



Reverse Mortgage Loan Agreement

General Terms and Conditions
(version TC07/2024)

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This Reverse Mortgage Loan Agreement is made up of two documents, these general terms and conditions and the Reverse Mortgage Loan Details. The phrase **this Reverse Mortgage Loan Agreement** means the Reverse Mortgage Loan Details and these general terms and conditions. Both documents set out the terms of the agreement between you and us and are to be read together.

These general terms do not contain all of the information we are required to give you prior to entering into this Reverse Mortgage Loan Agreement. Further information is in the Reverse Mortgage Loan Details and the Security.

1. Conditions precedent

We only have to provide funds to you under this Reverse Mortgage Loan Agreement if:

- a) we have received a completed and signed original or certified copy of:
 - i this Reverse Mortgage Loan Agreement;
 - ii any Power of Attorney or Administration Order and a specimen signature of each person authorised by any Power of Attorney or Administration Order;
 - iii each Letter of Comfort (if applicable);
 - iv each Certificate of Legal Advice;
 - v each tenancy agreement in place in respect of the Security Property, approved by us in accordance with clause 16 (if applicable); and
 - vi each "other occupier form" as required by clause 16 (if applicable),in each case on terms satisfactory to us in both form and substance;
- b) we have received all documents and other evidence reasonably requested by us to carry out all necessary "know your customer" or other similar checks in relation to you;

- c) the title to the Security Property is satisfactory to us;
- d) we are satisfied with the results of all off title searches we have conducted in respect of the Security Property;
- e) we have received a copy of a buildings insurance policy and certificate of currency that notes our interest as mortgagee and is otherwise satisfactory to us;
- f) we are satisfied that all insurance, rates and taxes payable in respect of the Security Property are up to date;
- g) you are not in default under the Relevant Documents;
- h) we have received the Security in registrable form and we are satisfied that it can be registered with first-ranking priority;
- i) we have received a valuation of the Security Property (no more than six months old) that is acceptable to us;
- j) nothing has occurred that would entitle us to commence proceedings under this Reverse Mortgage Loan Agreement; and
- k) anything else we specify in the Reverse Mortgage Loan Details has been complied with.

2. Cancellation prior to credit

You may cancel this Reverse Mortgage Loan Agreement at any time prior to the Commencement Date, by giving us prior written notice.

3. Reverse Mortgage Facility

3.1 Reverse Mortgage Facility

Subject to the terms of this Reverse Mortgage Loan Agreement, you request us to advance (and we agree to advance) funds to you under the Reverse Mortgage Facility.

3.2 Limits

The aggregate amount of all advances made over time under the Reverse Mortgage Facility must not exceed the Reverse Mortgage Facility Limit.

3.3 Accessing funds under Reverse Mortgage Facility

You must borrow the Reverse Mortgage Facility amount in one lump sum unless the Reverse Mortgage Details provide that the Regular Advance Option is applicable.

You must use our payment instruction form to request any amounts under the Reverse Mortgage Facility. If there is more than one of you then we require all of you to sign the payment instructions form, unless we in our sole discretion agree otherwise.

3.4 Regular Advance Option

If the Reverse Mortgage Details provide that the Regular Advance Option is applicable, we will make advances to you under the Reverse Mortgage Facility up to the Reverse Mortgage Facility Limit as follows:

- a) an initial advance of an amount equal to the Initial Advance Amount on settlement;
- b) an advance of an amount equal to the Regular Advance Amount on each Regular Advance Date.

3.5 Cancelling advances under Reverse Mortgage Facility

Our obligation to make advances to you under the Reverse Mortgage Facility is immediately cancelled if:

- a) you request in writing that any advance of funds under the Reverse Mortgage Facility is stopped, by providing us with no less than 20 Working Days' notice;
- b) you are required to pay the Total Amount Owing or any lesser amount permitted under this Reverse Mortgage Loan Agreement (see clause 9.1);
- c) you make a voluntary repayment that operates as a pay-out in accordance with this Reverse Mortgage Loan Agreement;
- d) as a result of a Continuing Default, we elect (at our discretion) to cancel our obligation to make advances of funds to you under the

Reverse Mortgage Facility (see clause 12.5);
or

- e) we are obliged by law to stop making advances of funds under this Reverse Mortgage Loan Agreement.

4. Cash Reserve

If the Reverse Mortgage Loan Details provide that the Cash Reserve is applicable, you can apply to us for additional credit under this Reverse Mortgage Loan Agreement. Any application must not be for an amount of less than \$2,500 (or such other amount as we determine from time to time).

We have sole and unfettered discretion as to whether to approve cash reserve applications. Our approval may be subject to conditions. If we do approve it there will need to be a written agreement (in the form we provide) signed by both of us varying this Reverse Mortgage Loan Agreement to increase the maximum amount of credit, before you can obtain that credit.

5. Interest charges

Interest charges are calculated daily on the Unpaid Balance. We calculate these charges based on the applicable Annual Percentage Rate and on a 365-day year, even in a leap year.

However, if there is an overdue amount owing to us under this Reverse Mortgage Loan Agreement, we will calculate default interest charges on that overdue amount based on the default rate of interest specified in the Reverse Mortgage Loan Agreement, and not the Annual Percentage Rate.

Default interest charges are calculated daily on any overdue amount from the date it became due for payment until the date payment is made. We calculate these charges based on the default rate of interest specified in the Reverse Mortgage Loan Details and on a 365-day year, even in a leap year.

These charges accrue daily and are debited to your account on the day following the end of each Monthly Period in which they accrue. When any interest charge is debited to your account, it

forms part of the Unpaid Balance on which interest charges accrue under this clause.

For the avoidance of doubt, for the purpose of calculating interest charges in a period, we do not include in that period the day interest charges are debited to your account. However, we do include that day as the first day of the next period for which we calculate interest charges.

Interest is not payable to us except as part of the Total Amount Owing.

6. Other amounts you must pay

We may debit to your account:

- a) all the fees and charges set out in the Reverse Mortgage Loan Details unless you have already paid them, including any changed or new fee or charge notified to you;
- b) any government charges, duties, taxes, or levies in connection with the Relevant Documents; and
- c) any reasonable Enforcement Expenses we reasonably incur after you are in default under the Relevant Documents.

These amounts will be debited to your account and form part of the Unpaid Balance on which interest charges are calculated in accordance with clause 5 either:

- a) on the date we pay them; or
- b) the date they became due for payment, if they are payable to someone other than us; or
- c) at the times described in this Reverse Mortgage Loan Agreement, if they are payable to us,

whichever is the earliest.

7. Establishing your account

We will open an account in your name for the purposes of this Reverse Mortgage Loan Agreement. We debit to the relevant account:

- a) each advance under this Reverse Mortgage Loan Agreement on the date it is advanced; and

- b) any amount that is payable under this Reverse Mortgage Loan Agreement on the date it is due.

We do not tell you before debiting the amount.

We make debits and credits to your account to accurately reflect both your and our legal obligations. This means in certain circumstances that we may also make adjustments to your account if, for example, there has been an error.

8. Statements

We will send you statements for your account every six months.

If the Law permits, and you agree, we may give you statements electronically instead of giving them to you in hard copy. For example, by making them available on a website for you to view and download.

9. Payment

9.1 Repaying the Total Amount Owing

You must pay the Total Amount Owing (or any lesser amount permitted under this Reverse Mortgage Loan Agreement) in the events and within the times set out in the Reverse Mortgage Loan Details (see the Repayments Table).

We will *not* change any time for payment as set out in the Reverse Mortgage Loan Details. This, however, does not affect our rights on default.

9.2 Repayments

You are not required to make any payment in respect of the Total Amount Owing (or any lesser amount permitted under this Reverse Mortgage Loan Agreement) except in the events and within the times set out in the Reverse Mortgage Loan Details (see the Repayments Table).

You will, however, still be required to pay outgoings on the Security Property such as insurance, rates, taxes and the cost of maintaining the Security Property.

9.3 No negative equity guarantee

We also guarantee that, at the time the Security Property is sold or following a demand for

payment of the Total Amount Owing, the maximum amount you will be required to pay is as specified in the Reverse Mortgage Loan Details (see the Repayments Table).

9.4 Voluntary repayment

You may make voluntary repayments towards the Total Amount Owing, or pay the Total Amount owing in full, at any time.

Any mortgage or other security interest you have granted to us will only be discharged in accordance with the terms of the Security.

9.5 Redraws

If the Reverse Mortgage Loan Details specify that 'redraw' is applicable, we may allow you to redraw any amounts that you have voluntarily repaid towards the Total Amount Owing, subject to our discretionary right to approve each redraw.

Redraws must not be less than \$2,500 (unless otherwise agreed by us) or such other amount as we determine from time to time.

You may use our Heartland Bank Reverse Mortgages App to apply for any redraws. If there is more than one of you then we can accept instructions from one of you via our Heartland Bank Reverse Mortgages App, unless we in our sole discretion agree otherwise.

Each time you request a Redraw, you warrant to us that:

- a) you have not dealt with the Security Property without our consent; and
- b) you are not in default under any Relevant Document.

We are not obliged to approve any request for a redraw.

9.6 How we apply payments

Subject to any terms of the Security that govern the application of payments following enforcement proceedings or otherwise received under the Security, payments will be applied in the following order:

- a) to any Cash Reserve advances (if applicable) (including all interest and fees relating to it); then
- b) to the Reverse Mortgage Facility, unless you tell us otherwise.

Within each of the above we will then apply payments in the following order:

- a) to any default interest accrued or debited to your account;
- b) to default fees and charges payable or debited to your account;
- c) to any principal amount debited to your account that is then overdue for payment;
- d) to interest accrued or debited to your account;
- e) to fees and charges payable or debited to your account; then
- f) to any other principal amounts debited to your account (in the order we determine).

We will credit any money we receive under this Reverse Mortgage Loan Agreement to the Total Amount Owing as soon as practicable after receipt of the payment. If we receive any money under this Reverse Mortgage Loan Agreement in excess of the then-current Total Amount Owing, and any amount is contingently due to us, we may retain an amount equal to all or part of that contingent indebtedness. We may place that amount in a suspense account until the contingent indebtedness becomes actually due and payable or otherwise ceases to be contingently owing.

9.7 Payments generally

Payment is to be made to us at our address set out in the Reverse Mortgage Loan Details or such other address as we may tell you from time to time.

We will credit any payment as soon as practicable after it is actually received by us. This may not be the same day it is received by an adviser or other third party. Payments received by us after 3.00pm on a Working Day will not be credited until the next Working Day.

All payments must be in Australian currency.

Except to the extent you have a right of set-off granted by Law which we cannot exclude by agreement, you must pay all amounts owed under each Relevant Document in full without setting off amounts you believe we owe you.

10. Changes

10.1 Rates and margins

We may change the Annual Percentage Rate (or the margin used to calculate the default rate of interest as specified in the Reverse Mortgage Loan Details) applying under this Reverse Mortgage Loan Agreement at any time.

If we change any such rate or margin, we will give you notice no later than the day the change is to take effect by publishing a notice in one or more national Australian daily newspapers or in any other way as permitted or required by Law. We need not give notice where the change is a reduction in the rate or margin.

We will also give you details of the change in your next statement after the change.

We may change the way an interest charge applies under this Reverse Mortgage Loan Agreement by giving you at least 20 days' notice. We need not give notice where the change reduces what you have to pay or the change happens automatically under this Reverse Mortgage Loan Agreement.

You may contact us to find out our current rates and margins and in which newspaper(s) we are publishing such notices at that time.

10.2 Credit fees

We may charge new credit fees and change:

- a) the credit fees;
- b) the amount of the credit fees; or
- c) the frequency with which the credit fees must be paid,

from that set out in the Reverse Mortgage Loan Details, by giving you at least 20 days' notice. We need not give you notice where the change reduces what you have to pay or the change

happens automatically under this Reverse Mortgage Loan Agreement.

We may give you notice by publishing it in one or more national Australian daily newspapers or in any other way as permitted or required by Law. We will also give you details of the change in your next statement after the change.

We do not tell you of any changes to government fees and charges. The government publishes details of those changes.

Other than for a credit fee that is payable as a result of you taking up an option or product feature, such as a request for further funds, we promise that any new or changed credit fees will reflect our own costs of doing business.

10.3 Changes required by Law

If there is any change to a Law that requires us to conduct our business of providing Reverse Mortgage Loan Agreements differently from that contemplated under this Reverse Mortgage Loan Agreement, then we can make such changes to this Reverse Mortgage Loan Agreement as are required to comply with that Law.

We will give you notice of the changes as are required by Law.

10.4 Other changes

We, acting fairly and reasonably, may change any of the terms and conditions of this Reverse Mortgage Loan Agreement to reflect changes we reasonably make to our systems and/or processes, including to change or add new features.

We promise that we will not exercise our right under this clause to change the Annual Percentage Rate during any Fixed Rate Period, repayments and/or any other matters that we have guaranteed or promised we will not change.

We will give you notice of the changes as are required by Law.

11. Default

You are in default under the Relevant Documents if you at any time:

- a) do not pay us an amount when it is due and payable under any Relevant Document;
- b) do something you have agreed not to do, or do not do something you have agreed to do, under a Relevant Document, and if left unremedied, would likely prejudice our right to enforce the terms and conditions of this Reverse Mortgage Loan Agreement or to enforce the Security (or both);
- c) give us incorrect or misleading or deceptive information in connection with a Relevant Document or in connection with your written application to us for a loan, where that information:
 - (i) would likely have contributed to us making a decision, based on our loan approval criteria, to not offer you a loan (including a Reverse Mortgage Loan Agreement);
 - (ii) has caused us to offer you a loan (including a Reverse Mortgage Loan Agreement) which we would assess as being unsuitable for you;
 - (iii) would likely prejudice our right to enforce the terms and conditions of this Reverse Mortgage Loan Agreement or to enforce the Security (or both); or
- d) act fraudulently in connection with a Relevant Document.

12. Our rights if you default

12.1 Default interest

If you do not pay us an amount when it is due and payable under the Relevant Documents, we may charge the default rate of interest (as specified in the Reverse Mortgage Loan Details) on the overdue amount from the date the amount became due for payment until the date payment is made..

The default rate of interest applies at all times until the default has been remedied. We will also charge you any Enforcement Expenses (including our reasonable administration

expenses) we reasonably incur in connection with the default.

12.2 Notice to remedy default

If you are in default under the Relevant Documents, we will give you notice advising you of the default, unless the Law allows us not to give you notice in the applicable circumstances. The notice will specify the period (being at least 30 days) during which we ask you to remedy the default.

If we reasonably believe that a default is not capable of being remedied (including where you have given us incorrect or misleading or deceptive information or acted fraudulently in connection with a Relevant Document), the notice we give you will just advise you of the default and we may exercise our enforcement powers 30 days after the date of the notice.

12.3 When the default is a Continuing Default

If:

- a) applicable Law allows us not to give you notice of a default;
- b) we reasonably believe that the default is not capable of remedy and 30 days have passed since the date of the notice given under clause 12.2; or
- c) the default is not remedied by you within the period required under clause 12.2,

the default will be a Continuing Default.

12.4 Waiver of Continuing Default

If a default is a Continuing Default, we may (but we are not obliged to) agree to waive the default. We may, as a condition precedent to waiving the Continuing Default, offer you alternative terms and conditions in respect of all or part of the Total Amount Owing at the time of the Continuing Default. These alternative terms will reflect our increased risk as a result of waiving the Continuing Default. If you accept the alternative terms the default will cease to be a Continuing Default. Such alternative terms may be designed to avoid a sale of the Security Property despite your inability to remedy the default otherwise.

12.5 Our power to commence enforcement proceedings

If we do not agree to waive a Continuing Default as set out in clause 12.4 then we may (but are not obliged to) commence enforcement proceedings and do all or any of the following:

- a) call for payment of the Total Amount Owing (or, if less, the Adjusted Market Value of the Security Property) and that amount will be immediately due for payment;
- b) cancel our obligation to make advances of funds to you under the Reverse Mortgage Loan Facility;
- c) do anything or pay any amount we reasonably believe is necessary to rectify any default;
- d) sell the Security Property in any manner we reasonably believe is appropriate, including by public auction, private treaty, tender or in any combination of those processes;
- e) lease the Security Property (whether to a third party or otherwise);
- f) buy the Security Property, or any part of it, at public auction;
- g) manage (or appoint a manager) to the Security Property and do anything we consider necessary or desirable to create or preserve value from the Security Property;
- h) appoint a receiver to the Security Property;
- i) do anything a mortgagee may do at Law; and/or
- j) exercise all incidental rights and powers to give effect to our rights under the Relevant Documents.

If we exercise any of our rights on default then in addition to any other rights we may have by Law:

- k) we will have no obligation to allow you to complete any contract of sale, and we may resell the Security Property without being responsible for any loss or diminution in price except to the extent that the loss or

diminution is caused by our mistake, fraud, negligence or wilful misconduct;

- l) any Enforcement Expenses that we incur will be payable by you;
- m) we will not be responsible for the acts of any purchaser nor will we be obliged to enforce any remedy against any other person; and
- n) we may give effective receipts and such assurances, and do all such other things as we may consider appropriate in the exercise of our rights and powers.

However, and for the avoidance of doubt, we may not commence enforcement proceedings as a result of the occurrence of any of the events described in section 18A(3) of the National Credit Code.

13. Security

You must comply with your obligations under the Security.

14. Insurance

You must maintain all insurances listed in the Reverse Mortgage Loan Details in respect of the property, noting us as the first mortgagee, and you must comply with all other insurance obligations as specified in the Security.

15. Maintaining the Security Property

You must comply with all maintenance obligations, including your obligations to keep the Security Property in good repair and condition, and to obtain our consent to changes to the Security Property, as required by the Security.

16. Nominated Borrowers, tenants and other occupiers

If the Lifetime Occupancy Promise is applicable under the Reverse Mortgage Loan Details (see the Repayments Table), provided you are not in default under the Relevant Documents (and then subject to clause 12), each Nominated Borrower can reside in the Home for as long as he or she wishes to do so.

You may not allow any person (other than a Nominated Borrower) to occupy the Security Property without our prior written consent.

- a) You may request us to consent to the Security Property being let under a tenancy agreement. We may (but are not obliged to) agree to this if the proposed tenancy agreement is satisfactory to us in form and substance.
- b) If you request us to consent to any other person residing in the Security Property for more than 3 months, we may (but are not obliged to) agree to this if you have arranged for the other occupier to sign and return to us a form – called an “other occupier form” – acknowledging the limits of his or her rights to occupy the Security Property.

This Reverse Mortgage Loan Agreement therefore does not provide for any “tenancy protection provision” as set out in the National Credit Code.

17. Substituting a Security Property

If your reverse mortgage allows for substitution, you may request that we accept a new property of the same or higher value as a substitute Security Property. We will consider in good faith each such request on a case-by-case basis.

If your reverse mortgage does not allow for substitution, we will not consider any request to substitute another property for the Security Property. If you would like us to release our Security, you must repay the Total Amount Owed.

18. Valuers

Any valuer we use is an independent contractor and not our agent or employee. We are not responsible for the acts or omissions of the valuer.

The valuation obtained is for our use and benefit only. If you wish to rely on it you should arrange this with the valuer. In the absence of the valuer’s consent you may not rely on the valuation.

19. Further assurances

You agree (at your own cost) promptly to do all things and execute all documents that we may reasonably request you to do in order to:

- a) ensure that each Relevant Document (and each security interest, right and power under a Relevant Document) is fully effective, enforceable and perfected with the contemplated priority; and
- b) otherwise give full effect to the provisions of each Relevant Document and the transactions contemplated by them, and enable us to obtain the full benefit of the provisions of each Relevant Document

20. Trustee

If you enter into this Reverse Mortgage Loan Agreement as a trustee, then you have full personal liability under this Reverse Mortgage Loan Agreement and warrant that:

- a) this Reverse Mortgage Loan Agreement is entered into for the proper purpose of the trust;
- b) you have the authority to enter into this Reverse Mortgage Loan Agreement; and
- c) you have the right to be fully indemnified out of trust assets for obligations incurred under this Reverse Mortgage Loan Agreement.

However, if you are identified in the Reverse Mortgage Loan Details as a limited liability trustee, then despite what we say above, your liability is limited to the assets of the trust. You must not do anything to limit your right of indemnity out of trust assets. If you do, your liability will be unlimited and you may be personally liable for any loss we suffer.

21. Certificates sufficient evidence

A certificate from a medical practitioner in respect of a Nominated Borrower entering into Permanent Long-Term Care is sufficient evidence of that fact.

22. Assignment

We may assign, transfer or otherwise deal with our rights and interests under each Relevant Document without your consent, provided this doesn't materially prejudice your rights or obligations. We may also disclose any information, including documents, we hold about you to any party to the extent necessary to facilitate this right.

You may not assign your rights under a Relevant Document.

23. Contact Agent

Your Contact Agent is the person with whom we may communicate or to whom we send notices under a Relevant Document, if for any reason we cannot reasonably communicate with you. Any communication with or notice to your Contact Agent under a Relevant Document has the same effect as if it was with or to you.

Subject to this clause, you may change your Contact Agent by telling us in writing.

Neither your solicitor nor your financial planner/accountant may be your Contact Agent.

You agree that we may disclose any information and documents relating to you and the Relevant Documents to your Contact Agent.

Your Contact Agent does not have any power under any Relevant Document to act on your behalf or to bind you in any dealings with us, except as expressly provided (for instance in a separate Power of Attorney).

24. Notices

You may give us notice in writing, or in any other form approved by us, to the address stated in the Reverse Mortgage Loan Details or to the last address we notify to you.

We may give you notice of anything by:

- a) giving it to you or your Contact Agent personally;
- b) leaving it at your or your Contact Agent's address last known to us;
- c) sending it to your or your Contact Agent's address last known to us; or
- d) giving it in any other way permitted by Law.

If we send you a notice by post, you will be deemed to receive the notice in the ordinary course of the post. Otherwise, you will receive it when we give it to, or leave it for, you.

If you have provided us in writing with an electronic address to receive information or any notices in respect of this mortgage from us by electronic communication (including email and the internet), we may from time to time provide information and notices to you electronically to the electronic address you have supplied to us with your written consent.

25. Annual questionnaire

Each year you must answer a questionnaire we send you about your circumstances, living arrangements or insurance.

If this questionnaire is not returned to us within 90 days of issue, we will arrange to have the property visited, inspected and/or valued and will charge you for the reasonable costs of doing so.

You authorise your Contact Agent to answer the questionnaire on your behalf. We may rely on those answers as if they were given by you.

We do not consider it a breach of your obligations or a default under a Relevant Document if for good reason you, or your Contact Agent, are unable to answer the questionnaire. Good reasons include, by way of example, if you are ill, incapacitated or travelling and the matters queried in the questionnaire are not within the knowledge of your Contact Agent.

26. Selling the Security Property

It is advisable to obtain our consent before you enter into any contract of sale.

We may not agree to any sale of the Security Property that you arrange. If you request us to consent to a sale of the Security Property, we may require a valuation before considering your request. Without limitation, we may not agree to the sale of the Security Property if we reasonably believe that the Net Proceeds of Sale of the Security Property will be less than the Total Amount Owning.

If there is a dispute between you and us about the value of the Security Property then either you or we may, in accordance with any Law relating to arbitration, refer the matter to an arbitrator who will be a qualified valuer, independent of us. You will select the arbitrator from two such valuers nominated by the President of the Law Society or Law Institute of the state or territory in which the Security Property is located. If for any reason the relevant President does not nominate two eligible valuers then you may request the President of any other Law Society or Law Institute of an Australian state or territory to nominate two eligible valuers from which you will select the arbitrator.

The valuer selected by you will be the arbitrator to determine a valuation of the Security Property. We will agree to the sale of the Security Property at the value determined by the arbitrator.

Unless otherwise agreed, you and we will be bound by the rules, including any optional additional rules, generally applying by Law to arbitrations.

Nothing set out above limits our rights in the event of a default under a Relevant Document.

27. Amendments or waivers

No Relevant Document can be amended except by a written agreement signed by both you and us.

We do not waive any of our rights under a Relevant Document except if it is in writing signed by us.

No one has any authority to waive our rights except in accordance with this clause. If we give you a waiver in respect of one event, the waiver does not apply to a future event.

28. Jurisdiction

The Laws of the state or territory in which the Security Property is located apply to each Relevant Document (as specified in the Reverse Mortgage Loan Details). You and we submit to the non-exclusive jurisdiction of the courts of that place.

29. Invalidity

If a Law:

- a) renders a provision of a Relevant Document contrary to Law, illegal, void or unenforceable; or
- b) prohibits an obligation imposed by a Relevant Document,

then the Relevant Document is varied but only to the extent required to comply with that Law, including, if necessary, by omission of the offending provision.

The remaining parts of the Relevant Document will continue in force.

30. Your responsibility

By entering into the Relevant Documents, you agree that you have done so after receiving independent legal advice.

31. Consents

Whenever you need our consent under this Reverse Mortgage Loan Agreement, we will act reasonably and without unreasonable delay when deciding whether or not to give that consent. We won't unreasonably withhold our consent, but we can impose reasonable conditions on any consent we give. Our consent is only effective if it is in writing.

32. Dictionary

Some words and phrases in the Relevant Documents have the following meanings given to them.

You will be deemed to **act fraudulently** if you intend to deceive us by knowingly:

- a) making a false representation verbally, in writing or by your conduct; or
- b) failing to disclose a material matter when you are under a duty to disclose it to us.

Adjusted Market Value of the Security Property means, in relation to the Security Property, either:

- a) the adjusted market value as defined in regulations made under the National Consumer Credit Protection Act 2009; or

b) if no such regulations have been made, the amount determined by us to be the market value that we would achieve upon a sale of the Security Property at the time at which we are required to determine an adjusted market value in accordance with section 86A of the National Credit Code. We will make our determination of market value by obtaining two valuations from registered valuers of our choice and if they differ, we will take the market value as the median value between the two valuations.

Administration Order means any binding order by an applicable court, tribunal or government agency under which another person may execute a Relevant Document or otherwise act on your behalf in relation to the Relevant Documents.

Annual Percentage Rate means the variable annual percentage rate set out in the Reverse Mortgage Loan Details expressed as a percentage rate per annum, as varied under this Reverse Mortgage Loan Agreement from time to time.

Cash Reserve is described in clause e)4.

Certificate of Legal Advice means a certificate from a qualified solicitor confirming that a full explanation of the legal implications of the Relevant Documents and any Power of Attorney has been given to you.

Commencement Date means the first date on which funds are advanced under this Reverse Mortgage Loan Agreement.

Contact Agent is the person identified as such in the Reverse Mortgage Loan Details.

Continuing Default has the meaning given to that expression in clause 12.3.

Disclosure Date is the date identified as such in the Reverse Mortgage Loan Details.

Enforcement Expenses include any internal costs in relation to our staff and facilities we may bear to deal with a default under a Relevant Document and expenses incurred by us:

- a) repairing, preserving or maintaining the property the subject of any Security (including insurance, rates and taxes payable in respect of the Security Property),
- b) rectifying a default by you;
- c) taking possession of, and selling, the Security Property;
- d) taking proceedings in court or otherwise to recover amounts due under, or enforcing, a Relevant Document; or
- e) appointing an agent or receiver, including any amounts due to them by way of reimbursement and as reimbursement of expenses incurred by them in the exercise of their powers.

Equity Protection Option means the option, if specified as applicable in the Reverse Mortgage Loan Details, for the Protected Equity Amount to be deducted from the Net Proceeds of Sale of the Security Property when calculating the amount you are required to pay us (subject to the terms of this Reverse Mortgage Loan Agreement).

Home, if applicable, has the meaning given to that term in the Reverse Mortgage Loan Details.

Initial Advance Amount, if applicable under the Reverse Mortgage Loan Details, has the meaning given to that term in the Reverse Mortgage Loan Details.

Law means common law, principles of equity, statutes and any subsidiary legislation.

Letter of Comfort means a letter from a qualified solicitor confirming such matters as we may reasonably require in relation to any Power of Attorney or Administration Order (for instance, that it has full legal effect and has not been revoked).

Lifetime Occupancy Promise, if applicable, means the lifetime occupancy promise described in the Repayments Table in the Reverse Mortgage Loan Details.

Loan Expiry Date has the meaning given to that term in the Reverse Mortgage Loan Details.

Monthly Period means the period of one month, commencing on (and including) the Commencement Date, and with each subsequent Monthly Period commencing on (and including) the corresponding day of each month.

National Credit Code means the code included as a schedule to the National Consumer Credit Protection Act 2009 (Cth).

Net Proceeds of Sale of the Security Property means the sale price of the Security Property after deducting the costs associated with the sale, such as legal costs, advertising costs, marketing costs, auctioneer's fees and real estate agent's commission, provided that any conditions of sale required by us for our approval to the sale of the Security Property have been satisfied or waived.

Nominated Borrower means each person (if any) identified as such in the Reverse Mortgage Loan Details.

Other Borrower means each person (if any) identified as such in the Reverse Mortgage Loan Details.

Permanent Long-Term Care means, in respect of a Nominated Borrower, that a medical assessment confirms:

- a) he or she requires care or supervision for mental, physical or cognitive incapacity or impairment;
- b) the care or supervision is within a licensed rest home, hospital, aged nursing home or similar aged care facility for an indefinite length of time; and
- c) he or she has been absent from the Home and is unlikely to return.

Power of Attorney means a power of attorney granted by you under which another person may execute a Relevant Document or otherwise act on your behalf.

Protected Equity Amount means the amount (if any) specified as such in the Reverse Mortgage Loan Details.

Regular Advance Amount, if applicable under the Reverse Mortgage Loan Details, has the meaning given to that term in the Reverse Mortgage Loan Details.

Regular Advance Date, if applicable under the Reverse Mortgage Loan Details, has the meaning given to that term in the Reverse Mortgage Loan Details.

Regular Advance Option means the option, if specified as applicable in the Reverse Mortgage Loan Details, to have the Reverse Mortgage Facility advanced by way of regular installments.

Relevant Document means each of this Reverse Mortgage Loan Agreement, the Security, and each other document that we agree in writing with you is a "Relevant Document".

Reverse Mortgage Facility means the facility provided under clause 3 for advances up to an aggregate amount not exceeding the Reverse Mortgage Facility Limit.

Reverse Mortgage Facility Limit means the amount specified as such in the Reverse Mortgage Loan Details.

Reverse Mortgage Loan Agreement means these reverse mortgage loan general terms and conditions and the Reverse Mortgage Loan Details.

Reverse Mortgage Loan Details means the reverse mortgage loan agreement details in which you are named as the borrower(s), and which form part of this Reverse Mortgage Loan Agreement.

Security means each document evidencing a security interest described in the Reverse Mortgage Loan Details under "Security".

The property the subject of any mortgage of real property described in the Reverse Mortgage Loan Details under "Security" comprises all the mortgagor's estate and interest in the Security Property and rights which may arise in connection with it; and rights to personal property left on the property if we take possession; and rights to set off any money we owe the mortgagor against the amount secured by that mortgage.

Security Property means the security property described in the Reverse Mortgage Loan Details, and includes all the land, buildings and all improvements secured by the Security.

Total Amount Owning means, on any day, the Unpaid Balance of your account plus all interest charges, fees and other charges that have accrued under the Relevant Documents but that have not yet been debited to your account at that time.

Unpaid Balance means, on any day, the difference between all amounts debited and credited to your account.

We, our, or us means the Credit Provider named in the Reverse Mortgage Loan Details and its successors or assignees.

Working Day means a day on which banks are generally open for business in Victoria other than Saturdays, Sundays and public holidays.

You or your means each person named in the Reverse Mortgage Loan Details as a borrower, and includes your personal representative on your death, successors or assignees. If there is more than one of you, it includes all of you jointly and each of you separately.

any consolidation, amendment, re-enactment or replacement of it.

33. Interpretation guide

In the Relevant Documents:

- a) a reference to you being in default under the Relevant Documents means that any of the events described at clause 11 has occurred;
- b) a reference to the singular includes the plural;
- c) reference to a document includes any variation or replacement of it;
- d) headings are for ease of reference only and not to assist interpretation;
- e) use of examples is illustrative of the context only and does not limit the natural meaning of the terms of this Reverse Mortgage Loan Agreement; and
- f) any reference to a Law includes regulations and other instruments made under it, and

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 your credit provider and, if you still have concerns, your credit provider's external dispute resolution scheme, or get legal advice.

THE CONTRACT

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

Your credit provider must give you a 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 contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

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

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

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

4. Can I pay my credit contract out early?

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

5. How can I find out the 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 your credit provider to charge one) and other fees.

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

Yes, but only if your contract says so.

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

That depends on the type of change. For example—

- you get at least same day notice for a change to the Annual Percentage Rate.

That notice may be a written notice to you or a notice published by your credit provider.

- you get 20 days advance written notice for—
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by your credit provider,

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

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

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

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

Freephone: 1800 931 678

Website: www.afca.org.au

Post: 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 <http://www.asic.gov.au>.

INSURANCE

10. Do I have to take out insurance?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property

covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider 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 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 you can contact their external dispute resolution scheme for help.

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

You should understand that you may owe money to your credit provider even after 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—

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

23. What if my credit provider and I cannot agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it 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 AFCA scheme or the Australian Securities and Investments Commission, or get legal advice.

25. Do I have any other rights and obligations?

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

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR YOU 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 AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY AND CAN BE CONTACTED AT:

FREEPHONE: 1800 931 678

WEBSITE: WWW.AFCA.ORG.AU

POST: GPO BOX 3, MELBOURNE, VIC 3001

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

Credit Guide

1 July 2024

Introduction

Heartland Bank (**we, us, our**) is a trading name for Heartland Bank Australia Limited ABN 54 087 651 750 (Australian Credit Licence 245606), and its related entities, ASF Custodians Pty Ltd ABN 49 106 822 780 (Australian Credit Licence 386781), and Australian Seniors Finance Pty Ltd ABN 16 108 875 636 (Australian Credit Licence 386760). Your credit provider will be Heartland Bank Australia Limited or ASF Custodians Pty Ltd.

This Credit Guide provides you with an understanding of what to expect from us when we provide credit to you. It also includes information about some of our obligations under the *National Customer Credit Protection Act 2009* (**the National Credit Act**).

You may also receive other documents when we provide services or credit to you.

Borrowing money from us

We provide loans to our customers only.

Under the National Credit Act we're prohibited from providing you with credit under a credit contract if the contract will be unsuitable for you. Similarly, we're prohibited from increasing the limit of an existing credit contract if the new limit will be unsuitable for you.

A credit contract, or credit limit increase is unsuitable for you if at the time the contract is entered into, or limit increased it's likely that:

- you'll be unable to comply with your financial obligations under the contract, or could only comply with substantial hardship, or
- it doesn't meet your requirements and objectives.

Our obligation to make a credit assessment

To ensure we don't enter into a contract that's unsuitable for you, we're required to make reasonable inquiries relating to your requirements and objectives, your financial situation and to take reasonable steps to verify your financial situation.

The extent of the inquiries we undertake will depend on the circumstances.

Your right to receive a copy of the credit assessment

You have the right to request a copy of our assessment of your suitability either before you decide to accept our offer of

credit, or up to seven years after the day on which the credit contract is entered or the credit limit is increased.

If the request is made within two years, we'll provide you with the assessment within seven business days, otherwise we'll provide it to you within 21 business days.

You're only entitled to receive a copy of your assessment if your loan is approved, or credit limit increased.

You have other rights to access personal information we collect about you under the provisions of the *Privacy Act 1988 (Cth)*. Please refer to our Privacy Policy which is available on our website at heartlandbank.com.au

Dispute resolution procedures

You can access a copy of our internal dispute resolution procedure on our website heartlandbank.com.au

If you'd like to make a complaint or believe an error has been made on your account, please contact us straight away on **1300 889 338**.

If you're still not satisfied with the outcome, you may contact our Complaints Officer by calling **1300 889 338**, writing to us using the contact form on our website, sending an email to feedback@heartlandbank.com.au or by mail to:

The Complaints Officer

Heartland Bank
PO Box 18134, Collins Street East
VIC 8003

If we're not able to resolve the dispute to your satisfaction, you may take the matter free of charge to the Australian Financial Complaints Authority (**AFCA**). AFCA is an impartial, independent external dispute resolution scheme available to resolve disputes. Before AFCA can investigate a complaint, you must have given us the opportunity to review it. AFCA can be contacted on **1800 931 678**, or in writing to **GPO Box 3, Melbourne VIC 3001**, or by visiting afca.org.au

More information on borrowing from us

For general information about borrowing (including fees and different loan options) visit our website at heartlandbank.com.au

Any advice is general and doesn't take into account your personal situation. Please consider whether it's right for you.

