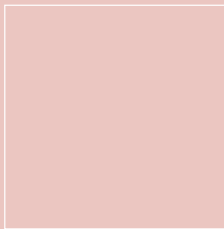
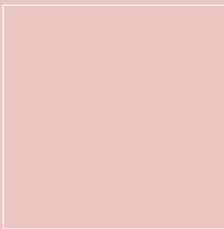
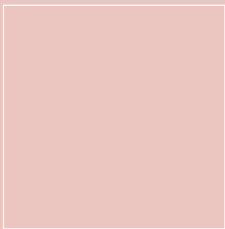
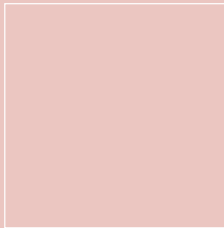
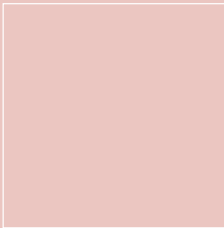
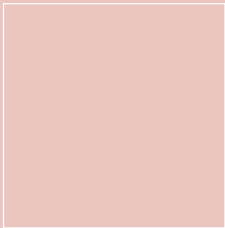


# Loan Booklet



**Victorian Securities**

SUBSIDIARY OF BENDIGO AND ADELAIDE BANK LIMITED



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## Victorian Securities Corporation Limited

ABN 32 004 496 208 AFSL 237904

AUSTRALIAN CREDIT LICENCE 237904

# Loan Contract Terms and Conditions

## ABOUT THIS CONTRACT

This document does not contain all of the information we must give *you* before *you* enter into this *contract*. The rest of the information is in the *Loan Schedule*. The *contract* consists of both documents. They should be read together.

*You* should read these documents carefully. *You* should also keep the documents for *your* future reference.

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The meaning of words printed in italics (*like this*) and some other key words is explained at the end of these *Terms and Conditions*.

## **1 What we lend and when**

1.1 We agree to lend *you* the amount of *credit*.

1.2 We can debit all or any part of the *amount of credit* to *your loan account*. We can debit it (so that *you* pay interest charges on the amount) on the day we lend *you* the amount (if we pay *you* the amount by posting a cheque, this is the day we post the cheque).

If *our* solicitors provide or are to provide any of the *amount of credit* to *you* or at *your* request (such as on the settlement of a property purchase), the day we lend *you* the amount is the day we provide the funds to *our* solicitors.

1.3 However, we only have to lend the *amount of credit* if we have received:

- (a) each security and any documents we require in relation to any *security*; and
- (b) evidence of any insurance we require; and
- (c) any report or valuation we require; and
- (d) any certificate of independent advice from a solicitor we require; and
- (e) any certificate of financial advice from a financial adviser we require; and
- (f) any other document or information we reasonably require; and
- (g) evidence that *you* have paid or have made satisfactory arrangements to pay any applicable conveyance or transfer stamp duty or similar impost in connection with each *security*.

1.4 We can end this *contract* if:

- (a) any of the items listed in clause 1.3 are not provided to *us* or are not paid or are not satisfactory to *us*;

- (b) *you* or a *security provider's* financial circumstances have significantly changed since the *disclosure date*; or
  - (c) any *security* has been withdrawn or is otherwise ineffective; or
  - (d) *you* or a *security provider* is *insolvent*; or
  - (e) *you* or a *security provider* is in default under this *contract* or a *security*; or
  - (f) any information which *you* or a *security provider* gave to *us* or which we have about *you*, a *security provider* or any *security* is not correct or has changed since we obtained it.
- 1.5 We can end this contract if *you* have not obtained any of the *amount of credit* within 90 days of the *disclosure date*.
- 1.6 If this *contract* is ended *you* must still pay all amounts *you* are required to pay up to that time under this *contract*. If this *contract* is ended before *you* have obtained any of the *amount of credit*, or used a card or other means of obtaining credit provided to *you* by *us* to acquire goods or services for which credit is to be advanced under the *contract*, *you* must also pay all amounts *you* are required under this *contract* to pay on the settlement date except for fees and charges in respect of any of *our* costs we no longer have to pay.
- 1.7 *You* must tell *us* if anything has happened which prevents *you* from complying with *your* obligations under this *contract* or if there are changes to *your* position as stated in all the declarations *you* have made to *us* in connection with this *contract*, including in the Application Form, before we lend *you* any of the *amount of credit*.

## **2 Interest charges**

- 2.1 Interest charges for each day are calculated on a daily basis by applying the *daily percentage rate* to the *daily balance*.
- 2.2 We can debit interest charges to your *loan account* on a periodic basis on the last days of March and September each year for Periodic Variable Rate Loans.

We can debit interest charges to your *loan account* monthly on the last day of each month for Monthly Variable Rate Loans.

2.3 We can debit interest charges to *your loan account* monthly on the last day of each month. We can also debit interest charges to *your loan account* at the following times:

(a) immediately before we credit to *your loan account* a payment that equals or exceeds the *loan account balance* at that time; and

(b) on the day the *loan account balance* becomes due under clause 9 of these *terms and conditions*.

2.4 The amount of interest charges debited will comprise the sum of interest charges calculated for each day in the period commencing on:

- in the case of the first interest debit, the *settlement date*;
- otherwise, the day following the last day for which an interest charge was debited, and ending;
- where the interest charge debit takes effect earlier than immediately before the end of the day on which it was debited, the day before that day;
- otherwise, the day on which the interest charge is debited.

2.5 We can change the *annual percentage rate* at any time except during a *fixed rate period*. If any *law* regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that *law*.

2.6 You can find out what any *annual percentage rates* under this *contract* are by asking any of *our* staff at *our* office, by telephoning 1300 363 673 (for the cost of a local call from anywhere in Australia), or visiting [www.vsc.com.au](http://www.vsc.com.au)

2.7 For the purposes of payments under the *contract*, a day ends at 5pm Victorian time.

### **3 Joint accounts**

- 3.1 This clause 3 applies if more than one *person* is named in the *Schedule* as "Borrower".
- 3.2 *Your* liability under these terms and conditions is both joint and several. This means that each of *you* is liable both on *your* own and together for the whole of any debit balance on *your loan account*.

### **4 Fees and charges**

- 4.1 *You* must pay to *us* the following fees and charges (which are authorised by this *contract*):
- *government transaction charges*; and
  - the credit fees and charges set out in the *Loan Schedule* which are payable at the times specified in the *Loan Schedule*.
- 4.2 *We* can debit these fees and charges to *your loan account*.
- 4.3 *We* can debit the *government transaction charges* to *your loan account* when the receipt or withdrawal to which those charges relate occurs.
- 4.4 *We* can change the amount of any credit fee or charge at any time without *your* consent. If any *law* regulates that change, *we* may only change to the extent permitted by, and subject to, the requirements of that *law*. *We* can change this *contract* to impose a new credit fee or charge at any time without *your* consent (see clause 20).

### **5 What you owe us**

Once *we* debit an amount to *your loan account*, (if it is not already owed) *you* owe *us* that amount.

### **6 Repayments**

- 6.1 *You* must pay the repayments *we* determine at the times *we* determine. As at the *disclosure date* the repayments are those set out in the *Loan Schedule* and they must be paid at the times set out in the *Loan Schedule*.

- 6.2 You must pay us the *loan account balance* plus any amounts charged, accrued or payable but not yet debited to *your loan account* at the end of the *loan term* if they have not become due and payable any earlier.
- 6.3 You can pay the *loan account balance* at any time. If you do this, you must also pay any amounts charged, accrued or payable but not yet debited to *your loan account* at that time.
- 6.4 We do not treat a payment as made until we credit it to the *loan account*.

## **7 Redraw facility**

- 7.1 We can give you a redraw facility. If we do then:
- (a) You may request us to re-lend to you on any day during the term of this *contract* an amount up to but not exceeding the amount by which:
    - (i) the *scheduled balance* on that day exceeds;
    - (ii) the sum of the *daily balance* on that day and one repayment and the Redraw Fee.
  - (b) We agree, subject to clause (c) to relend you all amounts the subject of a request under clause (a).
  - (c) We may, at *our* discretion, refuse to relend you an amount the subject of a request under clause (a) if:
    - (i) you are then in default under this contract or have been in default under this contract or any other loan contract you have with us at any time during the prior 12 months; or
    - (ii) you or a security provider's financial circumstances have significantly changed since the settlement date;
    - (iii) we do not have available funds to relend the amount to you.

## 8 Building loans

- 8.1 The following provisions of clause 8 only apply if the *Loan Schedule* indicates that you have a building loan.
- 8.2 We lend you the *amount of credit* progressively by:
- (a) paying any credit fees and charges and insurance premiums included in the *amount of credit*; and
  - (b) paying the balance of the *amount of credit* as progress payments after you have exhausted your own funds.
- 8.3 We only have to lend progress payments if:
- (a) for each progress payment (including the first and last):
    - (i) we have received an authority from you to pay the builder which is satisfactory to us; and
    - (ii) our valuer or quantity surveyor recommends that we make the progress payment (our valuer or quantity surveyor will normally need to value the building work to do this); and
  - (b) before the first progress payment, we have received all of the following and they are satisfactory to us:
    - (i) copy of stamped local council approved plans and specifications; and
    - (ii) copy of building contract between you and your builder; and
    - (iii) any other certificates or authorities from local councils or other authorities necessary to conduct the building works; and
    - (iv) a report by our valuer or quantity surveyor; and
    - (v) evidence of any insurance we require, which are satisfactory to us; and
  - (c) before the last progress payment, we have received all of the following:

- (i) confirmation that the building works is finished (including a signed certificate from you of satisfactory completion of the building works; and
- (ii) evidence of any insurance we require; and
- (iii) any other certificates or authorities from local councils or other authorities in relation to the completion of the building works, which are satisfactory to us.

8.4 These conditions are in addition to those in clause 1.3 which must also be satisfied.

8.5 Within 12 months (or such longer time as we agree) of the date *you* sign the *Loan Schedule* you must complete the building works specified in the plans and specifications *you* give *us* before the first progress payment.

## **9 If you are in default**

### **When are you in default?**

9.1 *You* are in default if:

- (a) *you* do not pay, on or before its due date for payment any amount payable under this *contract*; or
- (b) *you* are in breach of any other provision of this *contract*; or
- (c) *you* or another person gives *us* incorrect or misleading information in connection with this *contract* or a *security* such as information given in an application form; or
- (d) we reasonably believe *you* or another person has acted fraudulently in connection with this *contract* or a *security*; or
- (e) *you* or a *security provider* is in default under a *security* or withdraws from it; or
- (f) *you* or a *security provider* becomes insolvent or steps are taken to make *you* or the *security provider* so; or

- (g) *you* are in default under any other credit contract *you* have entered into with *us* or any other *security interest you* or a *security provider* has given to *us* which is not a *security*; or
- (h) a power of sale arises under any *security interest* over any property which is secured by a *security*.

### **What can happen then?**

- 9.2 If *you* are in default, then subject to any law (including requirements as to notice) the *loan account balance* plus any amounts charged, accrued or payable but not yet debited to *your loan account* automatically become due and payable.
- 9.3 Enforcement expenses may become payable under this *contract* or any *security* (or both) in the event of a breach.
- 9.4 *You* must pay *us* all reasonable enforcement expenses *we* reasonably incur arising from any default under this *contract* or under any *security*. Enforcement expenses include but are not limited to those reasonably incurred by the use of our staff and facilities. *We* can debit these amounts to the *loan account*.
- 9.5 If enforcement expenses are debited to *your loan account* they will become due and payable at the time they are debited.
- 9.6 Enforcement expenses *include*, in the case of any *security*, costs incurred in preserving or maintaining property subject to the *security such as* paying insurance, rates or taxes for the property after a default where they are authorised by the *security*. If the property the subject of a *security* can be insured, *you* must ensure insurance over mortgaged property is taken and maintained. If *you* do not, *we* may take out that insurance and any premium *we* pay will be an enforcement expense.
- 9.7 Default interest to apply.

## **10 What happens to payments we receive**

- 10.1 We may apply any payment or other credit we receive to any amount *you* owe under this *contract* in any order we choose.
- 10.2 If *you* have any other credit *contract* with *us* and *you* make a payment to *us* without telling *us* how the payment is to be applied, we will apply the payment to all or any of the credit contracts in any way we choose.

## **11 Substituting security**

- 11.1 *You* may ask *us* in writing to allow *you* to substitute a new *security interest* for a *security*. We do not have to agree but, if we do, we will almost certainly impose conditions.
- 11.2 Even if we agree to the substitution, the *security* to be replaced is not affected until (and then only to the extent that) we give a written discharge for it.

## **12 Statements**

We will send *you* statements of account six monthly. However, we need not send a statement of account if:

- no amount was credited or debited to *your loan account* during the statement period and the debit balance on *your loan account* is less than \$10;
- we wrote off *your* debt during the statement period and no further amount has been debited or credited to *your loan account* during the statement period; or
- *you* have been in default under this *contract* during the statement period and we have commenced enforcement proceedings.

A new statement period commences on the *settlement date*.

## **13 Inconsistency**

- 13.1 The *Loan Schedule, Terms and Conditions* and any *security* given by you set out the entire agreement between you and us. They override any representations made by us before you entered into the *contract*.
- 13.2 If there is any conflict or inconsistency between the *Loan Schedule, Terms and Conditions* and any *security*, those documents will prevail in that order to the extent of the inconsistency.
- 13.3 To the extent allowed by law and subject to clauses 23.2, 23.3 and 23.4 this *contract* prevails to the extent it is inconsistent with any law.

## **14 How we may exercise our rights**

- 14.1 We may exercise a right or remedy or give or refuse our consent in any way we consider appropriate *including* by imposing reasonable conditions.
- 14.2 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.
- 14.3 Our rights and remedies under this *contract* may be exercised by any of our employees or any other person we authorise.
- 14.4 To the full extent permitted by law we are not liable for any loss (including any consequential loss) caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy whether or not such attempt, failure or delay results from our negligence.

## **15 Our certificates**

We may give you a certificate about a matter or about an amount payable in connection with this *contract*. The certificate is sufficient evidence of the matter or amount unless it is proved to be incorrect.

## **16 Assignment**

- 16.1 We may assign or otherwise deal with *our* rights under this *contract*. *You* agree that we may disclose any information or documents we consider desirable to help *us* exercise this right. *You* also agree that we may disclose information or documents at any time to a person to whom we assign *our* rights under this contract.
- 16.2 *Your* rights are personal to *you* and may not be assigned without *our* written consent.

## **17 Valuations**

Any valuation or report we obtain is for *our* benefit, not *yours*. *You* may not rely on it.

## **18 Blanks**

*You* agree that we may fill in any blanks in any related document to this *contract* (such as an acknowledgement).

## **19 Notices, other communications and serving documents**

- 19.1 Communications from *us* may be signed by any of *our* employees. If *you* are a company, communications from *you* must be signed by a director.
- 19.2 Communications for *us* may be:
- (a) given personally to one of *our* employees at our office; or
  - (b) sent by prepaid post or electronically (such as by facsimile or telex) to our office; or
  - (c) given by any other means permitted by *law*.
- 19.3 Communications for *you* may be:
- (a) given to *you* personally or left at:
    - (i) (if *you* are an individual) *your* residential or business address last known to *us*; or

(ii) (if you are a body corporate) your registered office by leaving it with one of your officers; or

(iii) any address specified by you; or

(b) sent by pre-paid post or electronically (such as by facsimile or telex) to any of those places; or

(c) given by any other means permitted by law.

19.4 Communications given by newspaper advertisement are taken to be received on the date they are first published.

19.5 We may serve any document in a court action (including a writ of summons, other originating process or third or other party notice) on you by delivering it to your address in the *Loan Schedule* (or any changed address notified to us) or by leaving it there. This does not prevent any other method of service.

## 20 Changes

20.1 We can change this contract (such as by varying an existing provision or adding a new provision) at any time without your consent including:

- imposing a new fee or charge;
- changing an *annual percentage rate* or any other rate that applies to this contract;
- changing the manner in which interest is calculated or applied under this contract;
- changing the way in which repayments are calculated or when they are due;
- changing when we will give you a statement of account.

If any law regulates that change, we may only change to the extent permitted by, and subject to, the requirements of that law.

20.2 We will notify you when we:

- (a) change any *annual percentage rate* that is not determined by referring to a reference rate that applies to this *contract*. Where such a change to any *annual percentage rate* does not reduce *your* obligations and takes effect on or after a day it is published in the regular publication of *our* annual percentage rates under clause 2.5, *you* will be notified of the change by that publication. Where a change to any *annual percentage rate* that is not determined by referring to a reference rate does not reduce *your* obligations and in the case of a change to an annual percentage rate takes effect before a day on which it is published in the regular publication of our annual percentage rates under clause 2.5, we will notify *you* either by advertising in a newspaper circulating throughout the *jurisdiction* or in writing to *you* not later than the day on which the change takes effect. If we notify *you* by advertisement we will also provide *you* with such particulars of the change as are required by law before or when we provide *your* next statement of account after the change takes effect. Where such a change reduces *your* obligations we will notify *you* in writing before or when we provide *your* next statement of account after the change takes effect.
- (b) discontinue any *annual percentage rate* or change the manner in which interest is calculated or applied under this contract. Where such a change does not reduce *your* obligations or does not extend the time for payment, we will give *you* at least 20 days' prior written notice. Where such a change reduces *your* obligations we will give *you* written notice before or when we provide *your* next statement of account after the change takes effect.

- (c) change the amount or frequency of payment of a credit fee or charge or impose a new credit fee or charge. Where a change to the amount of a credit fee or charge or the imposition of a new credit fee or charge does not reduce *your* obligations or does not extend the time for payment, we will give *you* at least 20 days' prior notice either by advertisement in a newspaper circulating throughout the *jurisdiction* or in writing to *you*. If we notify *you* by advertisement we will also provide *you* with such particulars of the change as are required by *law* before or when we provide *your* next statement of account after the change takes effect. Where a change to the frequency of payment of a credit fee or charge does not reduce your obligations or does not extend the time for payment, we will give at least 20 days' prior notice in writing to *you*. Where a change to the amount or frequency of payment of a credit fee or charge or the imposition of a new credit fee or charge reduces *your* obligations or extends the time for payment we will notify *you* in writing no later than before or when we provide *your* next statement of account after the change takes effect.
- (d) change the amount or frequency of payment of a repayment. Where such a change does not reduce your obligations or does not extend the time for payment, we will give at least 20 days' prior written notice to *you*. Where such a change reduces *your* obligations or extends the time for payment, we will give *you* written notice no later than before or when we provide *your* next statement of account after the change takes effect.
- (e) change the *terms and conditions* of the *contract* and fees and charges (other than in the ways set out in sub-clauses 20.2(a) to 20.2(d)). We will do this either in writing to *you* or by newspaper advertisement or both.

## **21 Waiver**

21.1 We may choose at any time to waive any of *our* rights under the contract. Subject to any applicable *law*, a waiver by *us* is not a change to, and does not reduce *our* rights under, the contract unless we give *you* written notice that it is a change to the *contract*.

## **22 Set-Off**

You must pay all amounts due under this contract in full without selling off amounts you believe we owe you except to the extent you have a right of set-off granted by law which we cannot exclude by agreement (such as under a National Credit Code) or where there is a genuine dispute as to the amount due under this contract.

## **23 Consumer credit legislation and severance**

23.1 Clauses 23.2 and 23.3 apply to the extent that a National Credit Code applies to this *contract*.

23.2 If:

- (a) that Code would otherwise make a provision of this *contract* illegal, void or unenforceable; or
- (b) a provision of this *contract* would otherwise contravene a requirement of that Code or impose an obligation or liability which is prohibited by that Code, this *contract* is to be read as if that provision were varied to the extent necessary to comply with that Code or, if necessary, omitted.

23.3 If that Code is inconsistent with this *contract*, that Code overrides this contract to the extent of the inconsistency.

23.4 Subject to clauses 23.2 and 23.3, any provision of this *contract* that is illegal, void or unenforceable shall be ineffective only to the extent of such illegality, voidness or unenforceability without invalidating the remaining provisions of this *contract*.

## 24 Applicable law

24.1 If *you* reside in an Australian state or territory then this *contract* is subject to the laws of that state or territory. Otherwise, this *contract* is subject to the laws of the Australian state or territory under which we first provide credit under this *contract*.

24.2 *You* submit to the jurisdiction of the courts of the Australian state or territory whose *laws* apply to this contract and the proper jurisdiction of any other court.

## 25 Anti Money Laundering

To comply with requirements of anti-money laundering and counter terrorism financing laws we may:

- require you to provide us, or otherwise obtain, any additional documentation or other information
- suspend, block or delay transactions on your account, or refuse to provide services to you
- report any, or any proposed, transaction or activity to any body authorised to accept such reports relating to anti-money laundering and counter terrorism financing AML or any other law.

## 26 Security – not applicable

*Your* obligations under the *contract* are not covered by any *security interest* other than any *security interest* referred to in the *Loan Schedule* or the subject of a specific acknowledgement from *you* that it covers *your* obligations under the contract, even if *you* or someone else have given *us* a *security interest* for all *your* debts to us.

## 27 Meaning of words

the **amount of credit** is the amount we agree to lend *you* under this *contract* from time to time. As at the *disclosure date* it is the amount stated in the *Loan Schedule* and described as the "amount of credit".

**annual percentage rate** means each rate described as an annual percentage rate in the *Loan Schedule*.

the **capped rate period** is stated in the *Loan Schedule* (if none is stated in the *Loan Schedule*, there is no capped rate period)

the **contract** means the contract as varied from time to time you make with *us* by accepting the offer in the *Loan Schedule*.

**costs** *includes* charges and expenses; and costs, charges and expenses in connection with legal and other advisers.

**daily balance** means:

- for a day on which an interest charge is debited to *your loan account*, and where the debits made on that day include the interest charge for that day, the *loan account balance* immediately before the end of that day; and
- for any other day, the *loan account balance* at the end of that day.

**daily percentage rate** means the annual percentage rate divided by 365 or 366 in a leap year.

the **disclosure date** is stated in the *Loan Schedule*.

the **discount rate period** (if any) is stated in the *Loan Schedule* (if none is stated in the *Loan Schedule*, there is no discount rate period).

the **fixed rate period** (if any) is stated in the *Loan Schedule* (if none is stated in the *Loan Schedule*, there is no fixed rate period).

**government transaction charges** means financial institutions duty, bank account debits tax and all additional government stamp and other duties and charges payable on receipts or withdrawals under this *contract* or a *security*.

**including** or **such as** when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

**insolvent** means being an insolvent under administration or insolvent or having a controller appointed (each as defined in the Corporations Act 2001 such as being bankrupt), in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

**jurisdiction** This *contract* is governed by the law in force in Victoria. *You* and *we* submit to non-exclusive *jurisdiction* of the courts in that place.

**loan account** means the account or accounts we establish in *your* name for the purposes of this *contract*.

**loan account balance** means the difference between all amounts credited and all amounts debited to *your loan account*.

**Loan Schedule** means the document entitled "Loan Schedule"

the **loan term** is that stated in the *Loan Schedule*. If the loan term is varied, it will be the term as varied.

**person** includes an individual, a firm, a body corporate, an unincorporated association or an authority.

**scheduled balance** means, on any day, the amount which would have been the *daily balance* on that day (as determined by us) on the assumption that:

- (i) *you* had paid each repayment under this *contract* and all other amounts payable by *you* under this *contract*, on their respective due dates; and

(ii) *you* had not repaid any part of the *loan account balance early*.

**security** means each security interest described in the *Loan Schedule* under "Security" and any substitute or additional security interest given or to be given in connection with this *contract*.

**security interest** means any mortgage, charge, lien, pledge, trust, power or other rights given or to be given as or in effect as security for the payment of money or performance of obligations. *Security interest* also includes a guarantee or an indemnity.

**security property** means the property the subject of any *security*.

**security provider** means each person (other than *you*) who gives a *security*.

**settlement date** means the date we first lend *you* all or any of the *amount of credit*.

**such as** see including.

**Terms and Conditions** means this document.

**we, us, our** or similar parts of speech means the credit provider named in the *Loan Schedule*.

**you** or **your** means the person or persons named in the *Loan Schedule* as "Borrower". If there are more than one, **you** means each of them separately and every two or more of them jointly. **You** includes your successors and assigns.

The singular includes the plural and vice versa.

A reference to:

- a document includes any variation or replacement of it;
- *law* means common law, principles of equity, and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, reenactments or replacements of them); and any thing includes the whole and each part of it.

This part of the terms and conditions booklet only applies to *your* loan if, when you sign the Schedule, you intend to use the credit wholly or predominantly for personal, domestic or household purposes.

# Form 5

## Information statement

### **paragraph 16 (1) (b) of the Code regulation 70 of the Regulations**

#### **Things you should know about your proposed credit contract**

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

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, your credit provider's external dispute resolution scheme, or get legal advice.

#### **The contract**

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

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

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

whichever happens first.

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

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

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

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

### **3 Can I terminate the contract?**

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

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

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

### **4 Can I pay my credit contract out early?**

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

### **5 How can I find out the payout figure?**

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

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

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

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

### **7 Can my contract be changed by my credit provider?**

Yes, but only if your contract says so.

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

That depends on the type of change. For example —

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for —
- a change in the way in which interest is calculated; or
- a change in credit fees and charges; or
- any other changes by your credit provider;

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

## **9 Is there anything I can do if I think that my contract is unjust?**

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

If that is not successful, you may contact your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your credit provider's external dispute resolution provider is Financial Ombudsman Service and can be contacted at:

GPO Box 3  
Melbourne VIC 3001  
Phone: 1300 78 08 08  
Fax: 03 9613 6399  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>.

## **Insurance**

### **10 Do I have to take out insurance?**

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

### **11 Will I get details of my insurance cover?**

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

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

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

### **13 In that case, what happens to the premiums?**

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

### **14 What happens if my credit 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 your credit provider certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the credit provider.

### **16 Should I get a copy of my mortgage?**

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

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

### **17 Is there anything that I am not allowed to do with the property I have mortgaged?**

The law says you can not assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or can not do with the property.

### **18 What can I do if I find that I can not afford my repayments and there is a mortgage over property?**

See the answers to questions 22 and 23.

Otherwise you may —

- if the mortgaged property is goods — give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first;

OR

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

If your credit provider won't give permission, you can contact their external dispute resolution scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after the mortgaged property is sold.

### **19 Can my credit provider take or sell the mortgaged property?**

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

### **20 If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?**

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

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

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

## **General**

### **22 What do I do if I can not make a repayment?**

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

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

### **23 What if my credit provider and I can not agree on a suitable arrangement?**

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

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

### **24 Can my credit provider take action against me?**

Yes, if you are in default under your contract. But the law says that you can not be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

### **25 Do I have any other rights and obligations?**

Yes. The law will give you other rights and obligations. You should also READ YOUR CONTRACT carefully.

**IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE.**

**EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS FINANCIAL OMBUDSMAN SERVICE AND CAN BE CONTACTED AT:**

**GPO BOX 3  
MELBOURNE VIC 3001  
PHONE: 1300 78 08 08  
FAX: 03 9613 6399  
WEBSITE: [www.fos.org.au](http://www.fos.org.au)  
EMAIL: [info@fos.org.au](mailto:info@fos.org.au)**

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

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