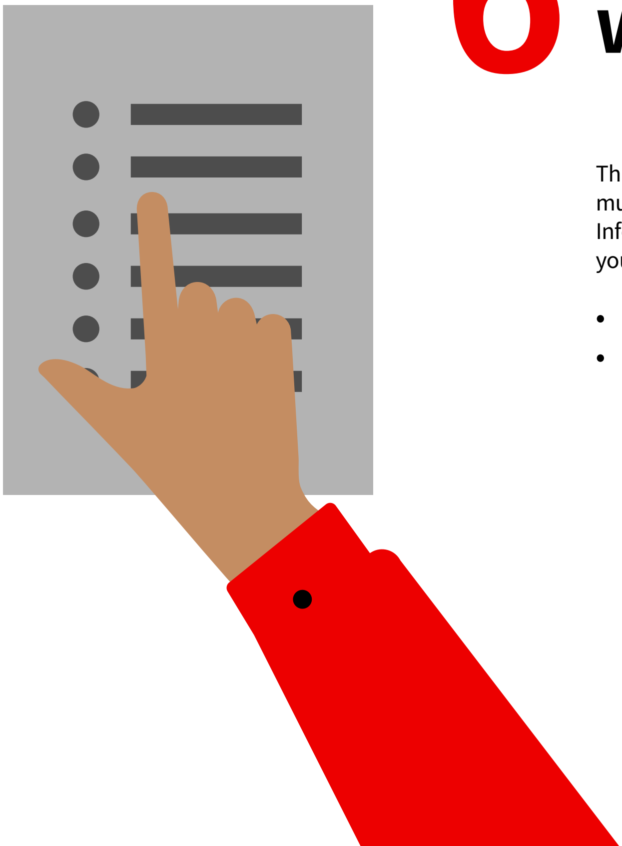


6 The rules we follow

This section outlines the rules covering our mutual rights and obligations, along with the Information Statement we're required to give you under the National Credit Code.

- **Industry codes and law**
- **Information Statement**

Contents

Industry codes and law

The Banking Code of Practice

We follow the banking industry's Banking Code of Practice (previously known as the Code of Banking Practice) and the Banking Code of Practice applies to the contract.

It's a voluntary code that provides safeguards and protections for customers, and in some areas set higher standards than the law. It also sets out the principles that will guide us in our decision making when providing services – including being fair, responsible and accountable in our dealings with you, and acting with honesty and integrity.

You can access a copy from the **Australian Banking Association's website**, directly from the **NAB website**, by searching the NAB website for 'Banking Code of Practice' or by asking us for a copy at any of our branches.

Applicable law

6.1 The contract is governed by the law of Victoria.

6.2 Any court cases involving the contract can be held in courts of any State or Territory of Australia with jurisdiction. We'll give any legal protections available to you in the State or Territory in which you live.

Information statement

This is important information we're required to give you by law and only applies to you if the National Credit Code applies to the contract.

Things you should know about your proposed credit contract

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

If you have any concerns about your contract, contact your credit provider and, if you still have concerns, the AFCA scheme, or get legal advice.

The contract

1. How can I get details of my proposed credit contract?

   Your credit provider must give you a pre-contractual statement containing certain information about your contract. The pre-contractual statement, and this document, must be given to you before:

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

   whichever happens first.

2. How can I get a copy of the final contract?

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

   Also, the credit provider must give you a copy of the final contract within 14 days after it's 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 one 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 haven't 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'll still have to pay any fees or charges incurred before you terminated the contract.

Contents

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 payout figure?

   You can write to your credit provider 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.

   Your credit provider must give you the statement within 7 days after you give your request to the credit provider.

   You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

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

7. Can my contract be changed by my credit provider?

   Yes, but only if your contract says so.

8. Will I be told in advance if my credit provider is going to make a change in the contract?

   That depends on the type of change. For example:

   - you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published by your credit provider,
   - you get 20 days' advance written notice for:
     - a change in the way in which interest is calculated,
     - 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 the AFCA scheme. The AFCA scheme is a free service established to provide you with an independent mechanism to resolve specific complaints.

The AFCA scheme can be contacted at:

Telephone: 1800 931 678 (free call)
Website: **afca.org.au**
Email: info@afca.org.au

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

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 **asic.gov.au**.

Insurance

10. Do I have to take out insurance?

    Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

    Yes, if you've taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal. Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

    You can always ask the insurer for details of your insurance contract.

    If you ask in writing your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

    Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

    Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

    You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

    A mortgage means that you give 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 your credit provider.

16. Should I get a copy of my mortgage?

Yes, it can be part of your credit contract or, if it's a separate document, you'll 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 your 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 the 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 your 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 the credit provider gives permission first.

If your credit provider won't give permission, you can contact the AFCA 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 the credit provider take or sell the mortgaged property?

Yes, if you haven't carried out all of your obligations under your contract.

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

Yes, you have 7 days after receiving your request to tell your credit provider. If you don't have the goods you must give your credit provider all the information you have so they can be traced.

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

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

General

22. What do I do if I cannot make a repayment?

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

    - to extend the term of the contract and reduce repayments,
    - 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 this decision if you think it's wrong.

    If the credit provider still refuses your request you can complain to the AFCA scheme. Further details about this scheme are set out below in question 25.

24. Can my credit provider take action against me?

    Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the AFCA 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 THE AFCA SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT THE AFCA SCHEME OR GET LEGAL ADVICE. THE AFCA SCHEME IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE AFCA SCHEME CAN BE CONTACTED AT:**

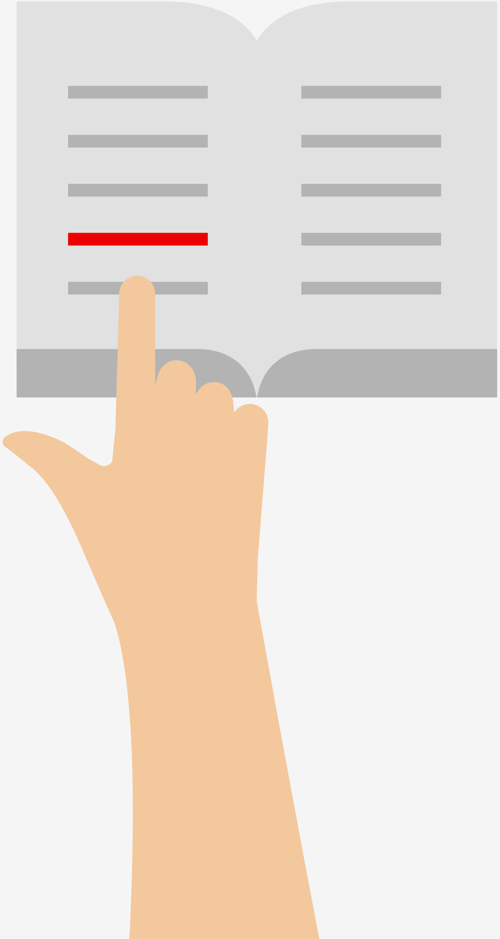
    Telephone: 1800 931 678 (free call)

    Website: **afca.org.au**

    Email: info@afca.org.au

    In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

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



Definitions of some important words

These definitions explain important terms relating to these terms and conditions, to help you make sense of any part of the contract.

Contents

Definitions of some important words

Words	Meaning
acceptance date	the date you accept the offer of credit from us in your Offer Letter, as outlined in the section '**How to settle your loan**'
amount of credit	the loan amount as set out in your Offer Letter
average debit balance	in respect of each account at the end of each month, the average of the debit balance owing for the account for each day during the month
bridging loan	the credit facility we provide to you which is described in your Offer Letter as a 'bridging loan' or a 'line of credit', or which your Offer Letter says has bridging loan or line of credit conditions attached to it
bridging loan account	each account we've established in your name to record transactions in connection with your bridging loan – these accounts were formerly known as a credit account
broker	the person named as the broker in the 'Commission' section of your Offer Letter

Words	Meaning
building loan	the loan described in your Offer Letter as a 'building loan' or a 'construction loan' or which your Offer Letter says has building loan or construction loan conditions attached to it
business day	a day other than a Saturday, Sunday or a public holiday throughout Australia
credit limit	the maximum amount of credit funds we've agreed to make available to you at any time through a bridging loan account
electronic communication	a message we send you or you send us electronically, such as via email, SMS, a message in your statement, NAB Internet Banking or the NAB app
fixed rate	an interest rate that is fixed for a designated period
fixed rate loan	your loan for so long as a fixed rate applies to it
fixed rate period	the period during which your loan has a fixed rate
GST	shares the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth)

Contents

Words	Meaning
home loan	the loan described in your Offer Letter as a 'home loan', including a building loan
home loan account	each account we've established in your name to record transactions in connection with your home loan
insolvent	a person is insolvent if: • they commit an act of bankruptcy within the meaning of the Bankruptcy Act 1966 (Cth), • they're otherwise unable to pay their debts when they're due, or • something happens that has a substantially similar effect to any of the things referred to above (under any law)
interest only period	a period during which only interest repayments need to be made
interest rate	the annual percentage rate that applies to your loan account at any time. It will be a variable rate or, if you ask and we agree, a fixed rate

Words	Meaning
line of credit	the credit facility we provide to you which is described in your Offer Letter as a 'line of credit'
loan	a home loan or a bridging loan
loan amount	the amount shown in your Offer Letter
loan account	for a home loan, the applicable home loan account and, for a bridging loan, the applicable bridging loan account
loan term	the length of the loan outlined in your Offer Letter, which starts on the settlement date
NAB website	the NAB website at www.nab.com.au
National Credit Code	the National Credit Code set out in Schedule 1 of the National Consumer Credit Protection Act 2009 (Cth), including all regulations under that legislation
nominated account	any account that you and we've agreed to use for a particular purpose
offer date	the date specified in your Offer Letter
offer details	your Offer Letter

Contents

Words	Meaning
Offer Letter	a separate document provided with these General Terms, which names you as ‘borrower’ and forms part of the contract. It also includes any notice we give you which sets out the details of any changes we’ve agreed to
officer	any person who is authorised to act under our general power of attorney, plus any solicitor acting on our behalf
offset account	an eligible NAB transaction account linked to your loan for the purpose of an offset
offset arrangement	the offset arrangement described in the ‘**How an offset account works**’ section can also be referred to as ‘the NAB 100% offset arrangement’
outstanding balance	for a loan account, the difference between all amounts debited and credited to that loan account at that time. If this is calculated for the end of a day, it includes all debits and credits assigned to that day too
package	the package specified in your Offer Letter

Words	Meaning
payable	an amount which needs to be paid now or in the future
repayment	any payment or repayment of principal, interest, fees, charges or other amounts in relation to the contract
security	any document or act creating a security for money to be paid or obligations to be met. This could include a mortgage, charge, lien, pledge, trust, power, guarantee, or title retention
security property	• the property described in a security specified in your Offer Letter (usually the property you’ve purchased), plus all rights, title and interest in connection with the property, • any kind of fixture, structure or improvement fixed to, or on, the property, and • any right granted in connection with the property
security provider	each person (other than you) who gives a security, such as a guarantor

Contents

Words	Meaning
settlement date	the applicable date described below: (a) For a home loan, the settlement date is the first date we lend you any part of it (b) For a bridging loan: (i) Where your bridging loan account is opened to establish the credit limit, the settlement date is the date of the date of the first transaction on that account (ii) Subject to (iii), where you've asked us to change a NAB account attached to another bridging loan to become the bridging loan account under the contract, and the account number of your bridging loan account is the same as the account number of the account to which that other bridging loan was attached, the settlement date is the date of the first transaction on or after the date you originally met the conditions to use the earlier bridging loan
settlement date continued	(iii) Where you've used your bridging loan account as an existing transaction account before the credit limit applies, the settlement date is the date the credit limit is first applied to that account
the contract or this contract	the credit contract made up of both your Offer Letter and the Home Loan General Terms
total amount owing	the total of the outstanding balance at any time, along with all accrued interest charges, default interest charges and other amounts which you need to pay under the contract (but which haven't yet been debited to an account)
trust	the trust described in your Offer Letter
variable rate	an interest rate that is not fixed and may change
variable rate loan	your loan for so long as a variable rate applies to it
we and us	the credit provider named in your Offer Letter, including any successors and assigns

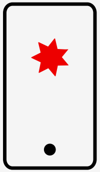
Contents

Words	Meaning
you	the person (or persons) named in your Offer Letter as 'borrower', including any successors and assigns. If there is more than one, 'you' means each of them separately and any two or more of them jointly. This applies to the description of the total amount owing too. 'Your' has a similar meaning

A reference to:

- A document or agreement includes any variation or replacement of it.
- Law means common law, principles of equity, State, Territory and Commonwealth laws and regulations and other instruments under them – along with consolidations, amendments, re-enactments or replacements of any of them.
- 'Person' includes any corporation, joint venture, partnership, trust, committee, incorporated or unincorporated organisation and authority.
- Our consent or approval means the consent or approval we've given in writing.
- 'Writing' or 'written' includes electronic communication.
- The singular includes the plural and vice versa.
- 'Includes', 'including', 'for example' or similar expressions doesn't limit what else may be included.

Contact Us

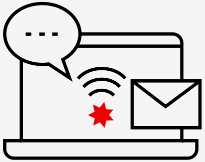


Call us

13 22 65

For people with hearing or speech difficulties, contact us on **13 22 65** through the **National Relay Service**.

If you do not speak English, you can call us on **13 22 65** and say **I need an interpreter**. We'll get someone to help you.



Manage your account online

nab.com.au/personal/home-loans

NAB Internet Banking

NAB app