

Gateway Bank

# Consumer Loan Terms and Conditions

Version 7, July 2024



# Table Of Contents

1. ABOUT YOUR LOAN AGREEMENT	5
1.1. About these terms and conditions	5
1.2. Customer Owned Banking Code of Practice	5
1.3. When there is a binding legal contract between you and us	5
1.4. Joint borrowers	5
1.5. Keep us informed	6
2. INTEREST	6
2.1. Payment of interest	6
2.2. Calculation and accrual of interest	6
2.3. No interest on credit balances	7
2.4. Debiting of interest	7
2.5. Default interest	7
2.6. Interest on judgment	8
3. REPAYMENTS	8
3.1. Repayments	8
3.2. Repaying your loan early	8
3.3. Method of payment	8
3.4. How payments must be made	9
3.5. Application of payments	9
3.6. Death of a borrower	9
4. Security Property	9
4.1. Mortgage and Security Interest	9
4.2. Your obligations in relation to the Security Property	10
4.3. Right to enter and inspect	11
4.4. Keep the Security Property insured	12

4.5. Insurance claims	12
4.6. You must notify us of certain things	12
4.7. PPS Act provisions	13
<b>5. REDRAW</b>	<b>13</b>
5.1. About your redraw facility	13
5.2. When you can redraw	14
<b>6. OVERDRAFT ACCOUNT</b>	<b>15</b>
6.1. Converting your Overdraft Account	15
6.2. Changes to your Overdraft Account	15
6.3. Your Credit Limit	15
<b>7. LOAN ACCOUNT</b>	<b>16</b>
7.1. Debiting your Loan Account	16
7.2. Statements of account	16
7.3. Transactions on your Loan Account	17
7.4. Nil balances	17
7.5. Drawings	17
<b>8. FEES, COSTS AND ADDITIONAL PAYMENTS</b>	<b>17</b>
8.1. Fees and charges	17
8.2. Enforcement expenses	17
8.3. Government charges and GST	17
<b>9. VARIATIONS TO YOUR LOAN AGREEMENT</b>	<b>18</b>
9.1. Changes we can make to your Loan Agreement	18
9.2. Notifying you about changes to your Loan Agreement	18
<b>10. DEFAULT</b>	<b>19</b>
10.1. Consequences of a breach of any term	19
10.2. Monetary Events of Default	19

10.3. Non-monetary Events of Default	19
10.4. Notification of an Event of Default	20
11. OUR RIGHTS ON DEFAULT	20
11.1. What we can do if an Event of Default occurs	20
11.2. When we will act on a non-monetary Event of Default	21
11.3. Notice of enforcement	21
11.4. How we may exercise our rights	22
11.5. Enforcement expenses	22
12. GENERAL	23
12.1. How we can deal with your Loan Agreement	23
12.2. How we can give you notices or other documents in connection with your loan	23
12.3. Anti-money laundering and counter-terrorism financing	24
12.4. Severability of provisions	24
12.5. Applicable laws	25
12.6. Governing law	25
12.7. If you are a trustee	25
12.8. Financial statements	25
12.9. If we are a trustee	26
12.10. Identification information	26
12.11. If there is a trustee in bankruptcy or liquidator	26
12.12. Third party systems	26
13. DEFINITIONS AND INTERPRETATION	26
13.1. Definitions	26
13.2. Interpretation	28

# 1. ABOUT YOUR LOAN AGREEMENT

## 1.1 About these terms and conditions

- 1.1.1 These are the Gateway Bank Consumer Loan Terms and Conditions Version 7, July 2024 incorporated into Loan Offers referring to these terms and conditions. They form part of your Loan Agreement.
- 1.1.2 This document does not contain all the precontractual information required to be given to you. You must read this document together with the Loan Offer.
- 1.1.3 Capitalised words have a special meaning and are defined at the end of this document or in the Loan Offer.

## 1.2. Customer Owned Banking Code of Practice

We will comply with the requirements of the Customer Owned Banking Code of Practice where those requirements apply to your dealings with us. These codes change from time to time. If you would like to know more about your rights under the Customer Owned Banking Code of Practice, contact us.

## 1.3 When there is a binding legal contract between you and us

**IMPORTANT: Until the Loan Date, we have the right to change the terms of your Loan Agreement or to withdraw our offer to lend altogether.**

The Loan Agreement comes into effect on the Loan Date. There is no binding legal contract between you and us until the Loan Date, and until that date:

- you are not bound to go ahead; and
- we have the right to change the terms of your Loan Agreement or to withdraw it altogether and decline to make an advance of funds to you if anything occurs which we reasonably believe makes proceeding with the loan undesirable. We are not obliged to make an advance of funds until all relevant conditions are fulfilled to our satisfaction. You may be liable for costs even if we decide not to proceed.

## 1.4 Joint borrowers

- 1.4.1 If there are two or more borrowers, each of you is individually liable, and all of you are jointly liable. This means that we may take legal action against any one of you for all the outstanding amounts.
- 1.4.2 Each borrower can bind each other borrower. For example, any one of you can authorise a redraw or any other activity in respect of your loan. Each borrower will be liable even if they did not know about or agree to the transaction.

**IMPORTANT:** This means that each one of you can be required to pay the whole amount owing even if you have some other arrangement amongst yourselves and even if not all of you benefit equally.

1.4.3 Despite clause 1.4.2, we will comply with any request by any one of you:

- that all borrowers be required to approve any future withdrawals; or
- to suspend any Loan Account (or a redraw facility on any Loan Account) to allow all borrowers time to reach agreement about dispersal of the account funds.

1.4.4 Despite this clause 1.4, we may require all borrowers to authorise any activity with respect to your loan.

## 1.5 Keep us informed

You must notify us in writing promptly if at any time:

- there is a material change in your personal circumstances (including if you separate, divorce or remarry) or in your financial condition or affairs from those which you have told us about;
- anything happens which makes any of the statements made by you in your Loan Agreement or in any application for this loan untrue or misleading;
- anything happens which reduces the value of the Security Property, or which has or may have a material adverse effect on the Security Property;
- your contact details change (including any residential, postal or electronic address, or your phone number); or
- your principal place of residence changes.

## 2. INTEREST

### 2.1 Payment of interest

You must pay us interest on all amounts debited to your Loan Account from the date the amount is debited. Interest debited to your Loan Account forms part of the Amount Owing.

### 2.2 Calculation and accrual of interest

2.2.1 Interest charges are calculated by applying the interest rate to the unpaid balance owing to us at the end of each day. The interest rate applied each day is equal to the annual percentage rate applicable to the loan at the time divided by 365.

2.2.2 Interest accrues on a daily basis from the day we disburse money at your request to make the first advance.

- 2.2.3 You can find out your current interest rate at any time by contacting us. We can change your interest rate at any time unless your interest rate is fixed.

## 2.3 No interest on credit balances

Unless you have an Overdraft Account, we may not pay interest on any credit balance in your Loan Account.

## 2.4 Debiting of interest

- 2.4.1 Interest will be debited to your Loan Account monthly in arrears on the last day of each calendar month (regardless of whether or not that day is a Business Day) and on the Final Repayment Date.

**IMPORTANT:** Because we debit interest on a date which may be different to your repayment date, interest may be charged on interest, and the cost to you will be slightly more than if interest was debited on the same date as your repayment date.

- 2.4.2 In addition to debiting interest to your Loan Account as specified above, we may debit interest whenever your loan is in default, you repay the Amount Owing, or we increase your Amount of Credit or vary your Loan Agreement.
- 2.4.3 Interest debited to your Loan Account forms part of your loan balance upon which interest is calculated and debited (ie that interest will itself bear interest).

## 2.5 Default interest

- 2.5.1 Acting reasonably, we may change the default rate of interest at any time without your consent. You will be notified of any changes in the default rate in the same way any variations to the interest rate are notified to you.
- 2.5.2 If any amount due by you is not paid on the due date, you must pay default interest on the overdue amount until the overdue amount plus the default interest on that amount is paid. You will also be liable for any default fees specified in your Loan Offer (as varied from time to time).
- 2.5.3 Default interest is also payable on the following amounts until paid:
- on the whole of the Amount Owing if that amount becomes due for any reason; and
  - on any amount owing because you have drawn more than the amount available for redraw or because you have exceeded the Credit Limit of your Overdraft Account.
- 2.5.4 Default interest is calculated, accrues, is debited, and is payable in the same way as ordinary interest.

## 2.6 Interest on judgment

If you become liable by a court order to pay any money due under your Loan Agreement, you must pay interest at the higher of the rate ordered by the court or the rate payable under your Loan Agreement.

# 3. REPAYMENTS

## 3.1 Repayments

- 3.1.1 You must make each repayment on or before the date specified in your Loan Offer as varied from time to time.
- 3.1.2 In addition to making your scheduled repayments when due, on the Final Repayment Date, you must pay us the Amount Owing.
- 3.1.3 If any payment is due on a day which is not a Business Day, the payment must be made on or before the next Business Day unless that Business Day is in the next calendar month, in which case payment is due on the last Business Day of the current calendar month. If any payment is due on a day which is the 29th, 30th or 31st of a month with no such date, the payment must be made on or before on the 28th day of that calendar month.

## 3.2 Repaying your loan early

- 3.2.1 You may make additional payments or repay your loan in full at any time.
- 3.2.2 If you may make additional payments or repay your loan in full:
  - fees may be payable if specified in your Loan Offer (as varied from time to time); and
  - you may be able to redraw any excess repayments.
- 3.2.3 If you have made any additional or early repayments, you may be able to reduce your repayments to a lower minimum repayment amount. This will reduce your amount of available funds and increase the amount of interest you have to pay.
- 3.2.4 If you inform us that you propose to repay your loan in full, we may place a stop on all further debits to your Loan Account to enable us to provide you with a payout figure.

## 3.3 Method of payment

- 3.3.1 You can make payments by any payment method approved by us from time to time.
- 3.3.2 We may require you to sign a direct debit authority to authorise us to debit one of your bank accounts for payments due under your Loan Agreement. If we do, you authorise us to use that direct debit authority for payment of any amounts due under your Loan Agreement. You must ensure there are sufficient funds in your account and keep that account open. If an attempted direct debit fails, we may make reasonable further attempts to direct debit your account until the direct debit is successful.



- 3.3.3 The amount of each payment may include any applicable direct debit fees, taxes or charges relating to the payment method in addition to your repayment amount.
- 3.3.4 If any payment is dishonoured, the payment will be treated as not having been made, and interest will continue to accrue on the unpaid daily balance until actual payment is received by us.

### **3.4 How payments must be made**

- 3.4.1 Payments will be credited to your Loan Account only when actually received by us.
- 3.4.2 Payments must be made in full when they are due, without setting off or deducting any amounts you believe we owe you, and without counterclaiming any amounts from us.
- 3.4.3 All payments must be made in Australian dollars.

### **3.5 Application of payments**

- 3.5.1 We may apply any money or payment we receive or recover in any way in respect of money you owe to any part of the Amount Owing in any order we determine.
- 3.5.2 If you have more than one account with us, and no Event of Default has occurred, you may ask us to apply payments in a particular way among those accounts. If you make a payment without telling us in writing how the payment is to be applied, we can apply it to any one or more of your accounts in any way we think fit.
- 3.5.3 If any of your Loan Accounts are in arrears while one or more of your other Loan Accounts or other accounts with us have funds available to be drawn, you authorise us to appropriate from any one or more of those accounts to pay some or all of your arrears. We are not obliged to do this.

### **3.6 Death of a borrower**

The Amount Owing must be repaid within 180 days from the date you die (or if there is more than one borrower, the last of you dies) unless other arrangements are made for the continuation of the loan to our satisfaction. We will discuss this with your executor or beneficiaries and seek to agree to a mutually acceptable solution. If there is more than one borrower, and one of the borrowers dies, we may allow the surviving borrower(s) to continue to access the Loan Account(s).

## **4. SECURITY PROPERTY**

This clause 4 applies if you have provided any Security for your loan.

### **4.1 Mortgage and Security Interest**

- 4.1.1 By signing your Loan Agreement, you grant to us a mortgage and a Security Interest over the Security Property and over any insurance policy relating to the Security Property to secure your obligations to us under your Loan Agreement. This includes

any asset acquired in replacing the Security Property, or any modifications made to the Security Property (including any additions made or accessories purchased), and any money received from any insurance claim over the Security Property or from an insurer following cancellation of a policy.

- 4.1.2 You acknowledge that we will have a Security Interest under the PPS Act in respect of the Security Property, and you authorise us to register one or more Security Interests under the PPS Act in respect of your Loan Agreement. The rights and powers conferred on us by your Loan Agreement or by law are in addition to any rights and powers conferred by the PPS Act.
- 4.1.3 You agree to do anything we reasonably request to effect, more effectively secure, confirm and register the mortgage and Security Interest over the Security Property, including signing any documents.
- 4.1.4 You warrant that you own the legal title to, or will own legal title to, the Security Property during the term of the loan. You warrant that there is no, and will be no, other Security Interest granted over the Security Property.

## **4.2 Your obligations in relation to the Security Property**

- 4.2.1 During the term of your loan, you must:
- keep the Security Property in good repair and condition;
  - keep the Security Property in Australia;
  - promptly attend to any repairs to the Security Property that we require you to undertake;
  - comply with all laws relating to the use, operation, maintenance and possession of the Security Property, including maintaining any necessary licences or permits;
  - ensure that operation and maintenance of the Security Property complies with the manufacturer's instructions as to use;
  - repair, maintain and service the Security Property on terms that do not create a lien over the Security Property, and pay for all repair, maintenance and servicing promptly; and
  - deliver the Security Property to us if we are entitled to take possession of it.
- 4.2.2 You must not, and you must ensure that others do not:
- change where the Security Property is usually located;
  - sell, transfer, assign, lease or otherwise dispose of the Security Property;
  - mortgage, charge or grant a Security Interest over the Security Property to another person;

- change any serial numbers or other identifying numbers on the Security Property;
- make any alterations to the Security Property without our prior written consent (which will not be unreasonably withheld);
- do or allow anything to be done that may reduce the value of the Security Property;  
or
- cause or allow the Security Property to be affixed to any other property without our prior written consent (which will not be unreasonably withheld).

4.2.3 If the Security Property is stolen, lost, destroyed or damaged, we may (but are not obliged to) accept other assets to replace the Security Property. Any asset that is accepted as a replacement will be Security Property and subject to your Loan Agreement.

4.2.4 If the Security Property is stolen, lost, destroyed or damaged so that repair is impractical or uneconomic, you must pay us the Amount Owed, less any insurance money paid to us, on not less than 30 days notice, unless we make other arrangements with you. Any insurance money paid must be paid to us in reduction of your liability to us. If the money is paid to you, you must pay it to us promptly. Payment of the insurance money to us does not release you from liability for any other amount due under your Loan Agreement.

4.2.5 You acknowledge and agree that we are not responsible for any performance or service issues, product warranties or the use or other benefits that you may or may not obtain from the Security Property.

## 4.3 Right to enter and inspect

4.3.1 We may enter the premises where the Security Property is located to gain access to the Security Property for any purpose under your Loan Agreement, subject to us complying with any legal requirements.

4.3.2 You must give us and any agent we appoint access to the Security Property when we request it so that we or our agents can:

- inspect the Security Property;
- check that you are complying with the terms of your Loan Agreement; or
- exercise any of our rights under your Loan Agreement.

4.3.3 We will give you reasonable notice if we require access to the Security Property. However, we may enter any premises where the Security Property is located at any time without notice to take any urgent action required to prevent damage to or preserve the Security Property.

## 4.4 Keep the Security Property insured

- 4.4.1 You must maintain insurance in respect of the Security Property against fire, theft, accident and other usual risks, and any other risk we reasonably require, and you must pay for the cost of that insurance.
- 4.4.2 You must:
- ensure that our interest as mortgagee/secured party is noted on the insurance policy;
  - provide a copy of any insurance policy in respect of the Security Property when requested by us;
  - provide evidence of currency of the insurance of the Security Property when requested by us;
  - pay all insurance premiums relating to insurance of the Security Property on or before the due date; and
  - not do anything that could cause any insurance policy relating to the Security Property to be prejudiced or cancelled or be subject to an increased premium.
- 4.4.3 If you do not take out and keep current all required insurance in respect of the Security Property, or if you do not give us evidence of this on request, we may take out any insurance we reasonably see fit and debit the cost to your Loan Account.

## 4.5 Insurance claims

- 4.5.1 If loss or damage to the Security Property occurs, we may make, negotiate and settle any insurance claims concerning the Security Property, and you must accept any settlement we agree with the insurance company.
- 4.5.2 If you make a claim that the insurer refuses, we can ask you to give us your rights to take further action against that insurer on that claim.
- 4.5.3 Any money paid by the insurer must be paid directly to us. We may apply that money as we see fit, including to repair the Security Property, apply it towards repayment of the Amount Owning, or hold it as additional security for the Amount Owning.
- 4.5.4 You must notify us of anything that may give rise to a claim under any insurance policy in respect of the Security Property and provide any other information we reasonably request. You must also notify us if you make a claim that the insurer refuses.

## 4.6 You must notify us of certain things

You must promptly notify us if:

- the address where the Security Property will be located changes, and inform us of the location of the Security Property on request;

- the Security Property is stolen, lost, seriously damaged or materially defective;
- you become aware that another person may or will register a Security Interest over the Security Property; and
- anything happens that materially and adversely affects the Security Property or its value.

## 4.7 PPS Act provisions

- 4.7.1 In addition to the powers under section 125 of the PPS Act, we may take any action after default authorised by your Loan Agreement or by law, including delaying any disposal, leasing or action to retain any of the Security Property.
- 4.7.2 Unless the Security Property is used predominantly for personal, domestic or household purposes, you waive your right to receive notice of:
- a verification statement under section 157 of the PPS Act in respect of commercial property;
  - the removal of an accession under section 95 of the PPS Act;
  - a decision to enforce a security interest pursuant to a land law under section 118 of the PPS Act;
  - action to enforce security over liquid assets under section 121(4) of the PPS Act;
  - a proposal to dispose of the Security Property under section 130 of the PPS Act;
  - a statement of account under sections 132(3)(d) and 132(4) of the PPS Act; and
  - any proposal by us to retain the Security Property under section 135 of the PPS Act.
- 4.7.3 Unless the Security Property is used predominantly for personal, domestic or household purposes, you waive your right:
- to redeem the Security Property under section 142 of the PPS Act; and
  - to reinstate your Loan Agreement under section 143 of the PPS Act.

## 5. REDRAW

This clause 5 applies to your Overdraft Account and any other Loan Account under which a redraw is possible. We will tell you if redraw facilities are available.

**IMPORTANT: We can change, suspend or cancel your redraw facility at any time.**

### 5.1 About your redraw facility

- 5.1.1 We may change, suspend or cancel the redraw facility at any time. We will tell you if we do any of these things, and we will endeavour to give you prior notice where possible.

- 5.1.2 Redraws will be processed as we decide from time to time. If you request a redraw, we have full discretion whether to approve or refuse your request. We take no responsibility for your use of the redraw facility or amounts that you redraw.

## 5.2 When you can redraw

- 5.2.1 Subject to clause 5.2.2, if you have made extra payments above your minimum repayment amount, you may redraw all or any part of those extra payments provided that:
- you have not defaulted under your Loan Agreement;
  - your redraw facility has not been suspended or cancelled by us
  - no further charge or security interest has been granted over any of the Security; and
  - no other redraw restrictions are set out in your Loan Offer.
- 5.2.2 The maximum amount available for redraw is the amount you have repaid early, less the amount of any previous redraws, permanent reductions to the balance of your Loan Account, and other debits as reasonably determined by us.
- 5.2.3 The amount you redraw must not be less than the minimum amount specified by us from time to time and must not be more than the maximum amount available for redraw. If you draw more than the amount available for redraw, you must repay the excess on demand, and we may charge default interest on that amount until it is repaid.
- 5.2.4 We may reduce the amount you can redraw by the estimated amount of your next scheduled repayment.
- 5.2.5 You must keep the method of making redraws from your Loan Account confidential to ensure that there are no unauthorised transactions or other dealings with your Loan Account.
- 5.2.6 You can obtain a redraw:
- if online banking is available under your loan, by using online banking in accordance with our online banking terms and conditions;
  - if telephone banking is available under your loan, by using telephone banking in accordance with our telephone banking terms and conditions; or
  - by any other method we approve from time to time.
- You must also comply with any other condition we may reasonably impose in relation to the redraw.
- 5.2.7 If you make your request for redraw manually, you should allow at least two business days for your redraw to be processed.

- 5.2.8 If you attempt to redraw more than the amount available for redraw, we may (but are not obliged to) stop or prevent the payment.
- 5.2.9 If you request a redraw, and your existing repayments are not sufficient to repay the Amount Owning over the remaining term, we may recalculate your future repayments.

## 6. OVERDRAFT ACCOUNT

This clause 6 applies if you have an Overdraft Account.

**IMPORTANT:** We can change, suspend or cancel your Overdraft Account at any time.

### 6.1 Converting your Overdraft Account

We may at any time convert your Overdraft Account to a variable rate Loan Account with principal and interest repayments. We will give you at least three months' notice if we convert your Line of Credit Account, and we will provide details of the applicable interest rate and repayment amount before your principal and interest repayments commence.

### 6.2 Changes to your Overdraft Account

- 6.2.1 We may change, suspend or cancel your Overdraft Account (including reduce your Credit Limit) at any time. We are not liable for any loss suffered by you or anyone else as a result of us changing, suspending or cancelling the Overdraft Account.
- 6.2.2 If we:
- reduce your Credit Limit, you must repay any amount owing in excess of the new Credit Limit; or
  - cancel your Overdraft Account, you must repay the amount owing under your Overdraft Account.
- 6.2.3 We will endeavour to give you adequate notice before we reduce your Credit Limit, but we reserve the right to act immediately. We will give you at least three months' notice if we cancel your Overdraft Account unless you have breached your Loan Agreement or an Event of Default has occurred.
- 6.2.4 If your Loan Offer specifies a term for your Overdraft Account, we will give you at least three months' notice if we will not extend the term of your Overdraft Account unless you have breached your Loan Agreement or an Event of Default has occurred.

### 6.3 Your Credit Limit

- 6.3.1 We calculate your available funds limit on each day by deducting from your Credit Limit:

- the amount owing under your Overdraft Account;
- any withdrawal amounts or other proposed payments on your Overdraft Account for which we have received instructions, but which have not yet been debited to your Overdraft Account (not including future periodical payments); and
- the amount of any payments which have been credited to your Overdraft Account, but which have not cleared yet.

6.3.2 You must ensure that you do not exceed your Credit Limit. If you exceed your Credit Limit without our written consent, the amount by which you have exceeded the Credit Limit must be repaid on demand, and we may charge default interest on that amount until it is repaid.

6.3.3 If a transaction would cause the balance of your Overdraft Account to exceed the Credit Limit, we may, without notice, decline, stop or reverse the transaction. If for some reason we allow the balance of your Overdraft Account to exceed the Credit Limit, it does not mean we are increasing the Credit Limit.

6.3.4 If we consent to you exceeding your Credit Limit, we may impose one or both of the following conditions:

- that the amount by which you have exceeded your Credit Limit be repaid within a certain period; or
- that payments made to your Overdraft Account are first applied by us to the excess amount and any interest charged on that amount.

6.3.5 We have the right to decline any transaction if we are uncertain for any reason of the authenticity or validity of the authorisation. We will not be liable to you or any other person for any loss or damage which you or such other person may suffer as a result of our action.

## 7. LOAN ACCOUNT

### 7.1 Debiting your Loan Account

You authorise us to open a Loan Account in your name and to debit to it any amounts lent to you or due under your Loan Agreement.

### 7.2 Statements of account

We will send you a statement of your Loan Account:

- each month if you have an Overdraft Account; and
  - at least every six months for all other Loan Accounts,
- or more frequently if required by law.



## **7.3 Transactions on your Loan Account**

A debit or credit to your Loan Account is taken to be made, and has effect, on the date assigned to it (which may be different to the date we processed it and recorded it in the Loan Account). We may subsequently adjust debits or credits and the Loan Account balance to accurately reflect the legal obligations of you and us (for example, if we discover an error or a payment is dishonoured). If we do this, we may make consequential changes (including to the interest charged). If a third party makes a payment to you on our behalf, we can debit your Loan Account on the date that money is made available to you.

## **7.4 Nil balances**

We can close your Loan Account if at any time the balance is zero.

## **7.5 Drawings**

Except in relation to any Overdraft Account, if you do not draw down the total Amount of Credit on the Loan Date, any borrowing of the balance is subject to our approval.

# **8. FEES, COSTS AND ADDITIONAL PAYMENTS**

## **8.1 Fees and charges**

You must pay the applicable fees and charges specified in your Loan Offer (as varied from time to time).

## **8.2 Enforcement expenses**

You may have to pay enforcement expenses if you default under your Loan Agreement or any Security. See clause 11.5 for further details.

## **8.3 Government charges and GST**

- 8.3.1 You must pay to us all government charges and duties on receipts relating to your loan. We may debit your Loan Account with these items as incurred.
- 8.3.2 You must pay these duties, taxes and charges whether or not someone else is liable to pay them and whether or not the loan is made. We may debit these duties, taxes and charges to your Loan Account as and when they become payable. We do not need to tell you first.
- 8.3.3 If any payment to us is for a taxable supply for the purposes of GST or any similar tax, you must also pay to us an additional amount equal to the tax relating to that supply.

## 9. VARIATIONS TO YOUR LOAN AGREEMENT

**IMPORTANT:** We can make changes to your Loan Agreement at any time (except interest rate changes if you have a fixed rate loan). In making any changes, we will act reasonably.

### 9.1 Changes we can make to your Loan Agreement

9.1.1 Acting reasonably, we can change or vary any term of your Loan Agreement:

- that deals with the pricing of your loan, such as your interest rate, repayments, and credit fees and charges (but subject to any specific agreement such as a fixed rate period);
- that deals with the day you make repayments or we debit interest to your Loan Account;
- to accommodate a change in law or market practice;
- to accommodate a change in technology or other ways of communication;
- to accommodate a change in payment methods; or
- to make any other reasonable change.

9.1.2 If you are not satisfied with any material change or variation to your Loan Agreement (excluding changes to interest rates and repayments under a variable rate loan), you may repay your loan in accordance with clause 3.2, but we will not charge you any fees for terminating your Loan Agreement except our reasonable third party costs incurred in discharging any Security and finalising your Loan Account.

### 9.2 Notifying you about changes to your Loan Agreement

9.2.1 We will give you:

- not less than 30 days notice of a change to the manner in which interest is calculated or applied;
- notice of a change to the interest rate(s) applicable to your loan not later than the day on which the change takes effect;
- not less than 20 days notice of a change to the amount, frequency or due date of your repayments;
- not less than 20 days notice of a change to the fees and charges payable; and
- not less than 30 days notice of any other change we make to your Loan Agreement.

We may give you a shorter notice period or no notice if the change is not adverse to you or reduces your obligations. We may also not give you notice of a change to the amount of your repayments if your repayments are determined by reference to a method of calculation.

- 9.2.2 If there is a change to, or introduction of, a government charge that you directly or indirectly pay in connection with the loan, we will notify you of this reasonably promptly after the government notifies us, unless the government itself publicises the introduction or change.
- 9.2.3 We will give you notice of any change to your Loan Agreement either in writing (including by electronic means) or by publishing a notice that is accessible to you and reasonably prominent. Any variation will take effect from the date specified in the notice of change we give you.

## 10. DEFAULT

### 10.1 Consequences of a breach of any term

If you breach any term of your Loan Agreement or any Other Agreement, if an Event of Default occurs, or if any Security or guarantee is terminated or is of reduced force and effect:

- we will not be obliged to lend you any more money and we can stop any redraws; and
- we may rectify the breach or Event of Default by performing your obligations under your Loan Agreement or any Other Agreement.

**IMPORTANT:** The events which may cause you to default under your loan are listed below. You may default under your loan even if you have made all your payments. If you default, you may lose your property.

### 10.2 Monetary Events of Default

A monetary Event of Default is an Event of Default that occurs as a result of your failure to make a payment. Each of the following is a monetary Event of Default:

- 10.2.1 You do not pay any money due to us under your Loan Agreement or any Other Agreement by the due date for payment.
- 10.2.2 You do not pay any amount exceeding \$50,000 to any person other than us by the due date for payment.

### 10.3 Non-monetary Events of Default

A non-monetary Event of Default is an Event of Default that occurs even if you have made all your payments. Each of the following is a non-monetary Event of Default:

- 10.3.1 An Insolvency Event occurs to you.
- 10.3.2 Enforcement proceedings are taken against you or your assets by another creditor.
- 10.3.3 We reasonably believe that you have not complied with the law or any requirement of any competent authority, and such non-compliance has or may have a material effect on your assets or any business you conduct.
- 10.3.4 It becomes unlawful for you or us to continue with your Loan Agreement or any Other Agreement.
- 10.3.5 You give us information, or makes a representation or warranty to us, that is materially incorrect or misleading (including by omission), and is such that we would not have provided the loan, or would only have provided the loan on different terms, if we had known the correct information.
- 10.3.6 You use the loan for a purpose not approved by us.
- 10.3.7 You use the loan for an illegal or improper purpose, or to finance an illegal or improper activity.
- 10.3.8 The Security Property is:
- materially damaged, destroyed or demolished, and we consider in our reasonable opinion that the Security Property cannot be expected to be reinstated within a reasonable time and without material loss of any material income from the Security Property; or
  - taken out of your control.
- 10.3.9 Any repairs necessary to keep the Security Property in good repair are not made in a timely fashion.
- 10.3.10 Any other event agreed in writing by you to be an Event of Default for the purposes of your Loan Agreement occurs.

## **10.4 Notification of an Event of Default**

Without limiting our rights under your Loan Agreement in any way, you must promptly notify us in writing if any Event of Default occurs.

# **11. OUR RIGHTS ON DEFAULT**

## **11.1 What we can do if an Event of Default occurs**

Subject to clauses 11.2 and 11.3, at any time after an Event of Default occurs, we can take any of the following actions.

- Demand and require immediate payment of any money due under your Loan Agreement.

- Call up the loan and require payment of the Amount Owning.
- Exercise any right, power or privilege conferred by law, your Loan Agreement or any Security, including taking possession of and selling any Security Property.

## **11.2 When we will act on a non-monetary Event of Default**

We will only act on a non-monetary Event of Default if the event by its nature is material, or we reasonably consider that the event has had, or is likely to have, a material impact on:

- your ability to meet your financial obligations to us (or our ability to assess this);
- our security risk (or our ability to assess this); or
- our legal or reputational risk where an event in clause 10.3.3, 10.3.4, 10.3.5 or 10.3.6 occurs.

## **11.3 Notice of enforcement**

11.3.1 If an Event of Default occurs, we will not:

- require you to repay the Amount Owning;
- take enforcement action against you; or
- enforce any Security held to secure repayment of your loan,

unless:

- we have given you at least 30 days written notice of the Event of Default; and
- if the Event of Default is remediable, you have not remedied that Event of Default within 30 days.

11.3.2 If an Event of Default is remediable, and you remedy that Event of Default within 30 days, we may take any enforcement action specified in clause 11.3.1 if an Event of Default of the same type has arisen during that period.

11.3.3 We do not need to give you notice to repay an overdraft or on-demand facility.

11.3.4 We do not need to give you a default notice or wait 30 days before commencing enforcement action if:

- we reasonably believe that we were induced by fraud by you to enter into your Loan Agreement;
- we have made reasonable attempts to locate you but without success;
- a court authorises us to begin enforcement proceedings; or
- we reasonably believe that you have removed or disposed of the Security Property, or that urgent action is necessary to protect the Security Property.

## 11.4 How we may exercise our rights

- 11.4.1 We can take action even if we do not do so promptly after the Event of Default occurs. We do not lose any rights or forgive any Event of Default unless we do so in writing.
- 11.4.2 We can exercise these rights with or without taking possession of any Security Property. If we hold more than one Security, we can enforce any one of the securities first or all of them at the same time.
- 11.4.3 Our rights and remedies under your Loan Agreement may be exercised by any of our employees or any other person we authorise.
- 11.4.4 We are not liable for any loss caused by the exercise, attempted exercise, failure to exercise, or delay in exercising any of our rights or remedies, except where such loss arises from the mistake, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint.

## 11.5 Enforcement expenses

**IMPORTANT: If you default under your loan, enforcement expenses may be payable. This means that you may have to pay any of our reasonable costs incurred in maintaining the Security Property, collection expenses, and any other internal or external costs we incur as a result of your default.**

- 11.5.1 Enforcement expenses may become payable under your Loan Agreement and any Security if you breach your Loan Agreement or an Event of Default occurs. We may debit your Loan Account with our enforcement expenses at any time after they are incurred, and we may then require you to pay these costs promptly after our demand (including by using any direct debit or similar authority you have given us), collect them with your regular repayments, or require them to be repaid by one or more repayments.
- 11.5.2 Enforcement expenses payable by you will not exceed our reasonable enforcement costs (including internal costs).
- 11.5.3 Enforcement expenses include our expenses incurred in preserving, maintaining or selling the Security Property (including insurance payable in respect of the Security Property), collection expenses, expenses resulting from dishonour of a payment, and any internal or external costs we incur as a result of you breaching your Loan Agreement or an Event of Default occurring (including legal costs and expenses on a full indemnity basis or solicitor and own client basis, whichever is higher).
- 11.5.4 You indemnify the us from and against any expense, loss, loss of profit, damage, or liability which we incur as a consequence of a breach of your Loan Agreement

or an Event of Default occurring, except where such loss arises from the mistake, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint, or is otherwise recovered by us.

## 12. GENERAL

### 12.1 How we can deal with your Loan Agreement

**IMPORTANT:** We may disclose information about you to any third party involved in an actual or proposed assignment, novation or dealing by us, and that disclosure may be in a form that may enable that third party to identify you.

- 12.1.1 We may at any time assign, novate or otherwise deal with our rights under your Loan Agreement, any Security, and any document or agreement entered into or provided under or in connection with your Loan Agreement in any way. You must sign anything and do anything we reasonably require to enable any dealing with your Loan Agreement, any Security, and any document or agreement entered into or provided under or in connection with your Loan Agreement. Any dealing with our rights does not change your obligations under your Loan Agreement in any way.
- 12.1.2 You may not assign, novate or otherwise deal with your rights or obligations under your Loan Agreement, any Security, and any document or agreement entered into or provided under or in connection with your Loan Agreement.
- 12.1.3 We may disclose information about you, your Loan Agreement or any Security to any person involved in an actual or proposed assignment, novation or dealing by us with our rights under your Loan Agreement.

### 12.2 How we can give you notices or other documents in connection with your loan

- 12.2.1 Subject to any applicable laws, we may give you any notice, statement, demand, court document (including any collection notice, default notice, court originating process or other court document) or other document connected to your Loan Agreement or any mortgage given under your Loan Agreement by:
- giving it to you personally;
  - leaving it at or posting it to your residential or business address last known to us;
  - electronic means to your electronic address last known to us; or
  - any other means permitted by law.
- 12.2.2 Any notice, statement, demand, court document or other document given by us to you will be taken to have been served:

- if posted, when it would have been delivered in the ordinary course of post; and
- if sent electronically, on conclusion of transmission.

12.2.3 Any notice, statement, demand, court document or other document may be signed by any employee, solicitor or agent on our behalf.

## **12.3 Anti-money laundering and counter-terrorism financing**

12.3.1 You must not use your loan for the purposes of money laundering or terrorism financing. You indemnify us from and against any loss which we incur as a result of your breach of this obligation, except where such loss arises from the mistake, error, fraud, negligence or wilful misconduct of us, our employees, our agents or a receiver we appoint, or is otherwise recovered by us.

12.3.2 The Amount Owning may become payable if we reasonably believe that continuing with your Loan Agreement would cause us to breach an applicable law or would represent an unacceptable level of risk for us because:

- we reasonably believe that you have migrated to a country that we determine is 'high risk' given our obligations under anti-money laundering and counter-terrorism financing laws in respect of the services we provide;
- you fail to provide any information or document to us that we have requested for the purpose of our compliance with applicable laws (including any details necessary for us to verify your nationality in accordance with anti-money laundering and counter-terrorism financing laws); or
- we reasonably believe that you are 'high risk' given our obligations under anti-money laundering and counter-terrorism financing laws.

12.3.3 If any of the events in clause 12.3.2 occur, we will endeavour to give you not less than 90 days notice to repay the Amount Owning.

12.3.4 We may delay, block, freeze or refuse a transaction from your Loan Account if we have reasonable grounds to believe that the transaction breaches Australian anti-money laundering and counter-terrorism financing laws, other laws or sanctions (or the law or sanctions of any other country). If transactions are delayed, blocked, frozen or refused, we are not liable for any loss you suffer in connection with your use of your Loan Account.

## **12.4 Severability of provisions**

If any provision of your Loan Agreement is illegal or becomes illegal at any time, the affected provision will cease to have effect, but the balance of your Loan Agreement will remain in full force and effect, and we may by notice vary your Loan Agreement so that the provision is no longer illegal.



## 12.5 Applicable laws

To the extent that your Loan Agreement is regulated under consumer legislation (such as the National Credit Code) or any other law, any provisions in your Loan Agreement which do not comply with that law have no effect, and to the extent necessary, your Loan Agreement is to be read so it does not impose obligations prohibited by that law.

## 12.6 Governing law

- 12.6.1 Your Loan Agreement is usually governed by the laws of the Australian state or territory in which you reside. If there are two or more borrowers, and each of you reside in the same Australian state or territory when your Loan Agreement is entered into, your Loan Agreement is governed by the laws of that state or territory. If there are two or more borrowers who reside in different states or territories, your Loan Agreement is governed by the laws of the Australian state or territory in which the main Security Property (as determined by us) is located, or if there is no Security Property, the laws of New South Wales.
- 12.6.2 If any borrower does not ordinarily reside in Australia, your Loan Agreement is governed by the laws of the Australian state or territory in which the main Security Property (as determined by us) is located, or if there is no Security Property, the laws of New South Wales.
- 12.6.3 You submit to the jurisdiction of the courts of the Australian state or territory whose laws apply to your Loan Agreement and the proper jurisdiction of any other court.

## 12.7 If you are a trustee

If you are at any time trustee of any trust, you are liable under your Loan Agreement in your own right and as trustee of the trust. Accordingly, we can recover against the trust assets as well as against you. An Event of Default occurs if there is a change of trustee, a termination of the trust, or any material change to the terms of the trust without our prior written consent, which will not be unreasonably withheld. You must comply with your obligations as trustee of the trust.

## 12.8 Financial statements

Within 14 days of our request, you must provide to us any information we reasonably require relating to your business, assets and financial affairs. For example, if you are an individual, we may require a copy of your taxation return or an assets and liabilities statement. In relation to a company, we might require a balance sheet, a profit and loss statement, or both. We may require this information to be certified or audited.

## 12.9 If we are a trustee

If we are any time trustee or custodian of any trust, our liability is limited to the assets of that trust which are available to us to enable us to satisfy that liability.

## 12.10 Identification information

On request by us, you must provide us with any information we require about you or anyone authorised to operate your Loan Account.

## 12.11 If there is a trustee in bankruptcy or liquidator

If a trustee in bankruptcy or liquidator is appointed to you, they may ask us to refund a payment we have received in relation to your loan. To the extent we are obliged to or agree to make a refund, we may treat the original payment as if it had not been made except for the purpose of calculating interest payable by you.

## 12.12 Third party systems

Our provision of services and finance is dependent on third party systems and financing. We will not be liable to you for any failure or delay in meeting our obligations to you to the extent they are beyond our reasonable control, including:

- any disruption to financial markets;
- delays or failures in third party payment and settlement systems; and
- any disruption of the internet, interference from third parties over the internet, or in relation to third party IT systems and infrastructure.

# 13. DEFINITIONS AND INTERPRETATION

## 13.1 Definitions

In your Loan Agreement, the following words are defined as follows.

**Amount of Credit** means the amount specified in the Loan Offer as varied from time to time.

**Amount Owing** means the total amount outstanding from time to time in respect of your Loan Account, including all accrued interest, fees and charges (including where applicable those that accrue on partial or total repayment), and includes any part of that amount.

**Business Day** means a day other than a Saturday or Sunday or a public, special or bank holiday in Sydney.

**Credit Limit** means, in respect of an Overdraft Account, the amount specified in the Loan Offer.

**Disclosure Date** means the date specified in your Loan Offer.

**Event of Default** means any event described in clauses 10.2 and 10.3.

**Final Repayment Date** means the first to occur of:

- the date on which your loan term ends;
- the date on which the final repayment is due as a result of your default;
- the date on which you elect to repay the Amount Owing;
- the date on which the Amount Owing becomes payable for some other reason; and
- such other date which we agree with you.

**Insolvency Event** means the happening of any of the following events:

- a person is unable to pay its debts as they fall due, or is unable to certify that it is able to pay its debts as they fall due;
- a person commits an act of bankruptcy;
- a person is, or is deemed or presumed by law or a court to be, insolvent;
- an application is made to a court for an order, or an order is made, appointing a liquidator or provisional liquidator in respect of a person (or proceedings are commenced or a resolution passed or proposed in a notice of meeting for any of those things);
- proceedings are initiated with a view to obtaining an order for the winding up or similar process of a person, an order is made or any effective resolution is passed for the winding up of a person, or a person is deregistered or dissolved;
- except to reconstruct or amalgamate while solvent on terms approved by the Lender, a person enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any class of its creditors;
- a controller is appointed to or over, or takes possession of, any of the assets or undertaking of a person;
- a person takes any step to obtain protection, or is granted protection, from its creditors under any applicable legislation, or an administrator is appointed to a person; and
- anything analogous or having a substantially similar effect to any of the events specified above happens in respect of a person under the law of any applicable jurisdiction.

**Loan Account** means a loan account in your name opened for the purposes of the loan provided under your Loan Agreement.

**Loan Agreement** means the loan agreement which incorporates these General Terms and Conditions and includes any variations of that loan agreement. The Loan Offer and these General Terms and Conditions together comprise your Loan Agreement.

**Loan Date** means the date we first advance funds to you.

**Loan Offer** means the document that contains the Financial Table which forms part of your Loan Agreement.

**Other Agreement** means any other agreement or arrangement under which we provide financial accommodation to you at any time.

**Overdraft Account** means a Loan Account described in the Loan Offer as an Overdraft Account.

**Security** means any security given by you under your Loan Agreement that secures your obligations and any other security from time to time given to secure your obligations.

**Security Interest** means a security interest as defined in section 12 of the Personal Property Securities Act 2009 (Cth).

**Security Property** means the property specified in your Loan Offer and any other property subject to the Security.

**you/your** means the borrower named in the Loan Offer.

**we/us/our** means Gateway Bank Limited ACN 087 650 093 Australian Credit Licence 238293.

## 13.2 Interpretation

In your Loan Agreement:

- all stated amounts are Australian dollars;
- a reference to the singular includes the plural and vice versa;
- a reference to a document includes any variation or replacement of it;
- a reference to a person includes any other entity recognised by law;
- a reference to a person or to a party to your Loan Agreement includes its successors and permitted assigns;
- headings are for ease of reference only and not to assist interpretation; and
- use of examples is illustrative of the context only and does not limit the natural meaning of the terms of your Loan Agreement.

# How to contact us

## Online

[www.gatewaybank.com.au](http://www.gatewaybank.com.au)

## Email

[memberservices@gatewaybank.com.au](mailto:memberservices@gatewaybank.com.au)

## Call

1300 302 474

## Registered Office

Level 10, 68 York Street

SYDNEY NSW 2000

## Postal Address

GPO Box 3176

SYDNEY NSW 2001



Gateway Bank Ltd

ABN 47 087 650 093

AFSL / Australian Credit Licence Number 238293