

# Combined Advantage Package and Loan Conversion Form

**Important:** The changes set out in this application are subject to approval by St.George Bank. If you want this application to proceed, you must return it to St.George Bank signed by each borrower within 7 business days of the date on which it is issued.

Borrower(s)

Date Application Form Issued

Mailing Address

Primary Account Number

## Loan accounts to be included in Advantage Package

Account Number	Current Product	Switch Product (Details set out below)	Loan Category	Repayment Type	Interest rate under Advantage Package and, where applicable, following loan conversion		
					Discount Margin	Interest Rate <sup>#</sup>	Rate Lock (Y/N)
					%pa	%pa	
					%pa	%pa	
					%pa	%pa	
					%pa	%pa	
					%pa	%pa	

# Rate(s) are as at the date this form is issued. Refer to the Terms and Conditions below.

## Credit card account to be included in Advantage Package

Account Number	Account Type	Account Holder(s)

## Transaction account from which Package Fee should be debited

Account Number	Account Type	Account Holder(s)

## Fees and charges payable if application approved

Package Fee (payable annually)	\$395.00
Fixed Rate – Lock-in Fee (debited to loan account switching to fixed rate)	\$
Switch Break Costs (debited to loan account switching to variable rate)	\$
<b>Total payable immediately</b>	<b>\$</b>
<b>Total payable subsequently on each Advantage Package anniversary</b>	<b>\$395.00</b>

Screenshots of 0040 screens for all loan conversions to be inserted here.

## Acknowledgements

By signing below you request that:

- the existing accounts listed above are included in an Advantage Package; and
- the loan conversions specified above are made.

You acknowledge and agree that if St.George Bank approves this application:

- you must pay the fees and charges specified above and St.George Bank will debit them to the accounts specified above in relation to each of these fees and charges;
- your loan agreement(s) is/are varied as specified above and in the Terms and Conditions below;
- you have received with this application and understood the following brochures and these brochures will apply to your loan agreement(s) as replacements for any brochures covering the same subjects you have previously received:
  - St.George Advantage Package – Terms and Conditions
  - if you are switching to a fixed rate loan – Things you should know about Break Costs on Fixed Rate loans.

## Signatures

All Borrowers must sign Section A or B:

### Section A: Individual Borrowers/Individual Trustees

Name of Borrower

Signature of Borrower

Date

Name of Borrower

Signature of Borrower

Date

Name of Borrower

Signature of Borrower

Date

Name of Borrower

Signature of Borrower

Date

### Section B: Company Borrowers/Incorporated Trustees

Company Name

ACN/ABN

Signed in accordance with Section 127(1) of the Corporations Law

(if only one person signs, that person states that he/she signs in the capacity of sole Director and sole Secretary of the Company)

Authorised person must be a Director or Secretary

Name of Authorised person

Date

Position

Authorised person must be a Director or Secretary

Name of Authorised person

Date

Position

## Signatures (continued)

### Once the form is fully completed and signed

Please keep a copy of the form and return the completed form via:

- Email: [loansadministration@stgeorge.com.au](mailto:loansadministration@stgeorge.com.au); or
- Submit the form at your Local branch

## Bank Use Only

- Ensure the brochures listed above are provided to the borrower(s)
- Ensure all borrowers and any guarantors have signed the form
- Keep the original copy on file
- Email to [loansadministration@stgeorge.com.au](mailto:loansadministration@stgeorge.com.au)

Lender Name

Lender Signature

Contact Number

## Terms and Conditions

### Credit card included in Advantage Package (Not available for Company/Trust borrowers)

1. No annual card fee is payable in relation to the selected credit card while it is included in an Advantage Package, but card fees already paid will not be refunded.

### Accounts which cease to be eligible for inclusion in Advantage Package

2. If any of the accounts listed above cease to be eligible for inclusions in an Advantage Package due to changes requested by you or changes in the status of the accounts, then St.George Bank will remove those accounts from the Advantage Package.

### Entitlement to Advantage Package discounts and benefits

3. The St.George Advantage Package Terms and Conditions specify the conditions which must be satisfied in order for the package benefits (including the Advantage Package portion of the discount margins specified above) to be available. If those conditions are not satisfied, St.George Bank may remove those benefits (including removing the Advantage Package portion of the discount margins specified above in relation to variable rate loans).

### Variable Interest Rates

4. In these terms and conditions, "Relevant Variable Rate" refers to the below Reference Rate for your St.George Home Loan Product, Loan Category and Repayment Type:

If one or more of borrowers on the loan is an Australian or New Zealand resident

Home Loan Product	Loan Category	Repayment Type	Reference Rate
Standard Variable Rate Home Loan	Owner Occupier	Principal & Interest	Owner Occupier Standard Variable Rate
		Interest Only	Owner Occupier Interest Only Standard Variable Rate
	Residential Investment	Principal & Interest	Residential Investment Standard Variable Rate
		Interest Only	Residential Investment Interest Only Standard Variable Rate

If all borrowers on the loan are Non-Resident

Home Loan Product	Loan Category	Repayment Type	Reference Rate
Standard Variable Rate Home Loan	Owner Occupier	Principal & Interest	Non-Resident Owner Occupier Standard Variable Rate
		Interest Only	Non-Resident Owner Occupier Interest Only Standard Variable Rate
	Residential Investment	Principal & Interest	Non-Resident Residential Investment Standard Variable Rate
		Interest Only	Non-Resident Residential Investment Interest Only Standard Variable Rate

### Loan repayments

5. Your new loan repayments as noted above are indicative. St.George Bank will inform you in writing of the actual repayment amount for each loan when it notifies you of the results of this application being approved.

### If you change repayment types

6. If you change to interest only repayments, then on expiry of the period in which interest only repayments are payable, the loan will revert to principal and interest repayments for the remainder of the loan term.
7. If in conjunction with the change of repayment types you are also switching to:
  - a fixed rate loan – see “If you switch to a fixed rate loan” below; or
  - a variable rate loan – see “If you switch to a variable rate loan” below.
8. If you have a variable rate loan and an Interest Offset facility previously applied to it, the Interest Offset facility for your loan will automatically be converted to:
  - a Mortgage Equaliser Offset facility – if you are switching to principal and interest repayments; or
  - a Repayment Offset facility – if you are switching to interest only repayments.

### If you switch to a fixed rate loan

9. The fixed rate period specified above will commence on the date this application is approved. The fixed rate offered may include a discount based on your loan category. **By agreeing to the new fixed rate, your loan agreement is changed so that the annual percentage rate under the fixed rate option may be different depending on whichever loan category you are under.**
10. If the Rate Lock feature has been selected, the annual percentage rate which applies to the loan for the fixed rate period specified above will be the lesser of:
  - the rate specified above; and
  - the relevant standard fixed rate last published by St.George Bank on or before the date this application is approved, less any discount margin specified above.
11. If the Rate Lock feature has not been selected, the annual percentage rate which applies for the fixed rate period specified above will be the relevant standard fixed rate last published by St.George Bank on or before the date this application is approved, less any discount margin specified above.
12. During the fixed rate period you can make additional repayments up to the prepayment threshold without incurring prepayment break costs and you can then apply to redraw some or all of those fixed rate period additional repayments up to the prepayment threshold. During the fixed rate period you cannot, however, redraw any additional repayments which were made prior to the commencement of the fixed rate period. If you want to redraw any repayments which were made prior to the commencement of the fixed rate period you should apply to redraw them before the commencement of the fixed rate period or wait until after the end of the fixed rate period. Note: Redraw is not available for Superfund Home Loans.
13. Interest Offset facilities are not available on St.George Fixed Rate Home Loans and so any Interest Offset facility you previously had will cease to apply to your loan.
14. St.George Bank may charge prepayment break costs on your loan if you prepay the total amount owing or make partial prepayments in excess of the prepayment threshold or are in default so that the total amount owing on the loan becomes immediately due for payment. St.George Bank may charge switch break costs on your loan if you change to another interest rate option (fixed or variable) or change the repayment type during a fixed rate period. **The method by which St.George Bank calculates prepayment break costs and switch break costs is set out at the end of this form.**
15. On expiry of the fixed rate period, the annual percentage rate that applies to your loan will be the Relevant Variable Rate referred to in Clause 4 less the Advantage Package discount margin then applicable. Note: If that discount margin is less than the discount margin then applying to any other loan included in the Advantage Package, you should contact St.George Bank as you may be eligible for the higher discount margin on this loan as well.

## If you switch to a variable rate loan

16. The annual percentage rate which applies to your variable rate loan is the Relevant Variable Rate referred to in Clause 4 (less the discount margin specified above). St. George Bank can change the annual percentage rate applying to variable rate loans at any time in accordance with your Loan Agreement. St. George Bank can make different changes to its different variable rates.
17. If an Interest Offset facility previously applies to your loan, it will be:
- a Mortgage Equaliser Offset facility – if the loan has principal and interest repayments; or
  - a Repayment Offset facility – if the loan has interest only repayments.

## Break costs

### What is a break cost

A break cost is a fee that represents our loss if you repay your loan early or switch your product, interest rate or payment type during a fixed rate period.

### Why do we charge break costs

When we agree to lend you money at a fixed interest rate, we obtain money from the money market at wholesale interest rates based on you making your payments as agreed until the end of the fixed rate period. If you don't, and wholesale interest rates change, we can make a loss.

### When a break cost applies

If you prepay part of or your entire loan before the end of your fixed rate period, you must pay us the prepayment break cost we calculate unless the amount you prepay doesn't exceed the prepayment threshold.

If you switch to another product, interest rate or payment type before the end of your fixed rate period, you must pay us the switching break cost we calculate.

### Prepayment threshold

The prepayment threshold is the amount that we allow you to prepay on your loan during the fixed rate period without incurring a prepayment break cost. This amount is \$30,000.

To calculate how close you are to reaching your prepayment threshold you add together all of the amounts that you have prepaid and deduct any amounts you have redrawn. You will only exceed your prepayment threshold once the result is more than \$30,000 at any time during the fixed rate period.

### How break costs are calculated

Our break costs formula is complex. This is a simplified description.

We will incur a loss and you will have to pay break costs if, on the day a prepayment or switch is made, the wholesale interest rate applicable for your remaining fixed rate term is less than the wholesale interest rate applicable when you began your fixed rate period. We refer to this as the 'difference in wholesale interest rates'.

To calculate the amount of break costs, we multiply the difference in wholesale interest rates with the remaining term in your fixed rate period and the loan account balance (if you are prepaying the full loan balance) or any amounts you have prepaid as at each remaining loan repayment date. The amount is then converted to its value in today's dollars.

Please contact us if you would like to see the formula used to work out the break costs.

### Be careful with break costs

Break costs may be high – sometimes tens of thousands of dollars. Ask us for an estimate of the break costs and seek independent financial advice before you repay early or change your loan.