Consumer lending

terms and conditions

Effective 27 July 2026

Important information

Who we are

Teachers Mutual Bank Limited
ABN 30 087 650 459
AFSL/Australian Credit Licence 238981.

In this document, "the Bank", "we", "us" and "our" means Teachers Mutual Bank Limited; and "you" means a person with one or more of our products or services.

The Credit Provider under your Offer and Loan contract is Teachers Mutual Bank Limited ABN 30 087 650 459 AFSL/Australian Credit Licence 238981.

WARNING

This document does not contain all the precontractual information we must give you. Your loan contract is made up of the Schedule and this booklet. You should read both before committing to your loan.

Conditions of Use

Our Conditions of Use – Accounts and access govern your use of, and access to your account using, our electronic access facilities. Please read the document carefully. You agree that we have given you a copy of our Conditions of Use – Accounts and access document by making it available for you to access on our website unless you have requested that we provide you with a printed copy.

Offer may be withdrawn

We may withdraw the offer set out in the Schedule and this booklet at any time before you accept it or may refuse to advance the amount of credit after acceptance if:

- we become aware that there has been a significant change to your financial position that will undermine your ability to service the proposed loan; or
- you fail to meet any of your obligations under your loan agreement, where the effects of the change or the failure are so material that, having regard to our legitimate business interests, we would not have entered this agreement if we had been aware of the change or the failure.

What parts of this booklet apply to my loan?

For **home loans**
– read Parts A, B, D and E.

For **personal loans**
– read Parts A, D and E.

For **RediCredit**
– read Parts C, D and E.

Information about the Customer Owned Banking Code of Practice and the National Credit Code

The relevant provisions of the Customer Owned Banking Code of Practice apply to this loan contract. The Customer Owned Banking Code of Practice requires us to give you information about the current interest rate (the annual percentage rate) and current fees and charges applying to this loan whenever you request it.

References in this loan contract to the National Credit Code or to the information statement "Things You Should Know About Your Proposed Credit Contract" (ie Part E of this booklet) do not apply if the purpose of the loan is for business purposes or investment purposes other than investment in residential property.

Information about non-standard fees and charges

Your account may have specific account related fees and charges, for example, a monthly account fee. Non-standard fees apply in particular situations, for example, fees if you overdraw an account. We have prepared some general information on how to avoid or minimise non-standard fees and charges. You can find this information by visiting our website.

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Part A

Home loans & personal loans – specific terms

For home loans see also Parts B, D and E.

For personal loans see also Parts D and E and, if the personal loan is secured by a motor vehicle mortgage, see also the Vehicle Mortgage terms and conditions.

1 Amount of credit

1.1 Subject to clause 2 and this loan contract, we agree to lend you up to the amount of credit specified in the Schedule.

1.2 Where any credit fee is to be paid from the loan amount and the amount of credit fee that is actually paid is less than the amount disclosed in the loan schedule, we will not advance the difference to you.

2 Funding pre-conditions

2.1 We will not lend you the amount of credit specified in the Schedule until, where specified in the Schedule:

a) you give us a mortgage over the Mortgaged Property;

b) the Guarantor gives us a guarantee that satisfies us;

c) the Guarantor gives us a mortgage over the Mortgaged Property that satisfies us;

d) you and the Guarantor take out any compulsory insurance, credit related insurance or mortgaged property insurance that we may reasonably require and you have provided us with a copy of the insurance policy upon request;

e) your mortgage and the Guarantor's mortgage is stamped and, if appropriate, registered;

f) you and the Guarantor prove to us that you have taken out the insurance referred to in clause 2.1(d);

g) if the Australian Government 5% Deposit Scheme applies to your loan, you have complied with clause 7B.3; and

h) if the Australian Government Help to Buy Scheme applies to your loan, you have complied with clause 7C.2.

2.2 Additional conditions precedent may apply to specific loan products and, if relevant to you, these are set out in the Schedule or in other Parts of this Contract.

2.3 You must arrange to draw the amount of credit within the time set out below unless:

a) the Schedule provides otherwise; or

b) we both agree on a later date.

The required time for drawing the amount of credit (measured from the date set out at the top of the loan schedule) is:

i) for personal loans: within 30 days; and

ii) for home loans: within 90 days.

If you do not draw the amount of credit within this time, we may terminate this loan contract.

2.4 If the annual percentage rate is fixed under this loan contract, then you must draw on the full amount of credit at the one time.

2.5 We are not required to lend you any further amount of credit that we have not yet provided (if any), if:

a) there are more than one of you (joint borrowers) and any of you give us notice that you want to terminate or limit your liability in relation to this loan contract or any future advances; or

b) there is one or more guarantors and any guarantor seeks to withdraw from their guarantee (before we provide any amount of credit) or limit their liability to an amount that is less than the amount originally guaranteed or required by us.

3 Repayments

3.1 You must repay the loan by making the repayments when required as set out in the Schedule. Your obligation to make the repayments as set out in the Schedule is subject to the terms of the loan contract, for example, if repayment amounts are varied due to movements in interest rates.

You must also repay any other amounts which you become liable to pay under the loan contract, for example, should the circumstances arise, reasonable enforcement expenses.

3.2 During any Fixed Rate Period, you are not permitted to make any Early Repayment before the due date set out in the Schedule, unless you are paying out your loan in full.

3A Early Repayments and Break Cost

3A.1 **Warning:** When you enter into a fixed rate loan, we commit to lend you the funds at that fixed rate for the whole of the Fixed Rate Period. As a consequence, we may incur a loss if an Early Repayment is made to your loan and the Wholesale Interest Rate is, at the time of the Early Repayment, lower than the Wholesale Interest Rate at the commencement of your Fixed Rate Period. In such

circumstances, we will calculate the Break Cost in accordance with these Consumer Lending terms and conditions.

3A.2 If we suffer any loss as a consequence of such Early Repayment, the Break Cost is due and payable to us promptly as a reasonable estimate of our loss.

3B Calculation of Break Cost

3B.1 To calculate the Break Cost, we calculate the difference between:

a) Our estimation of the present value of the scheduled repayments and End Balance discounted at the fixed interest rate applying to your loan during your Fixed Rate Period, but reduced for the Difference in Wholesale Interest Rates; and

b) Our estimation of the present value of the scheduled repayments and End Balance discounted at the fixed interest rate applying during your Fixed Rate Period.

3B.2 If an Early Repayment is made which partially reduces the total outstanding balance of your loan, the Break Cost is initially calculated as above, but then reduced in the same proportion that the amount you repaid early bears to the unpaid balance immediately prior to the time of the partial Early Repayment.

3B.3 As we manage our loan funding and interest rates on a portfolio basis, there may not be transactions directly referable to your loan.

Meaning of certain words and expressions

In clauses 3, 3A and 3B, the following definitions apply:

Break Cost is the amount which represents an adjustment to the interest charge for your loan account which is applied if an Early Repayment occurs. The Break Cost is calculated by reference to:

a) the Difference in Wholesale Interest Rates;

b) your loan balance at immediately prior to the time of Early Repayment;

c) the timing and amount of your remaining scheduled repayments, until the expiry of the Fixed Rate Period;

d) your End Balance.

Difference in Wholesale Interest Rates means the difference between:

i) The Wholesale Interest Rate at the commencement of your Fixed Rate Period, which is fixed for a period equivalent to your Fixed Rate Period; and

ii) The Wholesale Interest Rate at the date of your Early Repayment which is fixed for a period equivalent to the remainder of your Fixed Rate Period.

Early Repayment means, during any Fixed Rate Period, where any of the following occurs:

a) your loan account is repaid in full;

b) your loan interest rate is switched from a fixed rate to another fixed rate or to another fixed rate term or to a variable rate;

c) a reduction is made to the total outstanding loan amount as a result of the discharge or substitution of any security;

d) a reduction is made to the total outstanding loan amount in advance of the repayments set out in your loan contract.

End Balance means your loan balance which would have applied at the end of the Fixed Rate Period if you had made the scheduled repayments and the Early Repayment had not occurred.

Fixed Rate Period is any period that the annual percentage rate under your loan contract is a fixed rate.

Wholesale Interest Rate means a rate set by us and which we estimate is a reasonable reflection of the applicable wholesale market interest rate at a particular time and/or for a particular period.

4 Interest charges

4.1 Interest and default interest (if any) is calculated as set out in clauses 14 and 15 respectively.

4.2 We will debit interest to your account on or about the same day every month. This day will not necessarily be the same day your repayments are due. We will also debit interest to your account on the day you pay the balance of the loan.

4.3 We will debit default interest to your account on the same days as we debit interest under clause 4.2.

5 Redraw facility

5.1 If your loan has a redraw facility, you must apply to register to use the facility unless your loan type has been automatically registered. Please refer to the Redraw Facility section of our website to determine whether you need to register.

Subject to clauses 5.2 and 5.6, you may redraw excess repayments made to your loan, providing your account remains one payment in advance after the redraw. For the purposes of this clause 5, excess payments are those repayments which we inform you from time to

time have exceeded the minimum repayments required to be made under your loan contract.

5.2 Even if you have a redraw facility, you cannot redraw:

a) If you have a construction loan and your loan is in the process of being drawn-down during construction phase; or

b) during any fixed rate period.

5.3 You may access the redraw facility by internet banking or by completing a Personal and home loan redraw request form (available on request).

5.4 The amount of the redraw will be debited to your loan and will accrue interest in accordance with clause 14.

5.5 If there is more than one borrower under this loan contract, you authorise us to process the redraw on the instructions of any of you until such time as any of you tell us to the contrary. If any of you request that we do so, we will change the redraw approval requirements for your loan so that all joint borrowers must approve any future redraws, or suspend the redraw facility to allow you and the other joint borrowers to reach agreement about dispersal of any redrawn funds.

5.6 We may refuse your application to redraw payments in advance if:

a) you are in default under this agreement;

b) you do not provide all the information that we require to process your request;

c) you or a security provider are in default under, or breach an obligation under, any security document;

d) we have publicly stated that redraw is suspended for all customers (for example due to financial market disruption);

e) to otherwise protect our legitimate business interests; or

f) if we are required to refuse redraw payments as required by a court order or if requested by a borrower or authorised user.

5.7 If we do not agree to a request to redraw and/or a redraw fails to be processed:

a) we are not required to give you any advance notice or reason for that failure; and

b) we are not liable for any loss (including indirect or consequential loss) resulting from the failure of the redraw to be processed for any reason, except to the extent that the loss is caused by our fraud, negligence or wilful misconduct (including that of our employees or agents or any receiver we appoint).

5.8 In addition to our rights to vary this contract under Part D, we may also vary from time to time and in accordance with these Consumer Lending terms and conditions and our legitimate business interests, by varying the minimum amount under any redraw facility available under this loan. We will give you reasonable prior notice in writing if we do so.

6 Top-up

6.1 This clause 6 does not apply to your loan during any fixed rate period.

6.2 You may request us to increase the amount of credit provided to you (as originally specified in the Schedule).

6.3 Any increase to the amount of credit are subject to our normal lending criteria and may be accepted or rejected at our absolute discretion.

6.4 Any increase to the amount of credit will take effect on the date notified to you by us. If the amount of credit is increased:

a) we will recalculate the new repayments which will apply, to ensure that your loan is repaid during its term – which means the subsequent repayments may be higher than your current repayments; and

b) we will give you written notice of your new repayment within 30 days.

Part B

Home loans – further specific terms

Read this part only if you have a home loan.

7 Interest only period

7.1 This clause 7 applies if your loan has an interest only period. This may be specified in the Schedule or subsequently agreed. No repayments of principal are required during an interest only period.

7.2 You may choose to cancel the interest only period and make repayments of principal and interest on your loan. You must give us not less than 14 days written notice of your decision to cancel the interest only period. Any request to cancel the interest only period during a fixed rate period will be deemed to also be a request to switch from an annual percentage rate which is fixed to one which is variable.

7.3 If you cancel the interest only period prior to the end of the interest only period, a variation fee applies and Break Cost may apply.

7.4 You may also request us to extend the interest only period for a further period subject to clause 7.5. You must give us written notice of this no less than 14 days prior to the end of your current interest only period.

7.5 We have reasonable discretion as to whether we will allow you to extend your interest only period. Any extensions of interest only periods may only be granted if the total interest only period under your loan does not exceed 5 years.

7.6 If you do not give us notice prior to the expiry of your interest only period in accordance with clause 7.4, at the end of the interest only period your loan will revert to a variable rate loan with payments of principal and interest.

7.7 Before the end of any interest only period:

a) we will recalculate the repayments which will apply after the interest only period to ensure that your loan is repaid during its term – which means the subsequent repayments may be higher than the repayments during the then current interest only period; and

b) we will give you written notice of the new repayment amount at least 20 days before the first such repayment is due.

7A Mortgage offset facility

7A.1 Under the mortgage offset facility, your eligible home loan account is linked with up to eight of your eligible transaction accounts. The mortgage offset facility is not available with any other type of loan or credit facility.

Please refer to the mortgage offset facility section of our website for details of:

a) which home loans are eligible; and

b) which transaction accounts are eligible for the mortgage offset facility; and

c) the Offset Percentage applying.

7A.2 If you wish to use the mortgage offset facility, you may link up to eight of your eligible transaction accounts to your eligible home loan account. An eligible transaction account may only be linked to one eligible home loan at a time. The owner of the transaction account must be the borrower (or one of the borrowers) on the home loan account.

7A.3 In this Clause 7A, the following definitions apply:

a) **Offset Percentage** means the percentage of the credit balance of your linked eligible transaction accounts which is taken into account in calculating your Offset Balance.

b) **Offset Balance** is the amount which is the result of offsetting the credit balance of your transaction account against the debit balance of your home loan account, taking into account the Offset Percentage. For example, if you have linked one eligible transaction account to your

eligible home loan, and:

i) the balance of your eligible home loan account is dr $100,000; and

ii) the balance of your eligible transaction account is cr $10,000; and

iii) the Offset Percentage is 100%,

then the Offset Balance is $90,000.

As a further example, assuming the same account balances as above but with an Offset Percentage of 50%, then the credit balance of your eligible transaction account taken into account is 50% of $10,000, which is $5,000. The Offset Balance is then $95,000.

If, as a further example, you have linked two of your eligible transaction accounts to your eligible home loan, and assuming:

i) the balance of your eligible home loan account is dr $100,000;

ii) the balance of your first linked eligible transaction account is cr $10,000 and the balance of your second linked eligible transaction account is cr $5,000; and

iii) the Offset Percentage is 100%, then the Offset Balance is $85,000.

We may change the Offset Percentage at any time in accordance with these Consumer Lending terms and conditions and our legitimate business interests. We will give you 30 days notice in writing if we do so.

7A.4 Subject to sub-paragraph (d), for the mortgage offset facility to apply:

a) the balance of your eligible home loan account must be a debit balance;

b) the balance of each of your linked eligible transaction accounts must be a credit balance; and

c) the Offset Balance must be a debit amount.

However:

d) if the Offset Balance is a credit amount, the mortgage offset facility applies only to the extent of the debit balance of your home loan account.

7A.5 If:

a) the balance of a linked transaction account is zero or in debit; or

b) the balance of your home loan account is zero or in credit, the mortgage offset is not applied.

7A.6 Where, under clause 7A.4, the mortgage offset facility can be applied, interest on your eligible home loan account is charged at the contracted rate from your Offer and Loan Contract on the Offset Balance only.

It is important to note that no interest is paid on the credit balance of any transaction

account linked to a home loan account under a mortgage offset facility, including when the Offset Balance is a credit balance (i.e. where the balance of the linked transaction account exceeds the balance of the home loan.

7A.7 Your mortgage offset facility will be cancelled if:

a) you request us to cancel the facility; or

b) we cancel the facility under Clause 7A.9; or

c) the facility is no longer offered by us; or

d) either your home loan account or your linked transaction accounts are closed.

If the mortgage offset facility is cancelled, interest may then be payable on your previously linked transaction accounts in accordance with the terms and conditions applying to those accounts.

7A.8 When you request us either to set up or cancel your mortgage offset facility, we may take up to five business days to effect this.

7A.9 Using the mortgage offset facility does not affect any of your obligations under your Offer and Loan contract or any other provisions of the Consumer Lending terms and conditions.

You must continue to meet all your obligations including, without limitation, any agreed repayment amount. Otherwise, we may, at our reasonable discretion, cancel your mortgage offset facility at any time having regard to our legitimate business interests. We will give you reasonable prior notice in writing if we do so.

7A.10 If for any reason we post to either your home loan account or your linked transaction account a transaction which has an effective date prior to the posting date, then:

a) the balance of whichever account to which the transaction is posted is adjusted as from the effective date;

b) if the affected account is your home loan account, the interest charged is also adjusted as from the effective date;

However:

c) we can only adjust the calculations for the mortgage offset facility as from the effective date if such date falls within the same interest period as the transaction is posted; and

d) if the effective date of the transaction falls within any prior interest period, we can only adjust the mortgage offset calculations with effect from the first day of the interest period in which the posting is made.

(An "interest period" generally equates to a statement cycle.)

READ THIS PART ONLY IF YOUR LOAN CONTRACT IS SUPPORTED BY THE AUSTRALIAN GOVERNMENT 5% DEPOSIT SCHEME

7B. Australian Government 5% Deposit Scheme

7B.1 This clause 7B applies if your loan contract is supported by the Australian Government 5% Deposit Scheme.

7B.2 In this Clause 7B, the following definitions apply:

a) "**Australian Government 5% Deposit Scheme**" means the Australian Government 5% Deposit Scheme as applicable to your loan.

b) "**Certificate of Guarantee**" means the certificate of guarantee issued or to be issued to us by Housing Australia under the Australian Government 5% Deposit Scheme.

c) "**Eligibility Criteria**" means the eligibility criteria for the Australian Government 5% Deposit Scheme and set out in the Home Buyer Declaration.

d) "**Home Buyer Declaration**" means the statutory declaration made by you in the form satisfactory to us as to the Eligibility Criteria of the purpose of the Australian Government 5% Deposit Scheme.

7B.3 In addition to the funding pre-conditions in clause 2.1, if the Schedule states that your loan is supported by the Australian Government 5% Deposit Scheme, we will not lend you the amount of credit specified in the Schedule until you have fully satisfied all the requirements on your part under the Australian Government 5% Deposit Scheme and you have completed and provided to us a Home Buyer Declaration.

7B.4 You have declared that you meet the Eligibility Criteria in a Home Buyer Declaration, which is not part of this loan contract. You understand and agree that you must continue to meet the Eligibility Criteria (to the extent that it is ongoing) until the Certificate of Guarantee in respect of this loan contract has been released or is not (or is no longer) in effect.

7B.5 If the Certificate of Guarantee is released or is not (or is no longer) in effect because of an event that has caused you to no longer meet the Eligibility Criteria and this has caused the Certificate of Guarantee to no longer apply to your loan (other than where you have repaid the loan in full or where you have repaid your loan down to the principal balance specified within the Eligibility Criteria), and where the ratio of loan to property value exceeds an acceptable range having regard to our security and credit

risk, we may take certain actions (eg. apply for Lenders Mortgage Insurance). We will notify you in writing if this is the case.

7B.6 In addition to the events listed in clause 23.1 (and subject to clause 23.4), you are also in default under this loan contract if, at any time before the Certificate of Guarantee in respect of this loan contract has been released or is not (or is no longer) in effect, you fail to take any steps which we reasonably consider necessary to protect our legitimate interests, which include, without limitation, requiring you to assist us in obtaining lenders mortgage insurance.

READ THIS PART ONLY IF YOUR LOAN CONTRACT IS SUPPORTED BY THE HELP TO BUY SCHEME

7C. Help to Buy Scheme

7C.1 This clause applies if the Schedule states that your loan is supported by the Help to Buy Scheme established under the *Help to Buy Act 2024 (Cth)* and administered by Housing Australia.

7C.2 We will not advance the loan until Housing Australia has approved your participation in the Scheme, you have signed a Participation Agreement with Housing Australia, and you have met all Scheme requirements that must be satisfied at funding.

7C.3 You must comply with your obligations under the Scheme and your Participation Agreement with Housing Australia.

7C.4 If you fail to comply with clause 7C.3, this may be treated as a default under clause 23.1(b), subject to clause 23.4, but only where the failure has, or is reasonably likely to have, a material adverse effect on our security position, credit risk, ability to assess those risks, ability to enforce our rights, continued Scheme support for your loan, or our obligations as a participating lender.

8 Repayment pause

8.1 This clause is to be read in conjunction with your rights under the National Credit Code to apply to us for temporary changes to the contract on the grounds of hardship or for the postponement of enforcement rights. Nothing in this clause 8 is intended to limit your statutory rights to apply on the grounds of hardship in any way.

8.2 A repayment pause is a period during which no payments are required on your loan. It is to be not less than 1 month and not more than the shortest of the following periods:

a) 6 months;

b) the amount of time you are absent from your employment;

c) the period you request; or

d) a shorter period we decide is appropriate.

8.3 You may request a repayment pause by writing to us, and we

will consider your request if you satisfy all of the following criteria:

a) your loan is a variable interest rate loan secured by a residential mortgage; and

b) your loan is not a fixed interest loan, or an Interest Only Fixed Loan;

c) your loan is not currently subject to an interest only period or fixed rate period;

d) it must be at least 12 months since the date of this loan and since any previous application by you for a repayment pause;

e) you must not have any current or previous arrears on this loan or any other loan with us;

f) you must not have any unused available credit under a redraw facility when making a repayment pause application; and

g) your repayment pause request must:

i) be in writing signed by you (or both or all of you, if there is more than one borrower);

ii) be received by us no later than 3 weeks prior to the proposed commencement of the repayment pause;

iii) include evidence from your employer or a statutory declaration if you are self employed indicating the terms of the maternity, paternity, adoption or carer's leave being undertaken;

iv) not request a repayment pause term longer than permitted under clause 8.2(a)–(b).

8.4 If we receive a repayment pause request from you we:

a) may decide not to grant it at our reasonable discretion;

b) may decide to grant it for a shorter time than you have applied for;

c) will give you notice of our decision within 2 weeks

8.5 During the term of any repayment pause:

a) no repayments are payable; and

b) interest will accrue and be debited in accordance with clauses 4 and 14 (this will increase the outstanding balance you owe).

8.6 Before the end of any repayment pause:

a) we will recalculate the repayments which will apply after the repayment pause, to ensure that your loan is repaid during its term – which means the subsequent repayments will be higher than repayments before the repayment pause; and

b) we will give you written notice of the new repayment amount at least 20 days before the first such repayment is due.

8.7 When the repayment pause is over, you must make the new repayments.

Part C

RediCredit – specific terms

Read this part only if you have RediCredit.
See also Parts D and E.

9 Credit limit

9.1 Subject to clause 10 and this loan contract, we agree to make available to you credit up to the credit limit.

9.2 You agree not to exceed the credit limit.

9.3 We may reduce or cancel the credit limit to the balance of your account at any time in accordance with these Consumer Lending terms and conditions, including:

- If you are in default under this agreement;
- where we reasonably believe that your existing credit limit is more than you can manage without financial difficulty;
- to manage a material and immediate risk, including to prevent potential fraud or a scam;
- in order to protect our legitimate business interests; or

if you have requested that we do so.

9.4 We do not have to notify you beforehand but we must notify you as soon as practicable afterwards if we reduce or cancel your limit to avoid or reduce material losses, or to manage a material and immediate risk.

10 Funding pre-conditions

10.1 We will not give you access to the credit limit until, where specified in the Schedule:

a) you give us a mortgage over the mortgaged goods;

b) the guarantor gives us a guarantee that satisfies us;

c) the guarantor gives us a mortgage over the mortgaged goods that satisfies us;

d) you and the guarantor take out any compulsory insurance, credit related insurance or mortgaged property insurance that we may reasonably require;

e) your mortgage and the guarantor's mortgage is stamped and, if appropriate, registered; and

f) you and the guarantor prove to us that you have taken out all insurance we require.

11 Not applicable

12 Exceeding the credit limit

12.1 You must make the repayments set out in the Schedule. However, this is subject to other terms of this loan contract, for example, if you are in default under clause 12.2.

12.2 In addition to the matters set out in clause 23, you are in default under this loan contract if you exceed the credit limit.

12.3 You must also pay us promptly the amount required to reduce the balance of the account to the credit limit.

13 Interest charges

13.1 Interest and default interest (if any) is calculated as set out in clauses 14 and 15 respectively.

13.2 We will debit interest monthly on the last day of each statement period and we may also debit interest on the day you pay the balance of the loan. If applicable, default interest is debited on the same days.

Part D

All loans – general terms

14 Calculating interest charges

14.1 We will calculate interest daily by multiplying the unpaid daily balance of the account at the end of the day by the daily percentage rate. The daily percentage rate is the annual percentage rate divided by 365.

15 Calculating default interest charges

15.1 This clause 15 only applies if a default rate of interest is specified in the Schedule.

15.2 If you do not make a repayment when due, you must pay us default interest as well as interest on the overdue amount.

15.3 We will calculate default interest daily by multiplying the overdue amount at the end of the day by the daily default percentage rate. The daily default percentage rate is the default rate of interest divided by 365.

16 Credit fees and charges

16.1 We may debit to your account any credit fees and charges set out in the Schedule.

17 Payment issues

17.1 If we do not receive value for a payment order or direct credit, we may:

a) reverse the credit; and

b) charge you interest or default interest; and

c) exercise any right or remedy under this contract, as if the repayment had never been made.

17.2 If you are liable to us under two or more loan contracts and do not tell us to which account we are to credit any repayment, we may credit the repayment to this loan contract or any of the other loan contracts as we choose.

17.3 We may apply any payment from you or the guarantor to enforcement expenses, default interest, credit fees and charges, interest or principal in the order we choose.

17.4 We may apply any payment from you or the guarantor to the most recent debit to your account.

18 Variation of annual percentage rates

18.1 The Schedule may specify that the annual percentage rate is fixed for a period or this may be agreed subsequently. We will not vary the annual percentage rate during any fixed rate period, but we may vary it at any other time.

18.2 If a variation to the annual percentage rate increases your obligations, we must notify you on or before the day the increase takes effect by:

a) publishing a notice in a newspaper and sending you notification in your next statement of account; or

b) giving you written notice.

19 Variation of interest calculations

19.1 We may vary how we calculate interest or how often we debit interest where there is a need to do so in order to protect our legitimate business interests.

19.2 If the variation increases your obligations, we must give you written notice at least 20 days (or a longer period if required under the Customer Owned Banking Code of Practice) before the increase takes effect.

20 Variation of credit fees and charges

20.1 We may vary any credit fee or charge by changing its amount or method of calculation or the time or frequency of its payment where there is a need to do so in order to protect our legitimate business interests. We may also add new credit fees or charges where there is a need to do so in order to protect our legitimate business interests. Despite this, we may not vary the Break Cost during any fixed rate period.

20.2 If the variation increases your obligations, we must notify you 20 days (or a longer period if required under the Customer Owned Banking Code of Practice) before the change takes effect by:

a) publishing a notice in a newspaper and sending you notification in your next statement of account; or

b) giving you written notice.

20.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.

21 Variation of repayments

21.1 We may vary:

a) the amount, frequency or time of repayments; or

b) the method of calculating repayments; or

c) the method of calculating the minimum repayment.

21.2 If any of these variations increase your obligations, we must give you written notice at least 20 days (or a longer period if required under the Customer Owned Banking Code of Practice) before the increase takes effect.

21.3 If a variation does not increase your obligations, we will notify you in your next statement of account.

22 Other variations

22.1 Except during any fixed rate period, we may vary the fees and charges under this loan contract:

a) when the annual percentage rate stated in the Schedule is expressed as a reference rate plus or minus a margin – to increase or decrease that margin or the reference rate;

b) when the Schedule does not state a default rate of interest, to add a default rate of interest to calculate default interest charges under clause 15; or

c) to increase or decrease the default rate of interest specified in the Schedule.

22.2 If any of these variations increases your obligations, we must give you written notice at least 20 days (or a longer period if required under the Customer Owned Banking Code of Practice) before the increase takes effect.

22.3 If the variation does not increase your obligations, we will send you notification in your next statement of account.

23 Default

23.1 Subject to clause 23.4, you are in default under this loan contract if:

a) you do not make a repayment in full by the date it is due;

b) you or the guarantor breach any term of this loan contract, the guarantee, any mortgage or any insurance policy that we require;

c) the guarantee or any mortgage that we require

is unenforceable according to its terms;

d) the insurer terminates any insurance policy we require;

e) you or the guarantor fail to renew on terms that satisfy us any mortgaged property insurance that we require;

f) you become bankrupt;

g) you seek to make an arrangement or composition with your creditors under a law dealing with bankruptcy;

h) the Australian Government 5% Deposit Scheme applies to your loan, and an event in clause 7B.6 occurs; or

i) the Australian Government Help to Buy Scheme applies to your loan, and an event in clause 7C.4 occurs.

23.2 If you are in default, we may send you a default notice. The notice will tell you:

a) what the default is;

b) what you have to do to remedy the default; and

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

23.3 Subject to clause 23.4, if you do not or cannot correct the default within the period given in the default notice, or required by law, then at the end of that period and without further notice to you:

a) The unpaid balance and any other amount owing under the loan contract will become immediately due for payment; and

b) We may sue you for that amount and exercise any and all of our rights under this loan contract and the Security.

23.4 We will only act on a default under subparagraphs (b) to (i) of clause 23.1 if:

a) you do not comply with the default notice within the notice period; and

b) we make an assessment that the default is material, either by its nature or where we reasonably consider that the event has had, or is likely to have, a materially adverse impact on:

i) your ability or a guarantor's ability to meet their financial obligations to us; or

ii) our credit or security risk (or our ability to assess these); or

iii) our legal reputational risk.

23.5 If you or the guarantor fails to do anything that this loan contract, the guarantee, any mortgage or any insurance policy requires you or the guarantor to do, we may:

a) do the thing as required;

b) do it in your name; and

c) do it at your expense and debit your account for the expense.

24 Enforcement expenses

24.1 We may charge you enforcement expenses we reasonably incur. We may debit these to your loan account.

24.2 An enforcement expense includes an expense for doing any of the following under this loan contract, any guarantee or any mortgage:

a) enforcing any right we have
b) attempting to enforce any right;
c) performing any of your obligations or those of any guarantor in accordance with clause 23.4;
d) protecting any right;
e) waiving any right; and
f) contemplating the enforcement of any right.

24.3 An enforcement expense also includes any expense we have to pay on the dishonour of any payment instrument given to us for a payment in relation to this loan contract.

25 Giving information to any guarantor

Your signing this loan contract also operates as a consent to us to give information about you and this loan contract to any guarantor including any information and documents we are required to give any guarantor under any applicable law or the Customer Owned Banking Code of Practice.

26 Statement of Account

26.1 We will give you statements of account by making them available for you to view and download in internet banking.

26.2 A statement of account includes all your credit contracts and deposit accounts, except credit card contracts.

26.3 You may elect to also be sent statements of account in paper form by post at any time by changing your communication preference in internet banking or contacting us. If you make this election, the Paper Statement Fee specified in the Schedule will be payable and you will also be taken to have elected to receive notices and other communications and documents relating to this loan contract and all your credit contracts and deposit accounts, except credit card contracts, in paper form by post. If you have not given us electronic contact details, we may treat you as having elected to receive

statements of account in paper form by post until you provide electronic contact details to us.

26.4 Unless you have elected to receive statements of account in paper form by post, we will notify you electronically (for example by email, SMS text message, message in internet banking or our mobile banking application) when we make a new statement of account available for you in internet banking.

26.5 Even when you have elected to receive statements of account in paper form by post, we may notify you electronically when we make a new statement of account available for you in internet banking.

26.6 Each debit and credit to your account takes effect on the date we assign to it which may not be the date on which it is processed and we may adjust any debit or credit at any time to reflect your and our obligations and the terms of this Contract.

26.7 You should check each statement of account as soon as you receive it and immediately tell us of any entry in the statement which you dispute.

26.8 You may request a copy of any statement of account at any time subject to any fee payable under this loan contract.

27 How we give you notices and other communications and documents

27.1 We may give you notices and other communications and documents relating to this loan contract in any way allowed by law and the Customer Owned Banking Code of Practice.

27.2 Subject to any applicable legal requirements and any applicable provisions of the Customer Owned Banking Code of Practice, you agree that we may give you written notices and other communications and documents:

- by post;
- electronically (for example: by email, SMS text message, message or notification in internet banking or in our mobile banking application,
- publishing it on our website and notifying you that it is available);
- by including it in or with a
- statement of account; or
- by national media advertisement.

27.3 You may elect to receive notices and other communications and documents we are required to give you in writing in paper form by post at any time by changing your communication preference in internet banking or contacting us. If you make this election, you will also be taken to have elected to receive statements

of account for all your credit contracts and deposit accounts, except credit card contracts, in paper form by post and the Paper Statement Fee specified in the Schedule will apply (see clause 26.3). If you have not given us electronic contact details, we may treat you as having elected to receive notices and other communications and documents in paper form by post until you provide electronic contact details to us.

27.4 Even when you have elected to receive notices and other communications and documents in paper form by post, we may also give them to you electronically.

28 Miscellaneous matters

28.1 **Taxes and expenses**

a) We may debit your account for any government tax or stamp duty.

b) You agree to pay our legal costs and expenses of any guarantee or mortgage specified in the Schedule.

28.2 **Payment and Performance of obligations**

If you must make a payment or do any other thing on or by a day, you must do so by 5pm (in New South Wales) on that day or, if we have notified you of another time, that time.

28.3 **Joint borrowers**

If there is more than one borrower, each of you is liable to us separately for the balance of the loan as well as together.

28.4 **Assignment**

We may assign any of our rights under this loan contract, any mortgage, or any guarantee, provided that you then have and may exercise the same rights under your loan contract against the assignee as you have against us. We do not need your consent to do so.

28.5 **Information is correct**

You represent and warrant that all information, representations and documents that you, or any person acting on your behalf, gave us about your loan application are true and correct including, without limitation, all information provided to us by you or anyone acting on your behalf, in connection with the Australian Government 5% Deposit Scheme or Help to Buy Scheme, if one of those schemes applies to your loan.

28.6 **Waiver**

We may, in our sole discretion, waive a fee upon any incidence of it being incurred, without prejudice to our right to charge that fee or any other on any subsequent occasion that is incurred.

28.7 **Assumptions**

The amounts disclosed as repayments and credit fees and charges set out in the Schedule are estimates based on the following assumptions, as applicable:

a) we do not vary:
   i) the annual percentage rate during the term of this loan contract;
   ii) the way we calculate interest under this loan contract;
   iii) any credit fee or charge;
b) we do not introduce any new credit fee or charge;
c) you make repayments or pay credit fees and charges as required under this loan contract and
d) any day on which you are required to make a repayment or pay a credit fee or charge is a business day.

28.8 **Electronic account access**

You may access your account using our following electronic access facilities including:

a) Visa Card (including use of your card via mobile wallets and contactless transactions)
b) BPAY®
c) Electronic banking (mobile banking app and internet banking)
d) Eftpos and ATM access
e) Pay Anyone (including by using a PayID and OSKO)
f) PayTo
g) Direct debit
h) Direct credit
i) Periodical payments

Our Conditions of Use – Accounts and access govern your use of our electronic facilities to access your account.

29 Definitions and interpretation

In this loan contract:

a) a reference to 'we', 'us' or 'our' means Teachers Mutual Bank Limited;
b) a reference to 'you' means each borrower and as applicable, each mortgagor;
c) a reference to the 'Terms and Conditions' means the terms and conditions set out in Parts A, B, C and D and E of this booklet (as applicable);
d) the 'Terms and Conditions booklet' means this booklet;
e) the 'Schedule' is the schedule you sign, which records the particulars of your loan contract;
f) the 'loan contract' means the Offer and Loan contract, the Terms and Conditions and the Schedule together;
g) 'Commencement date' means the date the amount of credit is paid by us;
h) words or phrases have the same meaning as in the Schedule;

i) words and phrases have the same meaning as in the National Credit Code;

j) headings are for convenience only and do not affect the interpretation of this agreement;

k) words importing the singular include the plural and vice versa;

i) words importing a gender include any gender;

m) other parts of speech and grammatical forms of a word or phrase defined in this loan contract have a corresponding meaning;

n) a reference to a clause is a reference to a clause of this loan contract;

o) a reference to a party to this contract includes that party's successors and permitted assigns; and

p) a reference to the 'end of the day' is the time we treat as being the end of the day for our end of day transaction processing on your account.

Part E

Information statement

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?**

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

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

   whichever happens first.

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

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

   Also, the credit provider must give you a copy of the final contract within 14 days after it 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 contact 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 your 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 pay out figure?

You can write to your credit provider 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.

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 the credit provider to charge one) and other fees.

7. Can my contract be changed by the Bank?

Yes, but only if your contract says so.

8. Will I be told in advance if 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 (or a longer period if required under the Customer Owned Banking Code of Practice) 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 made by your credit provider, if we believe the change is unfavourable to you;

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 the Australian Financial Complaints Authority (AFCA). AFCA provides Fair and independent financial services Complaint resolution that is free to consumers.

Website:	**www.afca.org.au**
Email:	**info@afca.org.au**
Telephone:	**1800 931 678** (free call)
In writing:	**Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001**

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

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at www.asic.gov.au the provisions of the contract.

Insurance

10. Do I have to take out insurance?

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

11. Will I get details of my insurance cover?

Yes, if you 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, when 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 cannot 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 cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to questions

22 and 23. Otherwise you may:

- if the mortgaged property is goods – give the property back to your credit provider, together with a letter saying you want 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 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 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 cannot make a repayment?

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

- to extend the term of the 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 cannot agree on a suitable arrangement?

If the credit provider refuses your request to change 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 cannot 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 THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY (AFCA).

AFCA PROVIDES FAIR AND INDEPENDENT FINANCIAL SERVICES COMPLAINT RESOLUTION THAT IS FREE TO CONSUMERS.

Website:	**www.afca.org.au**
Email:	**info@afca.org.au**
Telephone:	**1800 931 678** (free call)
In writing:	**Australian Financial Complaints Authority** **GPO Box 3** **Melbourne VIC 3001**

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

Need more information, we're here to help.

1800 862 265
8am to 8pm, weekdays
9am to 3pm, Saturday

contactus@fmbank.com.au
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