

Consumer Lending

TERMS AND CONDITIONS | VERSION 10 | 12.09



Introduction

References to ANZ

In this Terms and Conditions booklet, 'ANZ' means Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

Read your terms and conditions material

You should read all relevant terms and conditions material that is provided to you and ask ANZ about any issues that concern you.

This document does not contain all the precontractual information required to be given to you. The rest of the information is contained in the covering Letter of Offer.

Your Letter of Offer describes the Annual Percentage Rate, Repayments and Credit Fees and Charges that apply to your loan or facility. When you accept the offer of credit from ANZ in your Letter of Offer, you agree to pay the Annual Percentage Rate (interest) on the amount of credit provided by ANZ and to pay the Credit Fees and Charges and to make the Repayments described in the Letter of Offer (but subject to change as described in this booklet and in the Letter of Offer).

If you accept the offer of credit made to you, the contract will be made up of:

- the terms in the Letter of Offer;
- the General Conditions in this booklet; and
- depending on the type of loan or facility involved, either Specific Conditions (A) or Specific Conditions (B) in this booklet (see the table on page 4).

The table below shows which Conditions in this document apply to your loan or facility.

The General Conditions apply to all loan and facility types shown in the table. In addition, Specific Conditions (A) or Specific Conditions (B) will apply to your loan or facility, depending on the type of loan or facility.

You should also see the Electronic Banking Conditions of Use in this booklet, which tells you when it applies to you.

Loan Type	General Conditions	Specific Conditions (A)	Specific Conditions (B)
Home Loans	✓	✓	
Home Improvement Loans	✓	✓	
Supplementary Loans	✓	✓	
Residential Land Loans	✓	✓	
Residential Investment Loans	✓	✓	
Residential Investment Land Loans	✓	✓	
Home Equity Loans (no longer offered)	✓		✓
Equity Manager Facilities	✓		✓
Fully Drawn Advances	✓	✓	
Personal Loans	✓	✓	

When you are reading the General and Specific Conditions, keep in mind that some terms have special meanings which are explained at the end of the General Conditions section of this booklet.

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General Conditions

1. Actual amounts you need to pay may be different from those in your Letter of Offer

The actual amounts you need to pay under your loan or facility, including repayments and interest rates, may be different from the amounts set out in the covering Letter of Offer. This is because the financial details in the covering Letter of Offer are based on some assumptions that may change. The financial details in the Letter of Offer:

- use interest rates and fees applicable at the date of disclosure (set out in the Letter of Offer);
- assume the loan or facility will be fully drawn on the date of advance (where relevant) unless you nominated a progressive drawdown;
- include government duties and taxes payable on foreseeable withdrawals and receipts; and
- include periodic bank fees, where applicable, except when they are to be paid from another account.

2. Annual Percentage Rate (Interest Rate)

Interest rates can change

Variable reference rates (or Index rates) can be changed **at any time** including the period between the date of disclosure (set out in the Letter of Offer) and the date of drawdown.

Fixed reference rates can also be changed at any time before drawdown, but not once the loan has been drawn and the fixed interest rate period has started.

At the end of any fixed interest rate period, you may apply for another fixed interest rate period, and, if ANZ agrees to your request, you will be advised of any extra or varied terms which will apply. Please note that fees may apply as set out in your covering Letter of Offer.

If your Letter of Offer provides for an interest rate margin, that margin will, unless varied by ANZ, apply for the term of the loan or facility.

Notifying you of changes

If there is a change in the reference rate or interest rate margin that applies to your loan or facility, you will be notified no later than the date on which the change takes effect, by notice in writing or advertisement published in a newspaper circulating throughout your State or Territory. Details of the change will also appear on your next statement. For further information in respect of other changes that may be made in respect of interest rates, refer to clause 19 below.

You can also check interest rates and reference rates on www.anz.com, by asking at any ANZ branch or calling:

- ANZ Home Loan Hotline on 1800 035 500, 8am - 11pm (Melbourne time) 7 days a week;
- ANZ Personal Loan Servicing and Maintenance on 1800 801 485, 8am - 8pm (Melbourne time) weekdays.

3. Processing of repayments, additional payments or other transactions

If you make a request in relation to your ANZ loan or facility on a day that is not a business day, your request will generally be submitted for consideration on the following business day.

Generally, any transaction made on your ANZ loan or facility will be processed on the same day as long as it is made before the following times:

- 4pm Melbourne time Monday to Friday (excluding national public holidays) for repayments, withdrawals or deposits at ANZ ATMs (or ATMs of associated financial institutions);
- 10pm Melbourne time Monday to Friday (excluding national public holidays) for funds transfers made through ANZ Phone Banking or ANZ Internet Banking; or
- 6pm Sydney time on Banking Business Days (as defined in the Electronic Banking Conditions of Use at the end of this booklet) when using BPAY®.

Any transaction made after these cut-off times may be processed on the following Banking Business Day.

If a payment is made by mail it will be credited to your account by ANZ on the date of receipt. You should allow a suitable amount of time for the mail to reach ANZ.

If a cheque used for a repayment is dishonoured, the repayment will be treated as not having been made, and interest will continue to accrue on the unpaid daily balance until actual payment is received. If a repayment or other payment is due on the 29th, 30th or 31st of a month which does not contain such a date, it is due on the last day of that month.

If a repayment or other payment is due on a day which is not a business day, it must be paid on the next business day.

A repayment or other payment made to your account on the last day of a statement period may not appear on the statement issued for that period. If so, the repayment or other payment will instead appear on your next statement, together with its effective date.

4. How fees and charges are payable

Fees and charges are payable in the following manner:

- for continuing credit facilities, they will be added to the unpaid daily balance and accrue interest at the same rate, and in the same manner, as advances;
- for loans, during any Interest Only period, they will be debited to your nominated ANZ account on the day they are due; and
- in all other situations, they will be debited to your nominated ANZ account on the day they are due. Where you have not nominated an account, they will be debited to your loan. Any fee debited to your loan which is not paid immediately will be added to the unpaid daily balance and accrue interest at the same rate as the principal.

When a fee is charged in arrears and your loan or facility is repaid or terminated before the fee is due to be charged, ANZ can charge this fee on a pro-rata basis to cover the period up to the date of repayment or termination.

Information on current bank fees and government charges is also available via www.anz.com, any ANZ branch or by calling our Home Loan Hotline 1800 035 500, 8am - 11pm (Melbourne time), 7 days a week or the ANZ Customer Service Centre on 13 13 14, 24 hours, 7 days a week.

5. Changes to fees and charges

Lending for personal use, regulated by the Consumer Credit Code

ANZ can do the following:

	Minimum number of days notice	Method of notice
Introduce a new fee, change the frequency or payment dates of each fee	30 days	In writing
Increase a fee, change the method of calculation or manner of payment of each fee	30 days	In writing, or by press advertisement with details provided before, with or on your next statement
Decrease a fee	Day of change	In writing, or by press advertisement, with details provided before, with or on your next statement

If any other change reduces your obligations, ANZ can give less than 30 days notice but you will be notified with or on your next statement.

Lending for investment or business purposes

	Minimum number of days notice	Method of notice
Introduce a new fee	30 days	In writing
Increase a fee	Day of change	In writing, or by press advertisement
Decrease a fee	Day of change	In writing, or by press advertisement
Change to amount method of calculation, frequency, manner of payment and payment dates of each fee	Day of change	In writing, or by press advertisement

Press advertisements will be published in a newspaper circulating throughout your State or Territory.

During any fixed interest period, no change to the early repayment charge will be made, and no new early repayment charge introduced.

6. Government charges

Government duties, taxes and other charges incurred because of receipts and withdrawals (including cheques) made to or from your account, are payable by you.

7. Security

Your covering Letter of Offer will tell you about any security required by ANZ for your loan or facility. Please be aware that:

- if any security is a security that ANZ already holds at the date of disclosure, by accepting the Letter of Offer, you agree to that security also being held by ANZ as security for this loan or facility;
- security documents are prepared on ANZ's normal security forms. If special circumstances exist, or if ANZ considers it necessary, these forms will be changed or new securities will be drafted to ensure there is effective security;
- if changes to securities or new security items are prepared outside ANZ, you must pay to ANZ any reasonable external fees which are incurred. You can ask for a quote or an estimate and the fees will be payable on the date they are invoiced to ANZ;
- you can obtain copies of ANZ's normal security documents through any ANZ branch before you accept any loan or facility offer;
- ANZ must be satisfied with the title and the security documents before it will provide any credit.

You must pay any applicable stamp duty and registration fees by the date your loan is advanced or, the date that the facility starts. You may also need to pay government fees and stamp duty when any security you are providing is discharged. Please refer to your covering Letter of Offer for details.

8. Insurance

All property mortgaged to ANZ other than vacant land, must be insured under a policy acceptable to ANZ and the insurance policy must be maintained for the period that ANZ holds the mortgage. Please be aware that:

- the insurance policy must cover full reinstatement and/or equal value replacement of the assets;
- Australia and New Zealand Banking Group Limited must be named on the insurance policy as the appropriately ranked mortgagee. This is unless the security is a unit in a building, or a subdivision for which the Body Corporate has taken out insurance for the whole building or subdivision. In this case, ANZ must see the Body Corporate insurance policy; and
- if the security is a Strata Title property and its value or purchase price exceeds \$500,000, you must also take out Strata Title Mortgagee Protection Insurance and give a copy of the policy to ANZ. This does not apply if the property is in Queensland or the Northern Territory.

9. Trusts

If you enter into the loan or facility as a trustee, you agree that you are liable under the loan or facility both personally and as trustee of the trust. You are also assuring ANZ that:

- the loan or facility is for a proper purpose under the trust;
- you have the power and authority under the trust to enter into the contract; and
- you have the right to be indemnified fully out of the trust property, before the beneficiaries of the trust, for all liabilities you incur under the loan or facility.

10. ANZ's rights if there is a default under this agreement

Lending for personal use, regulated by the Consumer Credit Code

If any of the following events of default occur, ANZ can refuse to provide further credit and (subject to notice as described below) require you to make immediate repayment in full of all money you owe ANZ or will or may owe ANZ in the future under this loan or facility.

An event of default occurs:

- if you do not make a payment by its due date;
- if there is any breach of any term or condition of this loan or facility, any other facility provided to you by ANZ, or any security provided to ANZ for this loan or facility or the other facility;
- if, in ANZ's opinion, any event or circumstance arises causing a material adverse change in your financial situation likely to affect your ability to meet your obligations under this loan or facility or any security for it.

A material adverse change includes, but is not limited to:

- your death; or
- termination of your employment; or
- your insolvency; or
- enforcement proceedings by any creditor against you or any property mortgaged as security for this loan or facility; or
- any reduction in the value of property mortgaged to ANZ as security for this loan or facility; or
- any insurance over the mortgaged property being cancelled or declined; or
- any information supplied by you to ANZ in connection with this loan or facility or any security for this loan or facility being found to be untrue, incorrect or incomplete.

Before ANZ requires immediate repayment in full, you will be given 30 days written notice to allow you an opportunity to remedy your default. If ANZ fails to give you notice regarding any event of default, ANZ has not waived its right to do so later.

However ANZ will not give you such notice if:

- ANZ believes, on reasonable grounds, that it was induced by fraud on your part to enter into this loan or facility; or
- ANZ has made reasonable attempts to locate you, but without success; or
- a court authorises ANZ to require immediate repayment without giving such a notice; or
- goods are mortgaged to ANZ as security for this loan or facility, and ANZ believes on reasonable grounds that they have been or will be removed or disposed of without ANZ's permission; or
- ANZ believes on reasonable grounds that urgent action is necessary to protect property that is mortgaged as security for this loan or facility.

Lending for investment or business purposes

If any of the following events of default occur, ANZ can refuse to provide further credit and require you to make immediate repayment in full of all money you owe ANZ or will or may owe ANZ in the future under this loan or facility.

An event of default occurs:

- if you fail to make any agreed payment by the due date; or
- if there is any breach of any term or condition of this loan or facility, any other facility provided to you by ANZ, or any security provided to ANZ for this loan or facility or the other facility; or
- if (being a corporation), in ANZ's opinion, there is a change in your effective control without ANZ's prior written consent; or
- if, in ANZ's opinion, any event or circumstance arises which causes a material adverse change in your financial condition that is likely to affect your ability to meet your obligations under this loan or facility or any security for it.

A material adverse change includes, but is not limited to:

- your death; or
- termination of your employment; or
- your insolvency; or
- enforcement proceedings by any creditor against you or any property mortgaged as security for this loan or facility; or
- any reduction in the value of property mortgaged to ANZ as security for this loan or facility; or
- any insurance over the mortgaged property is cancelled or declined; or
- any information supplied by you to ANZ in connection with this loan or facility or any security for this loan being untrue, incorrect or incomplete.

If ANZ does not, for any reason, demand an immediate repayment when an event of default occurs, ANZ has not waived its right to do so later.

11. Enforcement expenses

If you breach this loan or facility or any security required under it, you will be required to pay expenses reasonably incurred by ANZ in enforcing or preserving its rights under this loan or facility, or the security. These expenses include those incurred by ANZ in preserving or maintaining property secured, collection expenses and expenses resulting from dishonour of a cheque or payment. Enforcement expenses resulting may be debited in the same way as other fees and charges.

12. Joint and several liability

If there is more than one person who is party to this loan or facility, then each person is liable individually for the full amount of the loan or facility, in addition to each of you being jointly liable with each other.

13. Disclosure of financial information

ANZ can require you to provide information about your financial circumstances at any time during the loan or facility to show there has been no material adverse change in your financial situation which may be likely to affect your ability to meet your obligations under this loan or facility or any security for it.

ANZ can also require a new valuation of any property provided as security for this loan or facility.

If so, you may be charged:

- a fee equal to the cost of the valuation which ANZ must pay for employing an external valuer. This will be payable by you on the date it is invoiced to ANZ. It can be debited to your account on that date; or
- a Valuation Administration fee. This fee is payable for administration costs incurred when a valuation or price estimate is required by ANZ in connection with each security for a loan, change to security or guarantors as set out in your covering Letter of Offer. This will be payable by you on the date of advance or when the change is requested.

14. Privacy and confidentiality – ANZ's collection, use and disclosure of personal information

When you deal with ANZ, ANZ is likely to collect and use some of your personal information. ANZ explains below when and how ANZ may collect and use your personal information.

Collection of your personal information by ANZ

ANZ may collect your personal information:

- to assist in providing information about a product or service;
- to consider your request for a product or service;
- to enable ANZ to provide a product or service;
- to tell you about other products or services that may be of interest to you;

- to assist in arrangements with other organisations (such as loyalty partners) in relation to the promotion and provision of a product or service;
- to perform other administrative and operational tasks (including risk management, systems development and testing, credit scoring, staff training, and market or customer satisfaction research);
- to prevent or investigate any fraud or crime (or a suspected fraud or crime); and
- as required by relevant laws, regulations, Codes and external payment systems.

Absence of relevant personal information

If you do not provide some or all of the information requested, ANZ may be unable to provide you with a product or service.

Disclosures by ANZ

Subject to our general duties of confidentiality towards our customers, ANZ may need to disclose your personal information to:

- your referee(s)
- credit reporting or debt collection agencies;
- an organisation that is in an arrangement or alliance with ANZ for the purpose of promoting or using their respective products or services (and any agents used by that organisation in administering such an arrangement or alliance);
- any service provider ANZ engages to carry out or assist its functions and activities;
- regulatory bodies, government agencies, law enforcement bodies and courts;
- other parties ANZ is authorised or required by law to disclose information to;
- other financial institutions (such as banks);
- mortgage insurers and any reinsurer of any such mortgage insurer;
- your guarantors (and intending guarantors);
- any person who introduces you to ANZ;
- your authorised agents or your executor, administrator or your legal representative.

Accessing your personal information held by ANZ

Subject to the provisions of the Privacy Act, you may access your personal information at any time by asking to do so at any ANZ branch. ANZ may charge you a reasonable fee for access.

If you can show that information about you is not accurate, complete and up to date, ANZ must take reasonable steps to ensure it is accurate, complete and up to date.

Collecting your sensitive information

ANZ will not collect sensitive information about you, such as health information, without your consent.

Where you supply an ANZ member with personal information about someone else

If you give ANZ personal information about someone else, please show them a copy of this clause so that they may understand the manner in which their personal information may be used or disclosed by ANZ in connection with your dealings with ANZ.

15. Statements

ANZ will provide a statement:

- for loans, at least once every six months, or more often if required by either you or ANZ;
- for ANZ Equity Manager facilities, every month or any other period of up to three months, as agreed by you and ANZ; and
- for ANZ Home Equity Loans, once every month.

You must carefully review your statements so you are aware of the status of your account. If you believe there are errors or unauthorised transactions shown on your statement, you must contact ANZ as soon as possible.

16. Notices

ANZ can send a written notice, statement or demand for payment to you by sending it by post, telex, facsimile or similar facility to your residential or business address or by leaving it at that address. ANZ can use the last address it has recorded for you. If you change your name or address, you must let ANZ know as soon as possible. If there is more than one person who is party to this loan or facility, any notice, statement or demand will be given to each one of you at your residential or business address.

Where you have elected to receive notices or statements electronically and the account or facility allows electronic delivery of such information, ANZ will deliver these to you via ANZ's Internet Banking facilities (you must be registered for ANZ Internet Banking and have the account or facility linked to your Customer Registration Number to enable electronic delivery of this information).

A notice, statement or demand from ANZ will be considered to have been received by you:

- if left at your address, on the date delivered or the date it bears, whichever is the later;
- if sent by post, on the date it would have been delivered in the ordinary course of post or the date it bears, whichever is the later; and
- if sent by facsimile or other electronic means, on the date it bears or the date the transmitting machine reports it was sent, whichever is the later.

A demand for payment can be signed by any officer of ANZ, or any agent authorised by an officer of ANZ. Any other form of notice or statement need not be signed, unless the law requires it.

17. Transfer of ANZ's rights

ANZ may, without telling you or obtaining your consent:

- assign any of its rights under this contract; and
- give information about this contract and your obligations under it to any assignee of ANZ's rights under this contract, or anyone who is considering becoming an assignee.

18. Code of Banking Practice

If you are an individual or a small business (as defined in the Code of Banking Practice) ANZ is bound by the Code of Banking Practice when it provides its products and services to you.

19. Changes to terms and conditions

ANZ can vary any of the following:

- the dates on and frequency with which interest will be charged or debited, and the method of calculating interest. However, no such change will be made during any fixed interest rate period;
- the manner in which interest is to be paid or charged;
- the name of any reference rate;
- the amount, method of calculation, frequency, manner of payment and number of the repayments, together with the dates on which they are to be paid;
- the excess interest rate which applies to the loan or facility if the credit limit is exceeded; and
- the minimum amount that can be withdrawn from a continuing credit facility.

Lending for personal use, regulated by the Consumer Credit Code

ANZ will give not less than 30 days written notice of any such variation.

Lending for investment or business purposes

ANZ will give not less than 30 days written notice for the changes above relating to interest. For all other changes listed above, ANZ will give notice in writing or by press advertisement in a newspaper circulating throughout your State or Territory, no later than the day of the change.

20. Availability of funds

Before any funds are made available you must:

- Accept the Letter of Offer. If there is more than one person who is party to this loan or facility, each party must individually accept the Letter of Offer;
- make sure that any new security documents that are required by the offer are signed;
- arrange any new insurance required by the offer and give a copy of the policy to ANZ;
- complete a disbursement order, if this is required by the offer; and
- meet any other requirements as set out in the covering Letter of Offer.

ANZ must also be satisfied that:

- the documentation complies with legal requirements;
- you have received all statements and information required by law;
- no event of default has occurred;
- any required guarantee or security has been provided and that any guarantor has obtained independent legal and financial advice to ANZ's satisfaction; and
- if you or a guarantor is a trustee of a trust, that all trust requirements have been properly met.

21. Accepting your Letter of Offer

To accept the offer you must do either of the following within 14 days of the date appearing on the Letter of Offer:

- Sign the copy of the Letter of Offer marked 'Original to Sign' and return the signed copy to ANZ; or
- fulfil the requirements described in the Letter of Offer as indicating acceptance.

If you do not accept a loan offer within the 14 days, but decide later you would like to accept it, you can contact your ANZ branch to request an extension of the acceptance period.

A second copy of the Letter of Offer marked 'Copy to Keep' is yours to keep along with this booklet.

22. Disruption to service

To the maximum extent permitted by law, ANZ will not be liable for any loss or damage, including consequential loss or damage, suffered because of a disruption to service. This disclaimer of liability does not apply to electronic banking transactions (see the section at the end of this booklet about the conditions which apply to those transactions). This disclaimer is in addition to, and does not restrict, any other provisions contained in these terms and conditions which limits ANZ's liability.

23. Withholding tax

If a law requires you to deduct or withhold an amount from a payment to ANZ on account of a tax or duty (other than any imposed on ANZ's overall net income):

- you will pay ANZ, when the payment is due, whatever additional amount is needed so that what ANZ actually receives (after taking into account the deduction or withholding), is what ANZ would have been entitled to receive if no deduction or withholding had been made;
- you will indemnify ANZ against any loss ANZ suffers or cost ANZ incurs because you do not make the deduction or withholding; and
- you will promptly give ANZ a copy of any document about the amounts paid or payable because of the deduction or withholding.

Please note that the obligation to arrange the payment of withholding tax rests with you. You should seek your own independent financial and taxation advice.

24. Law and jurisdiction

Except to the extent required by the laws of another jurisdiction, your ANZ loan or facility is governed by the law in force in the Australian State or Territory:

- where your security property is located; or
- if you have not provided security property to ANZ for your loan or facility, where you live at the time the Letter of Offer is accepted.

However, if you do not live in Australia at the time the Letter of Offer is accepted, your ANZ loan or facility is governed by the law in force in Victoria.

25. First Home Owner Grant

Approval or refusal of a First Home Owner Grant (FHOG) application is decided by the relevant state revenue authority in the State or Territory where the home is purchased or built. ANZ is not responsible for the approval or refusal of any FHOG application but it may lodge your FHOG application on your behalf if you request it to do so. Processing of FHOG applications may be conducted offshore by ANZ Operations and your personal information may be sent offshore for that purpose.

If the loan or facility approval assumes approval of the FHOG, any settlement shortfall, or penalties resulting from the refusal of the FHOG application is your responsibility. ANZ is only responsible for the lodgement of the FHOG application (if any) on your behalf.

26. Financial services dispute resolution schemes

Making a complaint

If ANZ makes a mistake, or ANZ's service doesn't meet your expectations, ANZ wants to know.

For the fastest possible resolution to your complaint call ANZ on 1800 805 154, or:

- talk to staff at your local ANZ branch or business centre; or
- send a letter to ANZ Customer Response Centre via:
 - **Mail:** Locked Bag 4050, South Melbourne, VIC 3205
 - **Email:** YourFeedback@anz.com
 - **Fax:** +61 3 9683 9267

Most often ANZ will be able to solve the problem on the spot.

If it can't be resolved in 48 hours, ANZ's specialist complaints team, at our Customer Response Centre, will take responsibility and work with you to fix the matter quickly. ANZ's aim is to resolve all customer complaints within ten working days.

If this is not possible, ANZ will keep you informed on the progress of your matter and how long ANZ expects it will take to resolve your complaint.

ANZ Customer Advocate

If your complaint isn't resolved to your satisfaction, you can ask to have it reviewed by ANZ's Customer Advocate who will provide a free review of more difficult complaints to help achieve a prompt solution.

Contact details:

ANZ Customer Advocate
100 Queen Street
Melbourne VIC 3000
Tel: +61 3 9273 6523
Email: customeradvocate@anz.com

Financial services dispute resolution schemes

If you are not satisfied with the steps taken by ANZ to resolve the complaint, or with the result of our investigation, you may wish to contact an alternative dispute resolution scheme.

Financial Ombudsman Service Limited

GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au/>

27. If you are in financial difficulty

You should inform ANZ as soon as possible if you are in financial difficulty. If you have an ANZ credit card or other ANZ loan account, ANZ will, with your agreement, try and help you overcome your difficulties with your facility, including for example, developing a repayment plan.

28. Cheques

Cheques

Bank cheques

How long does it take to clear a cheque?	Usually five to seven days, however you will generally be able to draw on the funds after three working days.
	When you pay a cheque into an ANZ account, ANZ may allow you to draw on the cheque before it has cleared but you will be liable for the amount of the cheque if it is subsequently dishonoured.
	You can arrange for a cheque to be cleared in less than the usual time by requesting a 'special clearance'.

What if the cheque is dishonoured after I have drawn on the funds? ANZ will debit your account by the amount of the cheque and may also charge you a fee.

What happens to the original cheque once paid? For cheques drawn on ANZ and paid prior to 1 February 2006, ANZ will keep a copy of the cheque for seven years, but will destroy the original. For cheques drawn on ANZ and paid on or after 1 February 2006, ANZ will destroy the original cheque but keep a copy of the cheque for:

- 13 months if the cheque amounts to less than \$200;
- seven years if the cheque amounts to \$200 or more.

'Crossed' cheques A cheque with two parallel lines across it is a crossed cheque. When you cross a cheque, you are telling the bank that the cheque must be paid into an account with a financial institution and not cashed.

'Not negotiable' cheques The words 'Not Negotiable' between two parallel lines protects the true owner of a lost or stolen cheque. They ensure that the recipient of a cheque obtains no better rights to the cheque than the person who passed the cheque.

For example, if your cheque has been stolen and passed by the thief to an innocent person, you will be able to recover the amount paid on your cheque from the innocent person (or the thief if they are found) – this is because the thief had no right to the cheque and therefore passed no rights to the innocent person.

'Account payee only' If you write these words on a cheque in the cheque crossing, you are directing the bank collecting the cheque to only pay the cheque into the account of the person named on the cheque.

'Or bearer' and 'or order' The words 'or bearer' mean that a bank may pay the cheque to whomever is in possession of the cheque, not only the person named on the cheque (except where the cheque is crossed). If you delete these words and replace them with 'or order', the cheque becomes an 'order' cheque.

A cheque payable 'to order' means that if the payee wants to transfer the cheque to another person, they must first sign the back of the cheque. You must delete the words 'or bearer' and replace them with 'or order' to make the cheque an 'or order' cheque.

Third Party Cheques If you present a cheque which is payable to someone else or it appears to belong to someone else (third party cheque), ANZ may, in its discretion, refuse to accept that cheque for deposit or refuse to cash it or may require you to comply with some conditions before it will accept that cheque for deposit or cash it.

Stopping a cheque You may stop a cheque that you have written by telling ANZ the following:

- amount of the cheque;
- number and date of cheque; and
- name of payee.

If you have lost a cheque you received from someone else, notify that person so they may stop the cheque.

Tips for cheque security – to reduce risk of unauthorised alternation

- don't leave gaps between words.
- begin the amount in words as close as possible to the left hand side and add 'only' to the end of the amount.
- begin the amount in figures as close as possible to the dollar sign.
- never write on a cheque with pencil or erasable ink.
- only sign a cheque when it is filled out.
- always write the amount in words as well as figures.
- check your bank statements regularly to reconcile cheques drawn on your account.
- sign all alterations you make to the cheque

When may a cheque be dishonoured?

At the bank's discretion, a cheque may be dishonoured where:

- there are insufficient funds in the account of the drawer;
- the cheque is unsigned;
- the cheque is more than 15 months old;
- the cheque is future dated;
- the cheque has been materially altered and the alteration has not been signed;
- there is a legal impediment to payment;
- the cheque has been stopped; or
- the paying bank has been notified of the mental incapacity, bankruptcy or death of the drawer.

ANZ may charge a dishonour fee.

What if I lose my cheque book or it is stolen?

You should keep your cheques safe at all times. If they are lost or stolen, you must take the following action:

- cheque payable to you – tell the person who wrote the cheque;
- cheque written by you – request ANZ to stop the cheque and tell the person to whom the cheque is payable;
- ANZ cheque book – tell ANZ to put a stop payment on the serial numbers. If you subsequently find the cheques, ANZ will require written authorisation from you before the cheques can be paid.

If you don't inform ANZ that your cheque book has been lost or stolen as soon as possible, you may be liable for transactions incurred by you before you notify ANZ, even if they are made without your authority.

Bank cheques are cheques instructing payment from the bank itself rather than from a customer's account. They are designed to provide an alternative to carrying large amounts of cash when a personal cheque is not acceptable. Bank cheques are usually requested because of the higher likelihood that they will be paid. However bank cheques should not be regarded as equivalent to cash.

Bank cheques can be purchased by ANZ and non-ANZ customers and a fee is charged.

A bank may dishonour a bank cheque if:

- the bank cheque is forged or counterfeit;
- the bank cheque has been fraudulently or materially altered;
- a fraud or other crime has been committed;
- the bank is told the bank cheque has been lost or stolen;
- there is a court order restraining the bank from paying a bank cheque;
- the bank has not received payment or value for the issue of the bank cheque; or
- the bank cheque is presented by a person who is not entitled to the cheque proceeds.

If a bank cheque is lost or stolen, ANZ will, on certain conditions, provide a replacement cheque for a fee.

29. Stopping payments for Direct Debits and Periodical Payments

A direct debit is a debit from your ANZ account that you arrange through a merchant or other service provider. A periodical payment is a debit from your ANZ account which you instruct ANZ to make to the account of another person or business.

You can:

- arrange for a direct debit or a periodical payment to be stopped if you notify ANZ in writing before the payment is made.
- arrange for payment of a direct debit or a periodical payment to be altered if you notify ANZ in writing at least two banking days before the payment is made; and
- cancel a direct debit request or a periodical payment facility at any time by notifying ANZ in writing.

Speed is important

You may notify ANZ initially by telephone. This may temporarily stop your direct debt or periodical payment until you call at your branch or send written instructions.

30. ANZ's right to combine accounts

ANZ can combine the balances of two or more of your accounts, even if the accounts are at different branches or in joint names. This may happen when one of your accounts is overdrawn or is in debit and another is in credit. This means that the credit balance in one account can be used to repay to ANZ the debit balance in another account. ANZ will promptly inform you if it has combined any of your accounts. ANZ need not notify you in advance. You should not treat your accounts as combined unless ANZ has agreed to such an arrangement.

31. Anti-Money Laundering and Sanctions

You agree ANZ may delay, block or refuse to process any transaction without incurring any liability if ANZ suspects that:

- (a) the transaction may breach any law in Australia or any other country;
- (b) the transaction involves any person (natural, corporate or governmental) that is itself sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by the United States, the European Union or any country; or
- (c) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, unlawful conduct.

You must provide all information to ANZ which ANZ reasonably requires in order to manage money-laundering or terrorism-financing risk or to comply with any laws in Australia or any other country and you agree that ANZ may disclose any information concerning you to any law enforcement, regulatory agency or court where required by any such law, in Australia or elsewhere.

Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf in entering into this agreement.

You declare and undertake to ANZ that the payment of monies by ANZ in accordance with your instructions will not breach any laws in Australia or any other country.

32. Definitions (for General Conditions and Specific Conditions)

- 'accrued interest' means interest which ANZ is entitled to charge, but that has not yet been debited to your account.
- 'annual percentage rate' means the interest rate/s applicable to your loan or facility, as set out in your covering Letter of Offer (but subject to change as described in the Letter and these Terms and Conditions).
- 'business day' means any day from Monday to Friday, on which ANZ is open for business in at least one of its branch locations in Australia.
- 'continuing credit facility' or 'facility' means an ANZ Home Equity Loan, or ANZ Equity Manager facility.
- 'date of advance' means, for full sum advance loans, the date all or any of the loan is first advanced. For progressively drawn loans, it means the date on which any part of the loan is first advanced.
- 'date of disclosure' means the date of disclosure specified in the covering Letter of Offer.
- 'disruption to service' means that a service is temporarily unavailable, or that a system or equipment fails to function in a normal or satisfactory manner.
- 'event of default' is defined in the clause headed 'ANZ's rights if there is a default under this agreement' in the General Conditions.
- 'facility' means an ANZ Home Equity Loan or an ANZ Equity Manager facility.
- 'Informal Overdraft' means an amount advanced to you under the Informal Overdraft facility.

- ‘Informal Overdraft facility’ means the informal short-term credit facility we provide to you when a debit to your Equity Manager credit facility would temporarily result in your outstanding balance exceeding your credit limit and you and the debit satisfy our criteria for the facility.
- ‘loan’ means an ANZ Housing Loan, Fully Drawn Advance or Personal Loan.
- ‘lending for personal use, regulated by the Consumer Credit Code’ means credit provided to you by ANZ wholly or predominantly for personal, domestic or household use, which is regulated by the Consumer Credit Code.
- ‘material adverse change’ is defined in the clause headed ‘ANZ’s rights if there is a default under this agreement’ in the General Conditions. You should also read the Clause headed ‘Specific obligations’ in Specific Conditions A.
- ‘reference rate’ means the ANZ Reference Rate/s applicable to your loan or facility, as detailed in your covering Letter of Offer and which include the following rates:
 - ANZ Home Loan Index;
 - ANZ Simplicity PLUS Home Loan Rate;
 - ANZ Money Saver Home Loan Rate;
 - ANZ 1-5, 7 or 10 Year Fixed Home Loan Rates;
 - ANZ Residential Investment Property Loan Index Rate;
 - ANZ Fixed Rate Residential Investment Property Loan Rates 1-5, 7 or 10 Years;
 - ANZ Residential Investment Property Loan Interest In Advance Rates 1-5, 7 or 10 Years;
 - ANZ Equity Manager Rate;
 - ANZ Home Equity Loan Rate;
 - ANZ Retail Index Rate;
 - ANZ Personal Lending Index Rate; and
 - ANZ Balance Transfer Lending Index Rate.
- ‘scheduled balance’ means the loan balance that your loan would have had, if you only ever paid the minimum repayments as they fell due on your loan.
- ‘Terms and Conditions’ means your covering Letter of Offer, and the General Conditions, Specific Conditions (A) or Specific Conditions (B) (as they apply to your loan or facility) in this booklet.
- ‘you’ includes any of the persons accepting the offer in your covering Letter of Offer.

Specific Conditions (A)

Clauses 1-13 relate to the following ANZ loan types:

- Home Loans, Home Improvement Loans, Supplementary Loans and Residential Land Loans;
- Residential Investment Loans and Residential Investment Land Loans; and
- Fully Drawn Advances and Personal Loans.

Clauses 14-17 are additional clauses which relate to the above loan types only if they will be used for construction purposes.

Clauses 18-20 are additional clauses which relate to the above loan types only when they have a fixed rate.

1. Date of advance (full sum advance loans)

For full sum advance loans, you must draw down the full amount of the loan within six months of the date of the covering Letter of Offer for Home Loans, and within three months of the date of the covering Letter of Offer for Personal Loans, unless otherwise agreed by ANZ in writing. If the date of advance does not occur within this time period (or within any agreed extension of it), the contract will end and ANZ will not be obliged to advance the loan.

2. Loan purpose

You must not use the loan funds for any purpose other than that set out in the covering Letter of Offer without ANZ’s prior written consent.

3. Loan disbursement

The proceeds will be paid to you or as you direct. If you want ANZ to pay money elsewhere, you must advise ANZ to whom and in what amounts the proceeds are to be paid.

If you instruct ANZ to pay out an existing ANZ account, the amount you specify may be different to the final balance owed and the actual amount payable may only be determined at the time the account is paid out. You will be required to pay any shortfall to pay out the account.

If the amount you advise ANZ to pay is more than the final balance owed on the account, no interest will be paid on the surplus.

4. Drawdown confirmation

The annual percentage rate which initially applies to your loan will be determined at drawdown and confirmed in writing afterwards.

5. Specific obligations

When you accept your Letter of Offer, you will be agreeing to repay to ANZ by the end of the loan term, all principal, interest and any other amounts which are or become due under the loan.

In addition, if any of the following three events occur, you must notify ANZ immediately:

Occupancy of your home

If your loan purpose is to purchase a home as your personal residence and you no longer personally occupy the property.

Construction and occupancy of your home

If construction of a home as your personal residence is not started within three years from the initial date of advance, or you no longer intend to personally occupy the property.

Construction and use of investment property

If construction of a home as an investment property is not started within one year from the initial date of advance, or you no longer intend to use the property for residential investment purposes.

ANZ may treat the occurrence of one of these events as a material adverse change.

6. How interest is calculated and debited

Interest is calculated on the unpaid daily balance of your loan. The rate applied each day is equal to your annual percentage rate applicable at the time, divided by 365. Your covering Letter of Offer advises how frequently interest will be debited, but you also need to be aware that:

- if any day on which interest is due to be debited (a 'due date') is not a business day, that interest will be debited on the next business day;
- if a due date falls on the 29th, 30th or 31st of a month which does not contain such a date, the due date will be the last day of that month;
- each time interest is debited, the period covered by the interest charge will include all days (for which interest has not been previously debited) up to and including the day before the due date;
- when interest is debited after the due date, subsequent interest charges will be calculated as if the interest had been debited to your loan on the due date; and
- when interest is debited, it will be added to the unpaid balance of your loan and accrue interest at the same rate and in the same way as the principal.

If, after the loan term commences, you and ANZ agree to change the loan terms in any way, ANZ may debit any accrued interest on the day on which the change takes effect. If this occurs, your interest charging cycle will be restarted from that date.

7. Loan repayments

Repayments of principal and interest

Generally, you have the following options for repayment of principal and interest :

- by periodical payment from your nominated ANZ account;
- by deposit using a coupon booklet;
- by salary deduction (applicable to ANZ staff only); or
- by periodical payment from another financial institution.

If, at any time, you want to change your selected repayment method, and as long as the loan is not in a fixed interest rate period, you can notify ANZ in writing.

Repayments during interest only periods

During any interest only period, ANZ will debit your repayments to your nominated ANZ account.

Repayments will be automatically adjusted if there is a change in your annual percentage rate.

8. Changes to repayments of principal and interest

Changes to repayment amounts before drawdown

Repayment amounts are recalculated at the date of advance to take into account your annual percentage rate at that time. Please remember that if your annual percentage rate is determined by a reference rate – this reference rate may have changed after your covering Letter of Offer was prepared.

If there is any change to the reference rate prior to drawdown, ANZ may recalculate your repayments and the recalculated repayments may be different to the amount detailed in your covering Letter of Offer. For **lending for personal use, regulated by the Consumer Credit Code**, following your acceptance of your Letter of Offer we will give not less than 30 days written notice of your new repayment amounts. For **lending for investment or business purposes**, we will give notice of any change to your repayments no later than the day the change takes effect.

Variable Interest Rate Loans

Variable interest rates can change at any time during the life of your loan and if this occurs, the amount of your repayments may need to change if you are to repay your loan within its agreed term.

After any increase in your interest rate, ANZ can increase your repayments so they are sufficient to pay out the scheduled balance of your loan within the agreed term. ANZ will not automatically do this every time an interest rate change occurs.

For **lending for personal use, regulated by the Consumer Credit Code**, we will give not less than 30 days written notice of any repayment change made by ANZ. For **lending for investment or business purposes**, we will give notice of any change to your repayments no later than the day the change takes effect. If you wish to change the amount of your repayments, please contact ANZ.

9. Repaying your loan early during a Variable Interest Rate period

For Letters of Offer issued prior to 18 September 2006

If you repay your loan early, you may incur fees as set out in your covering Letter of Offer (as varied from time to time). If you repay your ANZ Easy Start Home Loan or ANZ Easy Start Residential Investment Loan in full during the minimum three year term, you will incur the Easy Start Home Loan Early Repayment Charge.

If you ask ANZ to reduce your loan repayments during the first three years of your ANZ Easy Start Home Loan or ANZ Easy Start Residential Investment Loan and ANZ agrees, you will incur the Easy Start Home Loan Early Repayment Charge.

The Easy Start Home Loan Early Repayment Charge is equal to 30 days interest at the ANZ Home Loan Index Rate at the time, on an amount equal to the highest balance of your loan.

For Letters of Offer issued on or after 18 September 2006

If you decide to repay your loan early, you may contact ANZ to request the amount required to repay your loan on that day. The amount required to repay your loan is accurate for the day that it is provided by ANZ, and may vary depending on when you repay your loan.

If your loan is an ANZ Easy Start Home Loan or ANZ Easy Start Residential Investment Loan, you will incur the Easy Start Early Repayment Charge if you repay your loan early or make additional or increased repayments as detailed in your covering Letter of Offer during the minimum four year term.

The Easy Start Early Repayment Charge is equal to 45 days interest at the ANZ Home Loan Index Rate (for ANZ Easy Start Home Loans) or ANZ RIPL Index Rate (for ANZ Easy Start Residential Investment Loans) current at the time of the full or additional repayment on an amount equal to the amount of credit approved.

10. ANZ Redraw

What is ANZ Redraw?

If you make early or additional repayments to your loan for which ANZ Redraw is available (‘an eligible ANZ Personal Loan or eligible loan’), and all the conditions below are satisfied at the time you wish to make a redraw, you can redraw an amount equal to or less than the amount by which the total repayments you have made exceed the total repayments required under your loan, less any redraw previously made.

Conditions:

- your loan must be fully drawn;
- your loan must not be paid out;
- the amount of your early or additional repayments, less any previous redraws, must total \$500 or more for eligible ANZ Personal Loans or \$2,000 or more for eligible loans;
- if your loan is guaranteed, the guarantors have consented in writing to ANZ Redraw (*applicable to Letters of Offer issued prior to 9 February 2008*); and
- there has not been any event of default during your loan term.

The minimum amount of any ANZ Redraw is \$500 for eligible ANZ Personal Loans or \$2,000 for all other eligible loans. After any redraw, ANZ can change the amount of your repayments to ensure that your loan will be repaid within its agreed term. Any redraws will be debited to your loan account and will incur interest on the same basis as principal owing under your loan. The amount which you redraw can only be cleared funds.

When ANZ Redraw does not apply or is not available

Principal reductions made during any fixed interest period will not be available to be redrawn at any time.

Principal reductions made during any construction or progressively drawn period will not be available to be redrawn at any time.

Early or additional repayments made to ANZ Home Loans and ANZ Residential Investment Loans prior to 19 April 2000 are not available for ANZ Redraw.

ANZ Redraw is not available for:

- ANZ Fixed Rate Personal Loans;
- ANZ Fully Drawn Advances; or
- ANZ Home Loans and ANZ Residential Investment Loans during their fixed rate periods.

Joint and several liability for ANZ Redraw

If there is more than one person who is party to this loan or facility, redraw withdrawal transactions can be authorised by any one of you and each of you can bind the other. Each person is liable individually for each redraw withdrawal transaction, whether or not you are aware of, or authorised the transaction, in addition to each of you being jointly liable with each other.

Amendments to redraw arrangements

If you wish to amend or cancel your ANZ Redraw access please contact:

- Home Loans 1800 077 070
- Personal Loans 1800 801 485

11. Repayment Holiday (excludes ANZ Personal Loans and Fully Drawn Advances)

The Repayment Holiday facility allows for repayments to your loan to be suspended for three months. This facility does not apply to ANZ Personal Loans and Fully Drawn Advances. Approval of a Repayment Holiday is at the discretion of ANZ and subject to conditions including the following:

- a minimum of two years Principal and Interest repayments must have been made to your loan (from the date your loan was fully drawn down or renegotiated);
- a maximum of one Repayment Holiday can be made every two years;
- there must be no current repayment arrears or history of repayment arrears greater than 30 days on your loan;
- interest on your loan will continue to accrue during the period in which your Repayment Holiday applies; and
- your loan repayment amount may increase from the date your regular repayments restart so that your loan is repaid within its original term.

ANZ may impose any other conditions on its approval of a Repayment Holiday as notified by ANZ to the account holder(s).

12. Interest calculations for Home Loan Offset Accounts

If you have a Home Loan Offset Account (‘offset account’) linked to your loan, for each day when the balance of this account is equal to or greater than its minimum ‘offset threshold’, your interest charge for this day on your loan will be reduced by an ‘offset amount’.

The offset amount is calculated in the following way:

1. take the balance of the offset account;
2. take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account. Unless your Letter of Offer says otherwise, the offset percentage is 100%; and

3. multiply 1 and 2 then divide the result by 365 (i.e. the number of days in a year).

An example:

1. \$5,000.00
2. 0.073 (i.e. 7.3%p.a.) $\times 100\% = 0.073$
3. $\frac{\$5,000.00 \times 0.073}{365} =$ the daily offset amount

Please note: If you default on your loan, ANZ may, at any time and without prior notice, transfer or apply all or part of the credit balance of your offset account towards your loan. ANZ may also block access to your offset account at any time.

Please note: Additional terms and conditions relate to ANZ Home Loan Offset Accounts. Refer to terms and conditions for ANZ Savings and Transaction Products which can be found at www.anz.com or any branch.

13. Late Payment Fee

The Late Payment Fee is payable on:

- Home Loans;
- Residential Investment Loans; and
- Personal Loans

if the whole or any part of any payment due has been unpaid for:

- 30 days or more for Home Loans and Residential Investment Loans;
- 5 days or more for Personal Loans, Student/Graduate Loans and Balance Transfer loans

The Late Payment Fee is also charged every subsequent 30 days that the loan is in arrears.

Loans for construction purposes:

14. Date of first advance (progressively drawn loans)

For progressively drawn loans, you must make the first drawdown within six months of the date of the covering Letter of Offer, unless otherwise agreed by ANZ in writing. If this date of first advance does not occur within this time (or within any agreed extension of it), the contract will end and ANZ will not be obliged to advance the loan.

15. Progress payments

Progress payments will only be advanced if:

- the funds you are contributing towards the purchase and construction of the property have already been used to meet these costs; and
- the progress payment is due and payable under your building contract; and
- your request is accompanied by a completed Progress Payment Instruction form.

To obtain the final progress payment, you must provide with your request:

- a copy of the certificate of occupancy required in your State or Territory to occupy the property;
- a builder's invoice; and

- a completed Progress Payment Instruction Form, showing disbursement details.

Please note that you are responsible for making sure that specifications of the builder's contract are completed by the builder.

16. Restriction on advances for construction loans

If the purpose(s) of your loan includes the construction of a residence, then, in addition to the other restrictions on advances set out in the section headed 'Availability of funds' in the General Conditions, no part of the loan will be advanced to finance the construction of any residential building until you have given ANZ a copy of the following documents:

- a signed and enforceable fixed price contract for the construction of a residence entered into by you and a reputable licensed builder;
- Council approved plans for the construction of that residence; and
- the builder's current Builder's Risk Insurance Policy (or equivalent form of insurance) or other documentation confirming such insurance is current.

17. Valuations and surveys

ANZ may require a valuation or survey of the property before any progress payment is made.

If a survey is required, you must make this available to ANZ and pay any related costs.

If a valuation is required you may be charged:

- a time based valuation fee if the valuation is completed by an ANZ employee, or the actual valuation cost if it is carried out by an external valuer. All external valuation fees are payable on the date they are invoiced to ANZ and may be debited to your account; or
- a Valuation Administration fee. This fee is payable for administration costs incurred when a valuation or price estimate is required by ANZ in connection with each security for a loan, change to security or guarantors as set out in your covering Letter of Offer. This fee is payable on the date of advance or when the change is requested.

Loans during a Fixed Interest Rate period:

18. How interest is calculated during the Fixed Interest Rate period for Interest-in-Advance loans

For each day in the fixed interest rate period, interest is calculated by applying your annual percentage rate applicable at the time, divided by 365, to the unpaid balance of your loan at the beginning of this period.

Your covering Letter of Offer advises how frequently interest will be debited during your fixed rate period. When it converts to a variable rate, interest will be debited monthly. You also need to be aware that:

- if any day on which interest is due to be debited (a 'due date') is not a business day, that interest will be debited on the next business day;
- where a due date falls on the 29th, 30th or 31st of a month which does not contain such a date, the due date will be the last day of that month;

- each time interest is debited to your account, the period covered by the interest charge will include all days (for which interest has not previously been debited) up to and including the day prior to the next due date;
- when interest is debited after the due date, subsequent interest charges will be calculated as if the interest had been debited to your loan on the due date; and
- when interest debited to your loan is not paid on the due date it will attract interest at the interest rate applicable at this time which will be debited to your account on the last day of the current interest charging period.

Your first interest charge will be debited on the date of advance, with subsequent interest charges being debited according to the frequency set out in your covering Letter of Offer.

19. Repaying your loan early during a Fixed Interest Rate period

Warning: *Early repayment costs can be very large. Before making an early repayment (or varying a fixed interest rate) during a fixed interest rate period, you should ensure that you have an understanding of the likely early repayment cost. On request, ANZ can give you an estimate of the likely cost, but the actual cost will be determined on the day that the early repayment event occurs.*

Note: *terms in bold type are defined at the end of Clause 20*

If, during a fixed interest rate period:

- you make a full repayment of your loan;
- you make an early repayment of some of the unpaid balance of your loan; or
- ANZ agrees to change the current fixed interest rate to a new fixed interest rate or to a variable interest rate,

an **early repayment event** will occur and you may be liable to pay an early repayment cost to ANZ.

In addition, for ANZ Personal Loans an early repayment administration fee will be payable whenever you make a full repayment of your loan, or ANZ agrees during a fixed interest rate period to change a current fixed interest rate (that applies to the whole of the outstanding balance of your loan) to a new fixed interest rate or to a variable interest rate. The fee is payable regardless of whether an early repayment cost is separately payable by you.

ANZ is not obliged to pay you any early repayment benefits.

Calculation of the early repayment cost

Following an **early repayment event**, the early repayment cost (if any) that is payable by you, is calculated using the methodology described in the 'Prepayment calculation' clause set out below. In general terms, this is a pre-set methodology under which ANZ estimates the loss or cost that it expects to incur as a result of the **early repayment event** and its likely effect on the cost of ANZ's ongoing funding arrangements.

The size of the early repayment cost that will become payable by you (if any) will vary according to:

- the size of the early repayment (if any);
- the remaining term of the current fixed interest rate period of your loan; and

- the amount that interest rates have moved since the start of the current fixed rate period of your loan.

The method of calculating the early repayment cost is not necessarily linked to any actual transaction that we may enter into (either before or at the time of the early repayment event).

Recalculating repayments

Where an **early repayment event** occurs on a fixed rate interest in advance loan, ANZ may recalculate your repayments to take into account the effect of the early repayment event.

20. Prepayment calculation

When a prepayment calculation will be performed

A prepayment calculation will be performed whenever an **early repayment event** occurs. The prepayment calculation is performed to determine the amount (if any) of the early repayment cost that is payable by you.

A prepayment calculation will not take into account the balance of any linked home loan offset account.

How the prepayment calculation is made

In making the prepayment calculation, ANZ will first make two amortisation calculations using the **market rate at the start of the fixed rate period**. The outcome (or product) of each of these two calculation is then used, in the manner described below, to determine the amount of the early repayment cost (if any) that you are required to pay.

The first calculation

The first amortisation calculation (calculation (a)) involves the following steps.

(a) Calculation (a) starts with the outstanding loan balance immediately before the **early repayment event** and then deducts from that balance:

- the unpaid part of the next scheduled repayment; and
- the available "tolerance amount" (if any) that is allowed to you, creating an assumed 'prepayment balance'.

(The available 'tolerance amount' at a given time is calculated in the manner that is separately described below.)

(b) ANZ then identifies each scheduled future **cash flow event** and **cash flow date** up to the end of the fixed rate period assuming the **early repayment event** did not occur.

(For this purpose, any of the 'pre-payment balance' that would remain outstanding at the end of the fixed rate period is also treated as a **cash flow event**. This is because in making calculation (a), it is assumed that any outstanding balance of the adjusted 'prepayment balance' will be repaid at the end of the fixed rate term.)

(c) ANZ then calculates the present value of each such **cash flow event** using the **market rates at the date of repayment** as discount factors.

(d) ANZ then adds together all of the present day values of these scheduled **cash flow events** to calculate the "total present value" - being the total present value of all

amounts to be paid over the balance of the fixed rate period, applying the various assumptions outlined above, to repay the loan by the end of the fixed rate period.

The second calculation

The second amortisation calculation (calculation (b)) involves the following steps.

- (a) Calculation (b) starts with ANZ calculating the outstanding loan balance immediately after the **early repayment event**, creating the assumed “after payment balance”.

(In making this calculation, ANZ will treat an agreed change to the fixed interest rate (whether by reason of a change to a variable interest rate or a change to a new fixed interest rate) as giving rise to a deemed repayment in full of the outstanding balance of the loan on the date that the change to the fixed interest rate takes effect.)

- (b) To the extent required, ANZ then identifies each scheduled future **cash flow event** and **cash flow date** up to the end of the fixed rate period taking into account that the early repayment event has occurred.

(In doing so, ANZ will assume that the adjusted ‘after payment balance’ left outstanding at the end of the fixed rate period (if any) is also a cash flow event.)

- (c) ANZ then identifies the present value of each **cash flow event** using the applicable **market rates at the date of repayment** as discount factors.
- (d) ANZ then adds together all of the present day values of these scheduled **cash flow events** to calculate the “total present value” - being the total present value of all amounts to be paid (if any) over the balance of the fixed rate period, applying the assumptions relevant to calculation (b), to repay the loan by the end of the fixed rate period (if not already repaid).

Calculation of the “early repayment cost”

The amount of the early repayment cost is the amount (if any) by which:

- the total present value, as determined under calculation (a):
- exceeds:
- the total present value, as determined under calculation (b); plus
 - the early repayment amount (or deemed repayment amount) after first deducting the ‘tolerance amount’ (if any) that was deducted from the outstanding loan balance when calculating the prepayment balance under calculation (a).

How the opening ‘tolerance amount’ is calculated

The opening ‘tolerance amount’ is set at the start of a fixed interest rate period and, while the term of that fixed interest rate period continues, is then reset at each anniversary of the start of that fixed interest rate period.

Where an opening ‘tolerance amount’ is being set, or reset, for a whole year (because the term, or remaining term, of the fixed interest rate period will continue for a year or more from the date on which that ‘tolerance amount’ is being set or reset), the opening ‘tolerance amount’ will be:

- 5% of the loan balance at the start of the fixed interest rate period; or
 - \$5,000,
- whichever is lesser.

Where, however, the opening ‘tolerance amount’ is being set for a period that is less than a year (because the term, or remaining term, of the fixed interest rate period has less than 12 months to run), the opening ‘tolerance amount’ will be reduced proportionally. For example, for a six month term, the opening ‘tolerance amount’ will be the lesser of 2.5% of the loan balance at the start of the fixed interest rate period, or \$2,500.

A ‘tolerance amount’ will be applicable for no more than a year and will be subject to adjustment in the manner described below.

How the available ‘tolerance amount’ is calculated at the time of an early payment

When an **early repayment event** occurs, the available ‘tolerance amount’ at that time will be the opening ‘tolerance amount’ that was most recently set, less the amount by which all amounts previously received by ANZ in the period to which that opening ‘tolerance amount’ relates exceeded the total of the scheduled repayment amounts that had become due for repayment in that period before the early payment was made.

However, the available ‘tolerance amount’ will not, at any time, reduce below zero.

Definitions

- **Cash flow events** are all expected future transactions during the remainder of the fixed interest rate period which would alter the loan balance, such as expected repayments, fees, charges, and interest (if capitalised to the loan). For the purposes of this clause, transactions include deemed repayments that are assumed to be made under the provisions of this clause.
- **Cash flow dates** are the dates on which **cash flow events** are expected to occur.
- **Early repayment event** has the meaning given to that term in the clause headed “Repaying your loan early during a Fixed Interest Rate Period”.
- **Market rate at the start of the fixed rate period** means the Wholesale Interest Swap Rate, as quoted by ANZ, on the date of the start of the current fixed interest rate period for a term equal to that fixed interest rate period. The applicable Wholesale Interest Swap Rate is available from ANZ or alternatively, a close approximation is currently published daily in the Australian Financial Review and other newspapers, but note that:
 - for calculation periods of less than 12 months the relevant Bank Bill Swap Rate will be used instead of the Wholesale Interest Swap Rate; and
 - where no Wholesale Interest Swap Rate or Bank Swap Rate is quoted or available for the relevant term, the rate will be quoted by straight line interpolation between the closest longer and shorter quoted terms either side of the relevant term.
- **Market rates at the date of repayment** means the Wholesale Interest Swap Rates, as quoted by ANZ, on the date of your early repayment for terms up to the unexpired part of the fixed interest rate period (as at the date of your early repayment) but note that:
 - for calculation periods of less than 12 months the relevant Bank Bill Swap Rate will be used instead of the Wholesale Interest Swap Rate; and
 - where no Wholesale Interest Swap Rate or Bank Swap Rate is quoted or available for the relevant term, the rate will be quoted by straight line interpolation between the closest longer and shorter quoted terms either side of the relevant term.

Specific Conditions (B)

Clauses 1-8 relate only to ANZ Equity Manager facilities and ANZ Home Equity Loans. (ANZ Home Equity Loans are no longer offered)

1. Term (Equity Manager and Home Equity Loan)

Your facility starts on the date that ANZ receives your acceptance of your covering Letter of Offer and all matters required under the offer are completed to ANZ's satisfaction. ANZ must receive acceptance of your covering Letter of Offer within 14 days of the date of the covering Letter of Offer, unless otherwise agreed by ANZ in writing.

If ANZ does not receive acceptance of your covering Letter of Offer within this time period (or within any agreed extension of it), the contract will end and ANZ will not be obliged to make the facility available to you. If you wish, you can specify a later date as the date on which your term will start.

You can terminate your facility at any time by repaying all amounts owing and notifying ANZ.

Review by ANZ

ANZ may review your facility at any time to satisfy itself that the facility will be repaid as agreed and that all of the terms and conditions of the facility and any security are being met. If ANZ does review your facility, you must provide any information ANZ requests about your financial affairs. ANZ may also obtain a new valuation of any security property at any time from an external valuer at your cost.

Cancelling or reducing the credit limit

ANZ may reduce or cancel the credit limit on your facility at any time.

If your credit limit is reduced then you must immediately repay enough money to ensure that the amount outstanding does not exceed the reduced credit limit and must still meet all of your obligations under this agreement for credit made available on your facility.

If your credit limit is cancelled, you must immediately repay the outstanding balance.

If ANZ reduces or cancels your credit limit, ANZ will write to you as soon as possible.

No further credit is available on the facility after ANZ cancels your credit limit.

Despite any other provision of this contract, ANZ can terminate your facility immediately if there is no security for the facility or if all existing securities have been discharged or released.

If your facility is terminated, you must immediately repay the outstanding balance.

ANZ reserves the right to block access to your facility including any debit account attached to your facility.

2. Depositing cheques (Equity Manager)

When you deposit a cheque into your credit facility, you cannot use or withdraw those funds until the cheque has been cleared. Generally, unless you have made other arrangements, ANZ will allow you to withdraw the funds three working days after the cheque was deposited. Any other credits, apart from cash, that you deposit to your credit facility must also be cleared in the same way before you can make a withdrawal.

If for any reason ANZ allows you to withdraw the funds before the cheque or other credit is cleared and it is later dishonoured, even if three working days has passed, ANZ will be entitled to:

- debit your credit facility for the amount of the cheque or other credit; and
- if the debit to your account would result in your credit limit being exceeded, an Informal Overdraft facility may be provided to you in accordance with clause 3 of these Specific Conditions.

3. Drawing funds and exceeding your credit limit (Equity Manager)

You may draw down funds from your facility in the manner agreed to by ANZ.

- (a) From time to time, there may be a debit to your Equity Manager account which, if processed, would result in the outstanding balance exceeding your credit limit. The Informal Overdraft facility is a service provided by ANZ to give you a convenient way to meet these unplanned, short-term needs.
- (b) If a debit would result in the outstanding balance exceeding your credit limit and both the debit and the account holder satisfy ANZ's credit criteria for the Informal Overdraft facility, ANZ will allow the debit to be processed using the Informal Overdraft facility, on the following terms:
 - interest will be charged on the Informal Overdraft amount at the ANZ Equity Manager Excess interest rate (refer to the Letter of Offer for details)
 - if the balance of your Informal Overdraft facility is more than \$50, an Overdrawn Fee will be charged. This fee will be charged on each business day that the balance of your Informal Overdraft facility is more than \$50, up to a total of ten business days per calendar month;
 - the Informal Overdraft amount, any interest on that amount and any Overdrawn Fees will be debited to your Equity Manager account; and
 - you must repay the Informal Overdraft amount and pay any accrued interest on that amount and any Overdrawn Fees within 30 days of the Informal Overdraft being debited to your account.
- (c) By processing a debit using the Informal Overdraft facility which results in the account holder's outstanding balance exceeding the credit limit, ANZ is not increasing the account holder's credit limit.
- (d) If you want to avoid using the Informal Overdraft facility, you should ask ANZ about ways in which you can monitor the balance of your facility.
- (e) The Informal Overdraft facility is only available if your Equity Manager account has a credit limit.

4. Drawing funds and exceeding your credit limit (Home Equity Loan)

You may draw down funds from your facility in the manner agreed to by ANZ.

You must not draw cheques or require payments that exceed your credit limit. However, if you make drawings that cause you to exceed your credit limit, ANZ can pay some or all of the drawings at its discretion. If ANZ chooses to do so, this does not mean that there has been an increase in your credit limit.

5. (a) How interest is calculated and debited (Equity Manager)

Interest is calculated on the unpaid daily balance of your facility. The rate applied each day is equal to your annual percentage rate applicable at the time, divided by 365. Your covering Letter of Offer advises how frequently interest will be debited. The actual debiting date for each interest period is based on the date your account was opened, unless a different date was agreed with ANZ or ANZ changed this date by giving you notice in accordance with these terms and conditions.

You also need to be aware that:

- if any day on which interest is due to be debited (a 'due date') is not a business day, that interest will be debited on the preceding business day;
- where the preceding business day is not in the same month as the due date, the due date will not be changed and the interest will instead be debited on the next business day following the due date;
- where a due date falls on the 29th, 30th or 31st of a month which does not contain such a date, the due date will be the last day of that month;
- each time interest is debited, the period covered by the interest charge will include all days (for which interest has not previously been debited), up to and including the day prior to the due date;
- when interest is debited after the due date, subsequent interest charges will be calculated as if the interest had been debited to your facility on the due date; and
- when interest is debited, it will be added to the unpaid balance of your facility and accrue interest at the same rate and in the same way as advances.

5. (b) How interest is calculated and debited (Home Equity Loan)

Interest is calculated on the unpaid daily balance of your loan. The rate applied each day is equal to your annual percentage rate applicable at the time, divided by 365.

Your covering Letter of Offer advises how frequently interest will be debited, but you also need to be aware that:

- if any day on which interest is due to be debited (a 'due date') is not a business day, that interest will be debited on the next business day;
- where a due date falls on the 29th, 30th or 31st of a month which does not contain such a date, the due date will be the last day of that month;
- each time interest is debited, the period covered by the interest charge will include all days (for which interest has not been previously debited) up to and including the day before the due date;

- when interest is debited after the due date, subsequent interest charges will be calculated as if the interest had been debited to your facility on the due date; and
- when interest is debited, it will be added to the unpaid balance of your loan and accrue interest at the same rate and manner as the principal.

If, after the facility starts, you and ANZ agree to change the facility terms in any way, ANZ may debit any accrued interest on the day on which the change takes effect. If this occurs, your interest charging cycle will be restarted from that date.

6. Repayments (Equity Manager and Home Equity Loan)

Generally, you have the following options for payments and repayments:

- by periodical payment from your nominated ANZ account;
- by deposit over the counter or through internet and phone banking transfers;
- by salary deduction (you will need to organise this with your employer); or
- by periodical payment from another financial institution.

The outstanding balance is repayable upon the earlier of the expiry of the term of the facility, or the termination of the facility or upon demand.

7. Additional payments (Equity Manager and Home Equity Loan)

You can make additional or increased repayments at any time without incurring any additional interest. If you repay your facility in full within the first 4 years from the date of your facility, you may incur fees as set out in your covering Letter of Offer (as varied from time to time).

8. Excess interest rate (Equity Manager)

If ANZ allows a debit using the Informal Overdraft facility, the excess interest rate set out in your covering Letter of Offer will be charged on the Informal Overdraft. If any State or Territory law requires additional stamp duty to be paid as a result, that duty will be debited to your account.

Definitions

'Activation Code' means the 7-digit temporary activation number issued to activate M-Banking or TXT Banking for the ANZ Mobile Phone Banking service.

'ANZ Business Day' means any day from Monday to Friday on which ANZ is open for business in at least one of its branch locations in Australia.

'ANZ Mobile Phone Banking' means M-Banking and TXT Banking.

'Banking Business Day' refers to any day on which banks in Melbourne or Sydney are able to effect settlement through the Reserve Bank of Australia.

'CRN' means the Customer Registration Number issued by ANZ to you.

'PIN' means personal identification number and includes an action number.

‘Pay Anyone Processing Day’ means any day from Monday to Friday that is not a public holiday in both Melbourne and Sydney.

‘Securemail’ means the electronic messaging system which enables communications to be sent to or from ANZ as part of ANZ Internet Banking.

‘Telecode’ means the four to seven digit number issued to access ANZ Phone Banking and your Mobile Phone Banking Activation Code.

Transaction limits

ANZ or another party such as a merchant may limit the amount of any electronic transaction you can make over certain periods (e.g. during any day or in a single transaction).

ANZ may change any electronic transaction limit or impose new transaction limits by giving you notice. You can find out current electronic transaction limits for your accounts by calling ANZ on the relevant enquiries number listed at the back of this booklet.

How you can use ANZ Internet Banking

You can use ANZ Internet Banking to make transactions on your linked accounts, as set out in your account terms and conditions. You can also use ANZ Internet Banking to purchase and order a range of financial services and products. Details can be found out at www.anz.com

Fees and Charges for ANZ Mobile Phone Banking

Fees and charges may apply to ANZ Mobile Phone Banking and customers will be advised of these at the time of applying for the service.

You may also incur charges from your mobile phone operator as a result of using ANZ Mobile Phone Banking. Any such charges are solely your responsibility.

Access to and use of Pay Anyone and International Services

(a) Obtaining Pay Anyone

When applying for Pay Anyone for ANZ Internet Banking, you must request a Pay Anyone daily limit, which is subject to approval by ANZ. The options for the daily limits are set out at www.anz.com when you apply. Restrictions apply depending on whether you are using Pay Anyone for personal or business purposes. When applying for Pay Anyone for ANZ Mobile Phone Banking, your daily limit will be as advised to you by ANZ and may not be changed by you.

If you require your password for Pay Anyone for ANZ Internet Banking to be re-set or re-issued ANZ may reduce your current daily Pay Anyone limit for ANZ Internet Banking. You will need to re-apply if you wish to reinstate that limit. Please allow sufficient time for the change to be made before you attempt to use the higher daily transfer limit.

You can increase or decrease your daily transfer limit for ANZ Internet Banking by applying through ANZ Internet Banking.

(b) Obtaining International Services

You can apply for International Services after you have been granted Pay Anyone access. International Services are not available through ANZ Mobile Phone Banking.

The total of all Pay Anyone and International Services transfers (converted into Australian dollars) on any day cannot exceed your Pay Anyone daily transaction limit.

Access levels for ANZ Phone Banking, ANZ Internet Banking and ANZ Mobile Phone Banking

Access Levels:

- **‘all transactions’** – Access every function within ANZ Phone Banking, ANZ Internet Banking and ANZ Mobile Phone Banking for the account;
- **‘Transaction History Details only and BPAY®’** – includes BPAY®, account balance information, transaction history details, ordering a cheque/deposit book but excludes transfers between accounts, increasing a credit card limit, redrawing on a home loan, direct loan payments, BPAY® View, ANZ Online Investing and ANZ Online Reporting;
- **‘Deposit and Transaction History Details only’** – includes transfers between accounts, transactions history details, account balance information and ordering a cheque/deposit book but excludes withdrawals from accounts, increasing credit card limit, redrawing on a home loan, direct loan payments, BPAY® View, ANZ Online Reporting, ANZ Online Investing and BPAY®;
- **‘Deposit only’** – includes transfers between accounts but excludes withdrawals from accounts, BPAY®, increasing credit card limit, redrawing on a home loan, direct loan payments, BPAY® View, ANZ Online Reporting, ANZ Online Investing, account balance information, transaction history details and ordering a cheque/deposit book;
- **‘Transaction History Details only’** – includes enquiries on past transactions about the account but excludes all transactions on the account, transfers between accounts, increasing credit card limit, redrawing on a home loan, direct loan payments, BPAY® View, ANZ Online Reporting, ANZ Online Investing and BPAY®.

Only the account holder or account signatories can select an access level. The account holder or account signatories may authorise another person (an ‘authorised user’) to operate the account and that person may have a different access level to the account holder.

The account holder is responsible for the operation of the account by the authorised user within that user’s level of access. The account holder or account signatories may cancel or change any access level by sending a written request or Securemail to ANZ, or calling ANZ on the relevant number listed at the back of this booklet. ANZ may require written confirmation. ANZ may take several days to process this change.

Authorised users, regardless of their level of access, cannot access ANZ Pay Anyone, ANZ Online Investing, ANZ International Services, increase a credit card limit, redraw on a home loan, or use Securemail to change any of the account holder’s account or other personal details. However, all authorised users can use ANZ Internet Banking to change their own profile, access their own Securemail and select and change their own password and ANZ Mobile Phone Banking to change their own password.

If you are an ANZ credit card account holder and nominate access to this account via ANZ Internet Banking, each additional cardholder will be an authorised user.

Processing instructions – general

The account holder authorises ANZ to act on the instructions you enter into electronic equipment. Any electronic transaction made by you cannot be cancelled, altered or changed by you unless allowed by the applicable terms and conditions.

ANZ may delay acting on or may ask you for further information before acting on an instruction. Where ANZ has instructions for more than one payment from your account(s), ANZ will determine the order of priority in which payments are made.

If you make a cash withdrawal from an account by making an electronic transaction and there is a difference between the amount of cash received and the amount shown on the receipt, you must report this to ANZ and to the merchant (if applicable) as soon as possible. You can make your report to ANZ by calling ANZ on the number listed at the back of this booklet.

If you make a deposit of funds to an account by making an electronic transaction and there is a difference between the amount recorded as having been deposited and the amount ANZ receives, the account holder will be notified of the difference as soon as possible and will be advised of the actual amount which has been credited to the account.

ANZ is not liable for the refusal of any merchant to accept an electronic transaction and, to the extent permitted by law, is not responsible for the goods and services supplied by a merchant. ANZ may notify you of electronic transactions (instructions for which are received through ANZ Mobile Phone Banking) it is unable to process.

You accept that:

- not all electronic equipment from which cash can be withdrawn will always contain cash;
- any cash dispensed at electronic equipment is at your risk once it becomes visible or available for you to collect; and
- not all electronic equipment will allow you to make deposits; and
- future dated transfers are not available through ANZ Mobile Phone Banking.

An immediate transfer, Pay Anyone or BPAY® cannot be revoked or stopped once ANZ receives your instruction. Future dated transfer, Pay Anyone or BPAY® instructions can only be revoked or changed if instructions to delete the transaction are given to ANZ through ANZ Internet Banking before midnight Sydney time on the ANZ Business Day (or, for Pay Anyone, the Pay Anyone Processing Day) before the transaction is scheduled to occur. After this time, the instruction cannot be revoked.

Processing instructions – ANZ Phone Banking, ANZ Internet Banking and ANZ Mobile Phone Banking

Any ANZ Phone Banking, ANZ Internet Banking and ANZ Mobile Phone Banking transaction (other than a BPAY®) will generally be processed to your account on the same day ANZ receives your instructions, if given before 10pm Melbourne time Monday to Friday (except national public holidays). Any transaction made after this time may be processed on the following ANZ Business Day.

Account information accessed using ANZ Phone Banking, ANZ Internet Banking and ANZ Mobile Phone Banking will generally reflect the position of the account at that time, except for transactions not yet processed by ANZ (including uncleared cheques and unprocessed credit card transactions) or cleared cheques and direct debits processed by ANZ that day.

Processing instructions – Pay Anyone and International Services

ANZ will generally process Pay Anyone instructions:

- for immediate Pay Anyone transfers, on the day the instruction is given, if ANZ receives the instruction before 6pm Melbourne time on a Pay Anyone Processing Day;
- for immediate international transfers, on the day the instruction is given, if ANZ receives the instruction before 6pm Melbourne time on a Pay Anyone Processing Day;
- for future dated transfers, on the relevant future day you select if it is a Pay Anyone Processing Day (or if it is not, on the Pay Anyone Processing Day after that day).

Instructions you give will be delivered to the payee's financial institution on the day that

ANZ processes them except where:

- ANZ is not obliged to process your instructions;
- there is a technical failure; or
- there is a delay or error in accepting the instructions caused by the financial institution to which the transfer is to be made; or
- the instructions are for a transfer by way of an international draft or telegraphic draft. Where your instruction is for a transfer by way of ANZ issuing an international draft:
 - ANZ will send the draft by post to the delivery address notified by you;
 - you acknowledge that it is your responsibility to forward the draft to the intended recipient.

ANZ cannot control (and is not responsible for) when, or if, the payee's financial institution processes your instructions or the fees that financial institutions may charge to process your instructions.

Once ANZ processes your transfer instruction, ANZ is reliant on the payee's financial institution to advise whether your instructions have been successfully processed. If the payee's financial institution advises that your transfer instruction has not been successful, it may take a number of weeks, depending on the financial institution, to reverse the relevant withdrawal from your linked account.

If the transfer is to be made from a credit card, it will be treated as a cash advance and interest and fees may apply.

Processing instructions – BPAY®

ANZ is a member of the BPAY® Scheme. This is an electronic payments scheme through which ANZ can be asked to make payments on your behalf to billers. ANZ will tell you if it ceases to be a member of the BPAY® Scheme. For the purposes of the BPAY® Scheme, ANZ may also be a biller.

You must comply with the terms and conditions for the account which you ask ANZ to debit a BPAY® (to the extent that those terms are not inconsistent with or expressly overridden by these Conditions of Use).

To make a BPAY® the following information must be given to ANZ:

- your CRN and password or Telecode;
- the biller code from the bill;
- your customer reference number (e.g. your account number) with that biller;
- the amount you want to pay; and
- the account from which you want the payment to be made.

Once this information is provided, ANZ will treat your instructions as valid and will debit the relevant account. ANZ will not be obliged to effect a BPAY® instruction if it is not made in accordance with these Conditions of Use or if the information given is incomplete and/or inaccurate.

Limits apply to your use of BPAY® on both a per transaction and daily limit (per CRN) basis. Separate daily limits apply for BPAY® Tax Payments, independent of the general BPAY® limits. For more information on available limits see www.anz.com

Subject to the 'Processing Instructions' conditions set out above:

- any BPAY® made by you will be processed on the day you tell ANZ to make that BPAY®, if ANZ receives your instructions before 6pm Sydney time on a Banking Business Day (ANZ's cut-off time);
- BPAY® instructions received after 6pm Sydney time on a Banking Business Day, or on a day that is not a Banking Business Day, will be processed on the next Banking Business Day.

A delay may occur in processing a BPAY® where:

- there is a public or bank holiday on the day after you tell ANZ to make a BPAY®;
- you tell ANZ to make a BPAY® after ANZ's cut-off time; or
- another participant in the BPAY® Scheme, such as another financial institution or a biller does not process a payment as soon as it receives details of the payment or does not otherwise comply with its obligations under the BPAY® Scheme.

While it is expected that any such delay will not continue for more than one Banking Business Day, it may continue for a longer period.

ANZ will attempt to ensure a BPAY® is processed promptly by billers and other participants in the BPAY® Scheme.

You should check your account records carefully and tell ANZ as soon as possible if you become aware of:

- a BPAY® which has been made from your linked account which was not authorised;
- the possibility that you have been fraudulently induced to make a BPAY®; or
- any delay or mistake in processing of your BPAY®.

If ANZ is advised by a biller that it cannot process your BPAY®, ANZ will:

- advise you of this;
- credit your account with the amount of that BPAY®; and
- tell you how ANZ can assist you, if possible, in making the payment as soon as possible.

A linked ANZ credit card account can only be used to make a BPAY® if the biller accepts credit card payment. If the biller does not accept credit card payment but you want to pay from a credit card account, payment will be by way of a cash advance.

You are not authorised to give a biller code to any person in order to receive payments owing to you. Biller codes may only be used by authorised billers to receive payment of bills issued by that biller. The terms and conditions of use of BPAY® will not apply to any use by you of biller codes in this way.

Short Message Service (SMS)

You agree that, by registering for ANZ Mobile Phone Banking, ANZ may send SMS' to your nominated mobile phone. ANZ is not liable for any loss or damage you suffer as a result of any person other than you accessing those SMS.

Card validity

Your card remains ANZ's property at all times.

A card must be signed immediately by the person in whose name it has been issued and must only be used within the 'valid from' and 'until end' dates shown on the card. For security reasons you must, as soon as the card expires, destroy it by cutting it (including an embedded microchip on the card) diagonally in half.

Lost or stolen cards, Password, PIN or Telecode

If you report that a card has been lost or stolen the card will be cancelled as soon as the report is made. You must not use the card once the report is made. If you recover the lost or stolen card, you must destroy the card by cutting it (including an embedded microchip on the card) diagonally in half and return it to an ANZ branch as soon as possible.

You must make a report to ANZ (and the relevant third party, if a third party issued the username, password, PIN or card to you) immediately you become aware or suspect that your password, username, PIN, CRN or Telecode is disclosed or used without your authority, or lost. You must not then continue to use your password, username, PIN, CRN or Telecode. ANZ will cancel it and arrange for you to select a new username, password, PIN or Telecode, or to be provided with a new CRN.

The best way to make the report is to call ANZ on the telephone numbers listed at the back of this booklet. If ANZ's telephone reporting service is unavailable, you must report the loss, theft or misuse to any ANZ branch. Your account terms and conditions outline how you can make a report if ANZ's telephone reporting service is unavailable or you are overseas.

Cancellation of cards or electronic access

ANZ may cancel any card, CRN or electronic access:

- without prior notice if:
 - ANZ believes that use of the card or electronic access may cause loss to the account holder or to ANZ;
 - the account is an inactive account;
 - all the accounts which the card may access have been closed;
 - the account has been overdrawn or you have exceeded your agreed credit limit, other than (if your account is an Equity Manager account) by use of the Informal Overdraft facility
- on giving you not less than three months written notice.

ANZ may also at any time suspend your right to participate in the ANZ BPAY[®] Scheme.

The account holder may cancel a card at any time by sending ANZ a written request or by calling ANZ on the relevant number listed at the back of this booklet. ANZ may require written confirmation. The card must be cut diagonally in half (including an embedded microchip on the card) and returned to ANZ.

You can request ANZ to de-register you from ANZ Internet Banking at any time by Securemail or by calling the relevant number listed at the back of this booklet.

Withdrawal of electronic access

ANZ may withdraw your electronic access to accounts (including by BPAY[®]) without prior notice if:

- electronic equipment malfunctions or is otherwise unavailable for use;
- a merchant refuses to accept your card;
- any one of the accounts is overdrawn or will become overdrawn (other than (if your account is an Equity Manager account) by use of the Informal Overdraft facility), or is otherwise considered out of order by ANZ;
- ANZ believes your access to accounts through electronic equipment may cause loss to the account holder or to ANZ;
- ANZ believes that the quality or security of your electronic access process or ANZ's systems may have been compromised;
- all the accounts which you may access using ANZ Phone Banking or ANZ Internet Banking have been closed or are inactive or the account you have nominated for ANZ Mobile Phone Banking fees and charges to be charged to is closed; or
- ANZ suspects you of being fraudulent or engaging in inappropriate behaviour; unless this is prohibited by law.

ANZ may at any time change the types of accounts that may be operated, or the types of electronic transactions that may be made through particular electronic equipment.

Password, PIN and Telecode security

You must keep your password, PIN and Telecode secure. Failure to do so may increase your liability for any loss.

Warning: You must not use your birth date or an alphabetical code, which is a recognisable part of your name as a password, or select a Telecode which has sequential numbers, for example, '12345' or where all numbers are the same, for example, '11111'. If you do, you may be liable for any loss suffered from an unauthorised transaction.

You must not:

- disclose your password, PIN or Telecode to any other person;
- allow any other person to see you entering, or overhear you providing, your password, PIN or Telecode;
- record your password, PIN or Telecode on your card or on any article carried with or placed near your card that is liable to loss, theft or abuse at the same time as your card (unless your password, PIN or Telecode is reasonably disguised);

Warning: You should avoid accessing ANZ Phone Banking through telephone services which record numbers dialled – for example hotels which do this for billing purposes. In these situations you should obtain access to ANZ Phone Banking through an ANZ customer service operator.

To assist you, ANZ publishes security guidelines. A copy of the current guidelines is available at www.anz.com

Unauthorised transactions

(a) When ANZ is liable

ANZ will be liable for losses incurred by the account holder that:

- are caused by the fraudulent or negligent conduct of ANZ's employees or agents or companies involved in networking arrangements or of merchants or their agents or employees;
- relate to any forged, faulty, expired or cancelled part of the electronic access process;
- arise from transactions that require the use of any card, password, PIN or Telecode that occur before you have received or selected the card, password, PIN or Telecode (including a reissued card, password, PIN or Telecode);
- result from the same electronic transaction being incorrectly debited a second or more subsequent time to the same account;
- result from an unauthorised transaction that occurs after you have notified ANZ that any card has been misused, lost or stolen or that the security of your password, PIN or Telecode has been breached; or
- result from an unauthorised transaction if it is clear that you have not contributed to the losses.

(b) When the account holder is liable

If ANZ can prove on the balance of probability that you contributed to the loss arising from the unauthorised transaction:

- through your fraud;
- by voluntarily disclosing a password, PIN or Telecode to anyone, including a family member or friend;
- by keeping a record of the password, PIN or Telecode (without making any reasonable attempt to disguise it):
 - (i) on the card or with the CRN;
 - (ii) on any article carried with the card or the CRN; or
 - (iii) which may be lost or stolen at the same time as the card or CRN;
- by using your birth date or an alphabetic code which is a recognisable part of your name as a password, PIN or Telecode; or
- by otherwise acting with extreme carelessness in failing to protect the security of your password, PIN or Telecode, the account holder is liable for the actual losses which occur before ANZ is notified of the loss or disclosure of your password, PIN or Telecode.
- by failing to secure your mobile phone or leaving your mobile phone logged into ANZ Mobile Phone Banking.

Where you must use more than one of your passwords, PINs or Telecodes to perform an ANZ Internet Banking transaction, and you voluntarily disclose, or keep a record of, one or more of them (but not all of them) the account holder will only be liable under this clause if the disclosure or record was the dominant contributing cause of the losses.

If, after you become aware of the loss, theft or breach of the security of your password, PIN, Telecode or card, you unreasonably delay notifying ANZ, the account holder will be liable for losses incurred between:

- the time you first became aware of any of the events described above, or in the case of loss or theft of a card, should reasonably have become aware of the loss or theft; and
- the time ANZ is actually notified of the relevant event.

However, you are not liable for any loss:

- which, over a set period of time, is greater than the transaction limit for that period;
- caused by overdrawing your account or exceeding any agreed credit limit;
- where ANZ has agreed the account could not be accessed electronically; or
- as a result of conduct that ANZ expressly authorised you to engage in, or losses incurred as a result of you disclosing, recording or storing a password, PIN or Telecode in a way that is required or recommended by ANZ for the purposes of you using an account access service expressly or impliedly promoted, endorsed or authorised by ANZ.

If it is not clear whether you have contributed to the loss caused by an unauthorised transaction and where a password, PIN or Telecode was required to perform the unauthorised transaction, the account holder is liable for the least of:

- \$150 (unless the account is used for business purposes); or
- the actual loss at the time ANZ is notified of the loss, theft or unauthorised use of the card or that the security of the password, PIN or Telecode has been breached (but not any loss incurred on any one day if the amount is greater than the daily transaction limit or other periodic transaction limit (if any)); or
- the balance of the account, including any pre-arranged credit from which value was transferred in the unauthorised transaction.

Additional protection

Visa – Zero Liability

Subject to the section headed ‘Unauthorised Transactions’ you will not be liable for unauthorised transactions on a Visa credit card.

If you notify us of an unauthorised transaction(s), within 5 business days we will provide provisional credit to you to the value of the unauthorised transaction unless your prior account history is unsatisfactory or if the nature of transactions justifies a delay in crediting your account.

MasterCard – Zero Liability

Subject to the section headed ‘Unauthorised Transactions’ you will not be liable for unauthorised transactions on a MasterCard credit card.

Equipment malfunction

You should note that:

- ANZ is responsible to the account holder for any loss caused by the failure of equipment, including your mobile phone with respect to ANZ Mobile Phone Banking to complete a transaction that was accepted in accordance with your instructions. However, if you were aware or should have been aware that the equipment, including your mobile phone with respect to ANZ Mobile Phone Banking was unavailable for use or malfunctioning, ANZ’s responsibility will be limited to correcting errors in the account and refunding any charges or fees imposed as a result.

You are solely responsible for your own PC anti-virus and PC and mobile phone security measures, and those of any authorised user, to help prevent unauthorised access via ANZ Internet Banking or ANZ Mobile Phone Banking to your transactions and linked accounts.

Liability under the BPAY® scheme

(a) General

You should note that:

- if you advise ANZ that a BPAY® made from a linked account is unauthorised, you should first give ANZ your written consent to obtain from the biller information about your account with that biller or the BPAY® payment, (including your CRN) as ANZ reasonably requires to investigate the BPAY®. This should be addressed to the biller who received the BPAY®. If you do not do this, the biller may not be permitted by law to disclose to ANZ the information ANZ needs to investigate or rectify that BPAY® payment;

- If you discover that the amount you instructed ANZ to pay was less than the amount you needed to pay, you can make another BPAY® for the shortfall. If you cannot make another BPAY® for the shortfall because the shortfall amount is less than the minimum amount the biller will accept, you can ask ANZ to arrange for a reversal of the initial payment. You can then make a second payment for the correct amount. If you discover that the amount you instructed ANZ to pay was more than the amount you needed to pay, you can ask ANZ to request a reversal of the initial payment from the biller on your behalf, and if this occurs, you can make a second payment for the correct amount.

(b) ANZ's liability

Where you use your account for personal purposes, ANZ's liability under the BPAY® Scheme is as set out under 'Unauthorised Transactions'.

Where you use your account for business purposes, ANZ will not be liable to you under the BPAY® Scheme except in the circumstances set out in this clause.

BPAY® payments

Except where a BPAY® payment is an Unauthorised Payment, a Fraudulent Payment or a Mistaken Payment, BPAY® payments are irrevocable. No refunds will be provided through the BPAY® Scheme where you have a dispute with the biller about any goods or services you may have agreed to acquire from the biller. Any dispute must be resolved with the biller.

Unauthorised Payments

If a BPAY® is made in accordance with a payment direction, which appeared to ANZ to be from you or on your behalf, but which you did not in fact authorise, ANZ will credit your account with the amount of that unauthorised payment. However, you must pay ANZ the amount of that payment if:

- ANZ cannot recover the amount from the person who received it within 20 Banking Business Days of ANZ attempting to do so; and
- the payment was made as a result of a payment direction which did not comply with ANZ's prescribed security procedures.

Fraudulent Payments

If a BPAY® is induced by the fraud of a person involved in the BPAY® Scheme, then that person should refund you the amount of the fraud-induced payment. However, if that person does not refund you that amount, you must bear the loss unless some other person involved in the BPAY® Scheme knew of the fraud or would have detected it with reasonable diligence, in which case that person must refund you the amount of the fraud-induced payment.

Mistaken Payments

If you discover that a BPAY® has been made to a person, or for an amount, which is not in accordance with your instructions (if any), and your account was debited for the amount of that payment, ANZ will credit that amount to your account. However, if you were responsible for a mistake resulting in that payment and ANZ cannot recover the amount

of that payment from the person who received it within 20 Banking Business Days of ANZ attempting to do so, you must pay that amount to ANZ.

You acknowledge that the receipt by a biller of a mistaken or erroneous payment does not or will not, under any circumstances, constitute part or whole satisfaction of any underlying debt owed between you and that biller.

(c) Consequential loss

ANZ is not liable for any consequential loss or damage you suffer as a result of using the BPAY® Scheme, other than due to any loss or damage you suffer due to ANZ's negligence or in relation to any breach of a condition or warranty implied by law in contracts for the supply of goods and services and which may not be excluded, restricted or modified at all or only to a limited extent.

(d) Indemnity

To the extent permitted by law, you indemnify ANZ against any loss or damage ANZ may suffer due to any claim, demand or action of any kind brought against ANZ arising directly or indirectly because you:

- did not observe your obligations under; or
- acted negligently or fraudulently in connection with, these Conditions of Use.

Changes to the Electronic Banking Conditions of Use

ANZ can change the Electronic Banking Conditions of Use at any time. ANZ will give you 20 days prior written notice of any changes which:

- impose or increase charges relating solely to the use of electronic equipment;
- increase your liability for losses relating to electronic transactions; or
- change your daily transaction limit or other periodical transaction limit applying to the use of electronic equipment.

Information statement

This information statement is provided in accordance with the Consumer Credit Code and only applies to you if your loan or facility is regulated by the Code.

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, Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("ANZ").

It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact ANZ and if you still have concerns, your Government Consumer Agency, or get legal advice.

The Contract:

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

ANZ 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 ANZ, you must be given a copy to keep.

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

If you want another copy of your contract, write to ANZ and ask for one. ANZ may charge you a fee. ANZ has to give you a copy:

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

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to ANZ so long as:

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

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

4. Can I pay my credit contract out early?

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

5. How can I find out the pay out figure?

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

ANZ must give you the statement within 7 days after you give your request to ANZ. 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 ANZ to charge one) and other fees.

7. Can my contract be changed by ANZ?

Yes, but only if your contract says so.

8. Will I be told in advance if ANZ 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 in a newspaper.
- you get 20 days advance written notice for:
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by ANZ;

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 ANZ. Discuss the matter and see if you can come to some arrangement. If that is not successful, you could apply to the court. Contact the Government Consumer Agency or get legal advice on how to go about this.

Insurance:

10. Do I have to take out insurance?

ANZ 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.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgage property or consumer credit insurance and the premium is financed by ANZ. 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 ANZ then, within 14 days of that happening, ANZ 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 our 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?

ANZ 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 ANZ 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 ANZ.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract, or if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if ANZ 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 ANZ'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 ANZ, together with a letter saying you want ANZ to sell the property for you;

- sell the property, but only if ANZ gives you permission first;

or

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

If ANZ won't give permission contact your Government Consumer Agency 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 ANZ even after mortgaged property is sold.

19. Can ANZ take or sell the mortgaged property?

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

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

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

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

ANZ 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 Consumer Credit Code.

General:

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

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

- to extend the term of the contract and either reduce the amount of each payment accordingly or defer payments for a specified period; or
- to simply defer payments for a specified period.

23. What if ANZ and I cannot agree on a suitable arrangement?

If you have been unemployed, sick or there is another good reason why you are having problems with your contract, then your contract may be able to be changed to meet your situation.

You may be able to apply to the court. Contact your Government Consumer Agency or get legal advice on how to go about this.

There are other people, such as financial counsellors, who may be able to help.

24. Can ANZ 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 your Government Consumer Agency or the Trade Practices Commission, 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 doubts, or want more information, contact your Government Consumer Agency or get legal advice.

Please keep this information statement. You may want some more information from it at a later date.

Postal Addresses

ANZ Mortgages

Locked Bag No. 9
Collins Street West Post Office
Melbourne, Victoria 8007

ANZ Cards

Locked Bag No. 10
Collins Street West Post Office
Melbourne, Victoria 8007

ANZ Personal Banking

Contact your nearest branch

ANZ Margin Lending

GPO Box 4338
Melbourne VIC 3001

ANZ Trustees (V2 PLUS Service Centre)

GPO Box 4028 Sydney NSW 2001; or
GPO Box 389D Melbourne VIC 3001

Customer Enquiries

ANZ Mortgages

Home Loan Hotline 1800 035 500
(for enquiries about new loans Home Loans
or Residential Investment Loans)

ANZ Mortgages Customer Service
13 25 99 (for enquiries about your existing
Home Loans or Residential Investment
Loans)

ANZ Cards

13 22 73

ANZ Personal Banking

13 13 14

ANZ Margin Lending

1800 639 330

ANZ Trustees (V2 PLUS Service Centre)

13 28 33

Lost or stolen cards, suspected unauthorised transactions or divulged passwords

1800 033 844; or
Melbourne (03) 9683 7047
(24 hours a day)

Lost, stolen or divulged passwords

For passwords used online, call 13 33 50
For all other passwords, call 1800 033 844
(24 hours a day)

ANZ Mobile Phone Banking

1300 ANZ MOBI (1300 269 6624) or
www.anz.com/MobilePhoneBanking

