

Switching

Terms and Conditions

Effective 28 November 2005

Colonial.

CommonwealthBank



Contents

General

About these terms and conditions 4

Section 1

If you switch your Loan Type to a
– Standard Variable Rate;
– Base Variable Rate (Rate Saver); or
– Fixed Rate 6

Section 2

If you switch from a Home Loan
to a Line of Credit 8

Section 3

If you switch your Line of Credit
Reference Interest Rate from
Residential Equity Rate to Line
of Credit Reference Rate or vice versa 9

Section 4a

If you switch to a 0.30% p.a. Repayment
Reducer option (available on Standard Variable Rate,
Fixed Rate and Base Variable Rate (excludes 1 and
3 Year Special Rate Saver) loans only) 10

Section 4b

If you switch to a 0.60% p.a. Repayment
Reducer option (available on Standard Variable Rate
and Fixed Rate loans only) 10

Section 4c

If your Loan Type is a Guaranteed Rate and
you switch to a 0.30% p.a. Repayment Reducer
option during the guaranteed rate period 11

Section 4d

If your Loan Type is a Discounted Variable Rate
and you switch to a 0.30% p.a. Repayment Reducer
option during the discounted variable rate period 12

Section 4e

If your Loan Type is a Guaranteed Rate and you switch to a 0.60% p.a. Repayment Reducer option during the guaranteed rate period 13

Section 4f

If your Loan Type is a Discounted Variable Rate and you switch to a 0.60% p.a. Repayment Reducer option during the discounted variable rate period 14

Section 5

If you switch the Interest Rate Margin on a loan which is referred to by the Bank as a Low Documentation Loan 14

General – About these terms and conditions

You should read these Switching Terms and Conditions together with the Usual Terms and Conditions for Consumer Mortgage Lending and your Contract Schedule before requesting to switch your existing loan details.

On processing your request, where applicable, a Switching Fee will be charged to the Loan Account. For details of the relevant Switching Fee, please refer to our Home Loans, Investment Home Loans, Line of Credit, Equity Advantage and Mortgage Interest Saver Account Standard Fees and Charges brochure.

You may apply to switch your Loan Type, Repayment Type, Interest Rate Margin or Reference Interest Rate at any Commonwealth Bank branch or simply call **13 2407** 8 am – 8 pm 365 days. Additionally, you may obtain a copy of the Switching Terms and Conditions booklet and Loan Switching Request form by visiting the Bank's web site **commbank.com.au**.

If your switching request is processed by completing the Loan Switching Request or via the branch the Loan Switching Request or the ASSIST Summary Page and subject to the Bank approving your request, the relevant provision/s of these Switching Terms and Conditions or the Letter of Variation (if section 5 applies) will become part of your Loan Contract.

If your switching request is processed by calling **13 2407**, the terms and conditions and fees applicable to your switch will be advised by our operators and the details of the agreed changes relating to your request will be outlined in your Home Loan statement which will issue after the switch has been processed.

For switches to a Fixed Rate loan

If you request to switch at maturity, the request to switch must take effect prior to the rollover date. Otherwise, the switch will take effect from the date the Bank processes the switch.

You cannot switch:

- From a Home Loan to an Investment Home Loan (or vice versa)
- From a Line of Credit to a Home Loan or Investment Home Loan
- From a 0.30% p.a. Repayment Reducer option to a 0.60% p.a. Repayment Reducer option (or vice versa).

Note: Switching to a Guaranteed or Discounted Rate loan is not permitted.

In these terms and conditions, any reference to:

- 'Schedule' means your Consumer Credit Contract Schedule
- 'Home Loan' means Home Loan and Investment Home Loan
- 'Package Agreement' means Mortgage Advantage
- 'RRF' means Repayment Redraw Facility
- 'UTC' means Usual Terms and Conditions for Consumer Mortgage Lending
- 'Loan Amount' means the loan balance plus special repayments you ask the Bank to retain under the RRF of the Loan
- If your Loan was a Colonial State Bank or Trust Bank Loan:
 - Any reference to 'Early Repayment Adjustment' means 'Early Termination Interest Adjustment'.

The words used in this document have the same meaning as that used in the UTC, unless otherwise stated.

For more information simply call **13 2407** between 8 am – 8 pm 365 days or visit the Bank's web site **commbank.com.au**.

Section 1 – If you switch your Loan Type to a:

- Standard Variable Rate;
- Base Variable Rate (Rate Saver); or
- Fixed Rate:

The Schedule is amended as follows:

Item C – Interest rates

- The default interest rate on overdue amounts is currently 2% p.a. above the annual percentage rate.
- When the Security Property is leased the margin above/below reference interest rate (margin currently 0% p.a.) may vary.

Item E – Repayments

If you currently have monthly Commonwealth Insurance Limited* home and/or contents premiums included in your payment/repayment and you switch your Loan to interest only payment option, the statement message appearing on the statement of the Loan Account after the switch may not include the monthly Commonwealth Insurance Limited premium in the payment amount.

*Commonwealth Insurance Limited ABN 96 067 524 216 is a wholly owned, but non-guaranteed subsidiary of the Commonwealth Bank of Australia.

Item F – Fees

During the currency of your Loan, the following fees may apply to your Loan:

The following applies to Base Variable Rate loans:

- Base Variable Rate loan is not part of any Package Agreement concessions. A Loan service fee, currently \$8.00 per month may apply.
Drawing fee – \$50.00 on each redrawing under the RRF (UTC clause HL9.6).
- If you choose the interest only payment option then RRF will not be available for the life of the loan. Item B(ii) of your Schedule will be amended to show 'Not applicable'.

The following applies to Fixed Rate loans:

- **Administrative fee** – \$50.00 (Please note: Not payable where a switching fee is paid).
- **Early Repayment Adjustment in our favour** – The amount is not ascertainable. Please refer to clause HL11 'Prepayment of a Fixed Interest Rate loan' of the UTC for more information.
Note: Switching between repayment types is permitted during an existing fixed interest rate period (with the exception of Interest in Advance) and an ERA is not payable.

Section 2 – If you switch from a Home Loan to a Line of Credit

The Schedule is amended as follows:

Item B – Credit limit – the outstanding balance of your Home Loan as at the date of switching.

Item C – Interest rates – the name of the reference interest rate is either:

- The Residential Equity Rate; or
- The Line of Credit Reference Rate.

If you exceed your approved credit limit, the excess drawing interest rate will apply. The excess drawing interest rate will only be charged to the overdrawn amount and is subject to change and will be based on the monthly charging cycle.

Item E – Repayments – Periodic repayments of principal and interest or interest only will no longer be required. The loan will be 'Repayable on demand'. Refer UTC clause LOC3.

Item F – Account service fee – A fee, currently \$12 per month, will be payable on the first Business Day of the month following receipt of the first customer initiated withdrawal and monthly on the first Business Day of each month thereafter. Where a Package Agreement is held, the fee applies if the Package Agreement has been terminated.

Loan service fee – The Loan service fee is no longer payable.

Other fees and charges –

- The ‘When payable’ clause for the ‘Overdrawing approval fee’ at Item F of the Schedule is amended to read as follows:
 - ‘When we honour a transaction(s) made or authorised by you on the Loan Account which results in that account exceeding its credit limit. The fee is payable on the day we honour such a transaction(s)’.

Section 3 – If you switch your Line of Credit reference interest rate from Residential Equity Rate to Line of Credit Reference Rate or vice versa

The Schedule is amended as follows:

Item C – Interest rates – the name of the reference interest rate is either:

- The Residential Equity Rate; or
- The Line of Credit Reference Rate.

Section 4a – If you switch to a 0.30% p.a. Repayment Reducer option (available on Standard Variable Rate, Fixed Rate and Base Variable Rate (excludes 1 and 3 Year Special Rate Saver) loans only)

The Schedule is amended as follows:

Item C – Interest rates

- From the date the Bank processes your switching request, the margin above/below reference interest rate will be 0.30% p.a. below the reference interest rate.

Item F – Fees

- Switching Fee will be \$300.00 plus 1% of the Loan Amount.

Section 4b – If you switch to a 0.60% p.a. Repayment Reducer option (available on Standard Variable Rate and Fixed Rate loans only)

The Schedule is amended as follows:

Item C – Interest rates

- From the date the Bank processes your switching request, the margin above/below reference interest rate will be 0.60% p.a. below the reference interest rate.

Item F – Fees

- Switching Fee will be \$300.00 plus 2% of the Loan Amount.

Section 4c – If your Loan Type is a Guaranteed Rate and you switch to a 0.30% p.a. Repayment Reducer option during the guaranteed rate period

From the date the Bank processes your switching request, the Schedule is amended as follows:

Item C – Interest rates

- During the guaranteed interest rate period, the annual percentage rate will be 0.30% p.a. below the annual percentage rate stated at (iv) for the remainder of the guaranteed interest rate period.
- From the end of the guaranteed interest rate period, the margin above/below reference interest rate will be 0.30% p.a. below the reference interest rate.

Item F – Fees

- Switching Fee will be \$300.00 plus 1% of the Loan Amount.

Section 4d – If your Loan Type is a Discounted Variable Rate and you switch to a 0.30% p.a. Repayment Reducer option during the discounted variable rate period

From the date the Bank processes your switching request, the Schedule is amended as follows:

Item C – Interest rates

- The margin above/below reference interest rate will be 0.30% p.a. below the margin stated at (ii) for the remainder of the discounted variable interest rate period and then 0.30% p.a. below the reference interest rate thereafter.

Item F – Fees

- Switching Fee will be \$300.00 plus 1% of the Loan Amount.

Section 4e – If your Loan Type is a Guaranteed Rate and you switch to a 0.60% p.a. Repayment Reducer option during the guaranteed rate period

From the date the Bank processes your switching request, the Schedule is amended as follows:

Item C – Interest rates

- During the guaranteed interest rate period, the annual percentage rate will be 0.60% p.a. below the annual percentage rate stated at (iv) for the remainder of the guaranteed interest rate period.
- From the end of the guaranteed interest rate period, the margin above/below reference interest rate will be 0.60% p.a. below the reference interest rate.

Item F – Fees

- Switching Fee will be \$300.00 plus 2% of the Loan Amount.

Section 4f – If your Loan Type is a Discounted Variable Rate and you switch to a 0.60% p.a. Repayment Reducer option during the discounted variable rate period

From the date the Bank processes your switching request, the Schedule is amended as follows:

Item C – Interest rates

- The margin above/below reference interest rate will be 0.60% p.a. below the margin stated at (ii) for the remainder of the discounted variable interest rate period and then 0.60% p.a. below the reference interest rate thereafter.

Item F – Fees

- Switching Fee will be \$300.00 plus 2% of the Loan Amount.

Section 5 – If you switch the Interest Rate Margin on a loan which is referred to by the Bank as a Low Documentation Loan

The Schedule is amended in terms of the Letter of Variation which will be forwarded to you after the switch has been processed.

For switches to the Interest Rate Margin on a loan which is referred to by the Bank as a Low Documentation Loan, complete the following sections only in the Loan Switching Request form:

- Step 1
- Step 2
- Step 3 – ‘Interest Rates’ section only
- Step 5
- Step 6

Loan Switching Request

Please complete the sections below with your Adviser's assistance. If you require assistance outside business hours, call 13 2407, between 8am to 8pm, 365 days a year.

Step 1 Your details

For additional borrowers, photocopy this page before completing details and attach to this request.

Borrower 1

Borrower 2

Title Mr Mrs Miss Ms Other

Mr Mrs Miss Ms Other

Surname

Given name/s

Company name

Date of birth / /

/ /

Number of dependants Ages

Number of dependants Ages

Do you have a guarantor who has provided security for this loan?

Yes Complete below No Go to **Step 2**

Guarantor details For additional guarantors, photocopy this page before completing details and attach to this request.

Guarantor 1

Guarantor 2

Title Mr Mrs Miss Ms Other

Mr Mrs Miss Ms Other

Surname

Given name/s

Company name

Current address

State Postcode

State Postcode

I/We request the Bank to change my/our Loan Contract as chosen by me/us in completing the relevant section/s on this Loan Switching Request.

Step 2 Your existing loan details

Your loan account number

Your loan account is in the name of

Your current monthly repayment amount \$

Your current Loan Type

- Standard Variable Rate
- Base Variable Rate (Rate Saver)
- Discounted Variable Rate
- Special Rate Saver - 1 Year **or** 3 Year
- Fixed Rate (including Interest in Advance)
- Guaranteed Rate
- Line of Credit - interest rate Residential equity rate **or** Line of Credit reference rate

If your loan is a Discounted/Special Rate Saver/Guaranteed/Fixed Interest, do you know the expiry date? (if you do not know, the Bank will complete)

/ / Do you want your switch to take effect on this date? Yes No

You currently pay Principal and Interest **or** Interest Only **or** Interest in Advance

Contracted remaining term (Bank use only) Years Months

If your loan has a Repayment Reducer option, what is your Repayment Reducer margin? % pa

If your loan is a Low Documentation loan, tick this box

Step 3 Your varied Loan Types

Which of the following Loan Types do you want:

- Base Variable Rate (Rate Saver)*
 Standard Variable Rate
 Fixed Rate - Fixed Rate term years (including Interest in Advance)***
 Line of Credit**

** By ticking this option, I/we wish to switch my/our Home Loan balance, currently \$ to a Line of Credit. The name of the reference interest rate, I/We would like to apply to this Line of Credit is:

- Residential equity rate
 Line of Credit reference rate

If you wish to split your existing loan, please indicate your split portion

- Standard Variable Rate \$
 Fixed Rate \$

Note: Split option is not available for Base Variable Rate and Interest in Advance Investment Home Loan.

* If you choose Interest Only payment option for Rate Saver, Repayment Redraw will no longer be available for the life of the loan.

*** Switches to Fixed Rates will result in no access to redraw.

Interest Rates for Loan Type chosen (please tick one option only)

- I/We request an interest rate of % pa and (if applicable) % pa for the fixed rate portion of a split loan (where a concession/discount is applicable, the interest rate noted should take into account the concession/discount).
 I/We request a discounted interest rate of % pa, which takes into account the Repayment Reducer margin of % pa (for switching to a Repayment Reducer option).
 I/We request an interest rate of % pa, which (if applicable) takes into account a margin of % pa for 12 months (available for Low Documentation Loans only).

Switching between Line of Credit reference rates (please tick one option only)

I/We would like to switch my/our reference interest rate to:

- Residential equity rate
The interest rate is currently % pa which is a margin of % pa above/below the Residential equity rate (if applicable).
 Line of Credit reference rate
The interest rate is currently % pa which is a margin of % pa above/below the Line of Credit reference rate.

Repayment Types

Which one of the following Repayment Types do you want:

- Principal and Interest
Approximate Required Monthly Repayment Amount of \$ is to be debited by the Bank to my/our account number . (Ask your Broker to help you calculate this amount.)
I/We want to pay \$ weekly fortnightly monthly. This amount must equal or be greater than the Required Monthly Repayment Amount.
 Interest Only
 I/We are currently paying interest only and would like to continue until the expiry of the current interest only period.
 I/We request an interest only/interest in advance period of years.

If the interest only/interest in advance period is to commence at the end of an existing discounted/special rate saver/fixed guaranteed rate period **or** at the end of an existing interest only/interest in advance period, the commencement date will be / / .

Approximate monthly/yearly interest only/interest in advance payments of \$ are to be debited by the Bank from my/our account number .

The approximate Required Monthly Repayment Amount, at the end of this interest only/interest in advance period, will be \$ (subject to changes in interest rates) and this amount is to be debited from my/our account number .

Step 4 Your financial details

Complete this item **only** if you are switching to:

- Interest only payments (including Interest in Advance); **or**
- Line of Credit.

Monthly commitments

| | |
|----------------------------------|----|
| Proposed mortgage repayments | \$ |
| Bank loan/s | \$ |
| Other loan/s | \$ |
| Credit/Store card/s | \$ |
| Other commitments | |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| Total monthly commitments | \$ |

Monthly gross income

| | |
|-----------------------------------|-------------------------------|
| Applicant 1 - salary or wages | \$ |
| Regular overtime | \$ |
| Applicant 2 - salary or wages | \$ |
| Regular overtime | \$ |
| Rental income | \$ <input type="text"/> x 70% |
| Pension type | <input type="text"/> |
| Other investment income | \$ |
| Other income | |
| | \$ |
| | \$ |
| Total monthly gross income | \$ |

Self employed applicants If you do not hold your business account with us, please provide your most recent business profit and loss figures.

| | |
|----------------------|-------------------------|
| Year | Net profit |
| <input type="text"/> | \$ <input type="text"/> |
| Net profit | <input type="text"/> |

Number of properties owned by Borrower/s

Number of properties Borrower/s reside in

Step 5 The fees payable for this switch

Fees and adjustments - must be completed before Borrower/s sign.

Bank use only

\$

If switching between Loan Types, Repayment Types, Interest Rate Margins, Line of Credit reference interest rates and/or to a Repayment Reducer option, a switching fee will be payable and debited to your Loan Account.

Bank use only

\$

An interest adjustment equivalent to the Bank's Early Repayment Adjustment/Early Termination Interest Adjustment may be payable for switches from Fixed Rate/Guaranteed Rate loans.

Step 6 Sign here

You should read your Switching Terms and Conditions Booklet together with the Bank's Usual Terms and Conditions for Consumer Mortgage Lending and your Contract Schedule.

I/We acknowledge that, if the Bank agrees to vary the Contract as set out in this request form, my/our Contract shall be so varied on the date the Bank processes this request.

By signing this form, I/we authorise the Bank to debit the fees shown at **Step 5** above to my/our loan account.

Borrower/s (All borrowers must sign)

Borrower 1

Date

Borrower 2

Date

 / /

 / /

Borrower/s please note: Do not provide this request form to a guarantor to sign. Where applicable, the Bank will request the guarantor's consent on your behalf.

Guarantor/s Complete this item when Borrower/s request/s either of the following change/s:

- Switch to Interest Only payments (including Interest in Advance)
- Switch from a Home Loan/Investment Home Loan to a Line of Credit

I/We acknowledge and confirm that:

- my/our existing guarantee continues as a guarantee; and
 - my/our existing security (if any) supporting such guarantee continues as security
- for the obligations of the Borrower/s under the Contract as varied pursuant to this Request.

Guarantor/s please note: Your signature should be witnessed by an adult person who is not a Borrower or co-guarantor under the guaranteed agreement.

Guarantor 1

Date

Guarantor 2

Date

 / /

 / /

Name of Witness

Name of Witness

Signature of Witness

Signature of Witness

Bank use only (Third Party Services)

Existing loan account number

Prepared by (Broker/Agent full name)

Broker/Agent number

Contact number

Interest Only Payments (including Interest in Advance)

DDR24 is held/obtained

Switch to LOC

Open a LOC account Record new LOC account number

LOC switch to reference interest rate

Complete and Input an M11

Check the 'Statement Cycle' on ASSIST. If greater than monthly, complete and input M8 to change the default to monthly.

Debit the switching fee to the LOC account and credit general ledger account 7100115.

Switch to Low Documentation Loan

Confirm LVR at application

Confirm that interest rate in Step 3 is correct

Amend interest rate

Issue 'Letter of variation'

Diarise to change interest rate in 12 months (if applicable)

Commitment level LVR

 % %

Total Loan balance and Credit Limit held

Consumer Credit Commercial Credit Total Credit

\$ + \$ = \$

The change has been approved

Name of Credit Officer (print)

Credit Officer to sign

Delegation of Credit Officer

Where applicable, remove the Bank use only section and place on loan file before obtaining guarantor's consent.
Note: You must obtain each guarantor consent before processing the switch.

Check form, repayment amounts and 'Bank use only' fields for correctness.

Comments

Fee/s collected (if applicable)

Note: TPS to check the amount of ERA/ETIA recorded on the switching request form to the HLS. If the amount recorded is incorrect, request the customer to complete a new form.

If applicable, send a copy of the confirmation letter sent to borrower/s to each guarantor.

13 2407

**8am-8pm 365 days
commbank.com.au**

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Commonwealth Bank of Australia
ABN 48 123 123 124