

## Standard fees and charges applicable to Consumer Contracts

### *The cost of borrowing*

#### Lending Rates

Our consumer lending rates range from 9.95% – 19.95%. The interest rate that you will be charged will depend on a number of factors including (but not limited to) the asset you are borrowing to purchase, the amount of deposit or equity that you have available, the term of the agreement, your credit repayment history and your risk profile.

#### Credit Fees

**Establishment Fee** **Up to \$510.00**  
This fee covers the cost of processing, assessing and approving your finance application. It will only be charged if your finance application is approved.

**Dealer Fee** **\$250.00**  
This fee covers the cost to the Dealer of preparing and processing your application for finance and is included within the Establishment Fee.

**PPSR** **Up to \$20.00**  
This is the cost to us of searching and registering a security interest on the Personal Property Security Register.

**Statement** **\$5.00**  
Charged to your account when an additional statement is requested and delivered over and above any statement provided free of charge.

**Maintenance** **\$5.00 per month**  
This fee will be charged to align with the frequency of your loan repayments and covers the cost of keeping your loan active.

#### Variation Fees

**Variation of contract** **\$350.00**  
Charged when a variation, assignment or an unscheduled part prepayment is completed. This fee is payable at the time consent is given to the variation, assignment or part pre-payment.

**Early settlement** **\$270.00 plus a variable amount**  
If you repay your loan in full before the final payment, then two different fees are charged:

- A fixed fee to cover the cost of settling your loan.
- A variable fee to cover any loss derived from breaking the funding associated with your loan.

To find out more information on early repayment fees, please refer to the attached fact sheet.

#### Collections Fees

**Default interest charge** **5% p.a. plus the annual interest rate stipulated in your contract**  
Default interest is calculated at the rate of 5% per annum plus the annual interest rate referred to in your contract. If you fail to make any payment on the due date default interest is payable on the overdue amount from the due date until the date full payment of that overdue amount is received.

**Dishonour fee** **\$45.00**  
Charged when a scheduled loan payment is dishonoured by your bank or when an automatic payment fails. The fee is payable and will be debited to your account at the time the relevant payment was due.

**Late payment fee** **\$45.00**  
Charged when a scheduled loan payment is not made on time and remains unpaid for seven days. The fee is payable and will be debited to your account at the time the relevant payment was due.

**Repossession action fee** **\$75.00**  
Payable in the event repossession of the asset(s) taken as security commences. This fee will be debited to your account at the time repossession action is commenced.

**Post repossession fee** **\$100.00**  
This fee is payable and will be debited to your account after realisation of the assets or abandonment of realisation.

# Consumer Loan

## Early Repayment Charge Explained

When you sign up for a consumer loan, you get all the benefits of certainty and easy loan management.

You know exactly how much you're borrowing, how long you're borrowing it for, how much your regular payments will be and how much interest you'll pay.

This means you can budget with confidence and know you're protected against the risk of the interest rate rising during the loan term.

But you also need to know that if you repay the loan before the end of the loan term, you may have to pay an 'Early Repayment Charge' and an 'Administrative Fee' of \$270 along with other amounts owing under the contract.

If you're not sure what that's all about, read on. You'll find out why we charge the cost and how we calculate it.

### What is an Early Prepayment Charge?

An Early Repayment Charge is an amount that we charge to specifically recover the loss suffered when a customer chooses to repay a loan early. Further details on how the Early Repayment Charge is calculated are set out in your loan agreement.

### Why do we have an Early Repayment Charge?

When agreeing to a consumer loan, this is a contract between you and us to borrow a certain amount of money, at an agreed interest rate, for an agreed period of time. In order to obtain the money to lend to you, we enter into a similar contract with another lender to borrow the money at a fixed interest rate for an agreed period of time.

Just as you have an obligation to repay your loan, we have an obligation to continue to pay its fixed interest or break its own loan arrangement.

Should we need to break our loan arrangement (as a result of your breaking your loan arrangements with us), if wholesale interest swap rates have moved and there is a difference between the wholesale interest swap rates at the start of the fixed rate period and the wholesale interest swap rates at the date of repayment, we may suffer a loss. The Early Repayment Charge helps us recover some of that loss.

### How do we calculate the cost to break the funding arrangement?

The cost charged to us and passed on to you is calculated by looking at the difference between the wholesale interest swap rate that applied when your loan started, and the wholesale interest swap rate that applies to the remaining term of your loan at the time of repayment.

The calculation takes into account:

- The amount you're repaying early,
- The number of days left on the fixed rate period of your loan,
- The amount that wholesale interest swap rates have moved since the start of your loan (can change daily),
- That we receive the money now instead of receiving it as income over the remaining term of the facility.

An Administration fee of \$270 also applies when you want to repay your loan early.

### Calculating Early Repayment Charge: Cost of breaking funding arrangements per \$10,000 of lending

We can give you an estimate of the likely Early Repayment Charge, but the actual cost will be determined on the day that the early repayment occurs.

For illustrative purposes only, the table below provides a guide on how changes in market interest rates and term of your loan can impact the break costs.

Per \$10,000 of lending repaid		Remaining Fixed Term (Months)			
		12	18	24	36
Cost of funds at start minus Cost of funds now	<0%	\$0	\$0	\$0	\$0
	0.50%	\$47	\$68	\$88	\$125
	1.00%	\$94	\$137	\$177	\$251
	1.50%	\$141	\$206	\$267	\$379
	2.00%	\$189	\$275	\$358	\$509
	2.50%	\$236	\$346	\$449	\$641
	3.00%	\$284	\$416	\$542	\$775

### Example

David takes out a \$40,000 Loan over 3 years at a market interest rate of 13%. After making his agreed payments for two years he decides to fully repay his loan. At this time the market interest rate for the remaining 12 months is 12% and the principal balance is \$15,000. *The difference in rates is 1%. From this table we can see that David will pay an Early Repayment Charge of roughly \$141 (\$94 per \$10,000) plus the Administration fee of \$270.*

### Notes:

- The table above provides an indicative guide only.
- Each prepayment is processed by us on the date of the prepayment.
- Our standard fixed Administration fee applies in addition to the calculated Early Repayment charge.

### For more information

If you'd like to know more contact us on 03 379-8530.