

Mortgage Facility Terms

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Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *mortgage facilities*. **You must read it in conjunction with our *letter of offer*, our Customer Terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Customer Terms, these terms prevail and if there is any inconsistency between the *letter of offer* and any other part of our banking agreement, then the terms in the *letter of offer* prevail.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Customer Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To discuss any aspect of our relationship please contact us at one of our branches, by calling our Client Care Centre at 2658000 or by visiting sc.com/bn.

Part A - Getting started

1 Our mortgage facilities

The *mortgage facilities* we offer are:

- Home Loans;
- Mortgage Overdrafts.

You should contact us to discuss which *mortgage facility* suits your personal banking needs. We can also explain the features and terms of our *mortgage facilities*.

2 Application

When you decide on the *mortgage facility* that suits you, you need to fill in an *application* and give us any other documents or information we require to assess the *application*.

3 Letter of offer

If we approve your *application*, we issue a *letter of offer*. If you want to accept our *letter of offer* you need to do so in accordance with the procedures set out in the *letter of offer*.

4 Pre-conditions to use

4.1 Before you can use a *mortgage facility* you must:

- comply with the requirements we specify from time to time and any other pre-conditions we specify in our banking agreement;
- unless otherwise stated in our *letter of offer*, have paid all our *costs* in connection with the *mortgage facility*. (We may deduct any fees payable from funds drawn down);
- have opened or maintain a *nominated account* or any other *account* we specify with us. These *accounts* must be maintained at all times for the purposes of the *mortgage facility*;
- have satisfied our insurance requirements, the requirements of the insurer and, unless we agree to finance them, paid the premiums due;
- provide us with all *securities* in the form and substance we require including all documents we consider necessary to ensure the *security* is effective; and
- provide us with all other documents or information we reasonably require.

Each item must be in form and substance satisfactory to us, our lawyers and our consultants (including evidence of stamping (if applicable) and if a document is not an original document it must be certified in the manner we

require as being a true and up to date copy of the original).

4.2 We need not provide any funds to you or otherwise allow you to use the *mortgage facility* if:

- any of the circumstances in clause 2 (Pre-conditions to use of any product) of the Customer Terms exists; or
- the results of any searches, requisitions or other enquires in connection with you, any *security provider* or the *property* are not in form and substance satisfactory to us, our lawyers or consultants.

5 Your limit

You may only draw on a *mortgage facility* up to the *limit*. We may cancel or vary the *limit* at any time without notice to you.

6 Conversion

If you want to convert a *mortgage facility* to another type of *mortgage facility* we offer, please contact us to discuss the available options. If we agree to a conversion it must be on terms satisfactory to us (including payment of fees and *costs*).

Part B - Home Loans

This Part B applies if you have a Home Loan.

7 Funding

Purpose

- 7.1 You must use the *home loan* only for the purpose set out in the *letter of offer* or as otherwise approved by us.

Requesting funds

- 7.2 If you want us to provide you with funds, you may do so by a written request in the form we require. If the *home loan* is provided to finance construction or renovation each request made during the construction period may need to certify matters relating to the building and attach documents or other information we specify, including invoices from the builder and evidence that you have paid any shortfall between the funds to be advanced and the invoice amount.

Your request must be made within a reasonable time (for example, at least seven banking days) before you require the funds.

How we provide the funds

- 7.3 We pay the funds to you as directed by you or your agent, except to the extent that we require otherwise. For example:

- if the *home loan* is provided to finance construction or renovation, we provide the *loan* in a series of advances as the work progresses against invoices we approve. We may provide the funds by paying them directly to the builder.

Availability period

- 7.4 If the *letter of offer* states an availability period, each request for funds must be made during the availability period. Any unused portion of the *limit* at the end of the availability period is automatically cancelled.
- 7.5 If the *home loan* is provided to finance construction or renovation, you must ensure that the work is completed within the construction period agreed with us.

8 Interest, fees and charges

Interest - general

- 8.1 You must pay interest on the *loan* monthly in arrears (or as otherwise set out in our *letter of offer*) at the rate set out in the *letter of offer* or at any other rate we determine. Despite the terms of our *letter of offer*, the interest rate we charge cannot be less than 0% per annum at any time.
- 8.2 Unless otherwise stated in our *letter of offer*, interest accrues on a daily basis and is calculated on the basis of a 365 day year (a 366 day year in the case of a leap year) (as

determined by reference to usual market practice for the relevant currency).

- 8.3 Interest is payable on the dates set out in the *letter of offer* or otherwise in our banking agreement.
- 8.4 Unless otherwise stated in our *letter of offer* interest is charged to your *account* on the last banking day of each month and on the day when all amounts owing in connection with the *home loan* are finally paid.
- 8.5 Any overdue payment incurs interest at the *default rate* set out in the *letter of offer* or otherwise in our banking agreement (see "Interest, fees and charges" in the Customer Terms).
- 8.6 We may vary the interest rate. If we vary the interest rate, we give you at least one month's notice before the date of the revised interest rate takes effect.

Fees and charges - general

- 8.7 The fees and *costs* for each *home loan* are set out in the *letter of offer* or the *tariff booklet*. They are also available by contacting us at any of our branches, by phone banking or by visiting our website. They may be varied without notice to you.

9 Facility term

- 9.1 The term of a *home loan* commences on the date of first drawdown and continues for the period stated in the *letter of offer*.
- 9.2 The *letter of offer* may allow the original term of the *home loan* to be extended up to a maximum period. This is to allow the instalment amount to be maintained despite any change in the interest rate (see clause 10.5 below).

10 Repayment

Repayment by instalments

- 10.1 If the *letter of offer* states that you must repay the *home loan* in instalments, we notify you the amount of the instalment or otherwise specified in your *letter of offer*.
- 10.2 If you have not fully drawn down the *home loan* (that is, you have not used up all of your *limit*) by the end of any availability period stated in the *letter of offer*, we may vary the instalment amount, the number of the instalments and the term of the *home loan*.
- 10.3 If the *home loan* is provided to finance construction or renovation, you may not be required to pay instalments until a date stated in the *letter of offer* or another date we notify you.
- 10.4 You must pay the interest and any instalments as set out in the *letter of offer* once the *loan* has been drawdown or paid out.
- 10.5 If we vary the interest rate on the *home loan*, we may vary the instalment amount and the number of instalments. However, if the *letter of offer*

states that the *home loan* has a term that may be extended if an interest rate increases, we extend the term of the *home loan* (until it reaches the maximum term stated) rather than varying the instalment amount. If the maximum term is reached, we may vary the instalment amount.

The right to vary instalments is in addition to our other rights to vary as set out in our banking agreement. See, for example, clause 34.11 (Variation of our banking agreement) in the Customer Terms.

Methods of instalment repayment

10.6 The instalment repayment structure for the *home loan* is stated in the *letter of offer*.

10.7 If the *letter of offer* states that the interest only repayment method applies, during the interest only period the amount of each monthly instalment is the sum of any unpaid interest charges which have accrued on the *account* for the *home loan* for the month.

At the end of the interest only period instalments, the *home loan* converts to principal and interest instalments. We notify you the new instalment amount at the end of the interest only period.

10.8 If you ask, we may agree to defer a particular monthly instalment. If this happens, you must pay the additional interest which accrues on the deferred instalment amount on the final payment date we notify you.

When you must repay in full

10.9 On the last day of the *term*, to the extent there is any *balance owing* for the *home loan*, you must repay that *balance owing*.

10.10 Despite any other term of our banking agreement, we may ask you to repay all or part of the *balance owing* for the *home loan* and all other amounts owing to us in connection with the *home loan* at any time. If we do so, you must immediately pay the amount we demand.

10.11 Before we discharge any *security*, you must pay all fees and *costs* payable in connection with the final settlement of your *home loan* (such as discharge fees and *costs*).

11 Prepayment

Prepayment

11.1 You may prepay all or part of the *home loan* if:

- you give us at least 30 days notice in writing,
- the prepayment amount complies with any minimum or maximum amount we specify;
- when you prepay, you also pay all accrued but unpaid interest, fees and *costs* in connection with the *home loan* (including any full or partial prepayment fees as set out in the *letter of offer* or *tariff booklet* and *costs* in connection with the prepayment); and

- you comply with any other requirements stated in the *letter of offer*. In some cases this may require our consent before you make a prepayment.

11.2 An amount prepaid is applied to reduce the remaining instalments due. We apply it first to the last instalment to be made and then to the second last and so on until the amount prepaid is applied in full.

12 Review, cancellation, termination, suspension

In addition to the terms below, our Customer Terms and the *letter of offer* set out our right to review the terms of your *home loan*, when you and we may end or suspend your use of any *product*. The Customer Terms also set out what you need to do if that happens (including immediate payment of the *balance owing* for the *home loan*) and our enforcement rights. See, for example, Parts A and H of the Customer Terms.

You may cancel a *home loan* by giving us reasonable notice in writing. However, we may charge you a cancellation fee (see the *letter of offer* and the *tariff booklet*).

Part C - Mortgage overdrafts

This Part C applies if you have a Mortgage Overdraft.

13 Using your mortgage overdraft

Purpose

13.1 You must use the *mortgage overdraft* only for the purpose set out in the *letter of offer* or as otherwise approved by us.

How we provide funds

13.2 We make funds available to you through the *account* for the *mortgage overdraft* in accordance with our usual practice from time to time. This must be an *account* of a type we specify. We may change this *account* at any time for any reason.

Annual review

13.3 We may continue providing to you the *mortgage overdraft* subject to our review annually.

14 Exceeding your mortgage overdraft limit

Sometimes we may allow you to draw in excess of the *limit*. If we allow you to do so:

- this is not a waiver of our right to require your *mortgage overdraft* to be maintained within the *limit*;
- you must repay the excess immediately; and
- a higher interest rate is payable on the excess until it is repaid (see clause 15.5).

15 Interest, fees and charges

Interest

15.1 We charge interest on that part of the *balance owing* for the *mortgage overdraft* which is within the *limit* at the rate set out in the *letter of offer* or any other rate we determine.

15.2 Interest may be charged at different rates for different parts of the *balance owing* for a *mortgage overdraft*.

15.3 Unless otherwise stated in our banking agreement, interest accrues on a daily basis and is calculated on the basis of a 365 day year (a 366 day year in the case of a leap year) (as determined by reference to usual market practice for the relevant currency).

Minimum interest amount

15.4 If the interest payable is less than any minimum interest amount we specify, you must pay the minimum interest amount instead.

Default interest

15.5 If the *balance owing* exceeds the *limit* (with or without our approval), we charge interest on that

excess at the *default rate* (which is higher than the usual interest rate).

15.6 We also charge interest at the *default rate* on any overdue amount (including if you do not pay the minimum monthly repayment when due).

When interest is payable

15.7 Interest is debited from the *account* for the *mortgage overdraft* in arrears on the last banking day of each month and on the day when all amounts owing in connection with the *mortgage overdraft* are fully paid, or at any other times we determine.

Fees

15.8 The fees and *costs* for your *mortgage overdraft* (such as processing fees, commitment fees and renewal fees) are set out in the *letter of offer* or the *tariff booklet*.

16 When you must repay in full

Despite any other term of our banking agreement, we may ask you to repay all or part of the *balance owing* for the *account* for the *mortgage overdraft* at any time. If we do so, you must immediately pay the amount we demand.

17 Conversion

We may, at any time, convert the *balance owing* for the *mortgage overdraft* into another type of *mortgage facility*. This may include combining it with an existing *mortgage facility* we provide to you. If we do this, we will advise you of the details (for example, the interest rate and repayment arrangements).

18 Cancellation

In addition to the terms below, our Customer Terms and the *letter of offer* set out our right to review the terms of your *mortgage facility*, when you and we may end or suspend your use of any *product* and what you need to do if that happens (including immediate payment of the *balance owing* for the *mortgage facility*). They also set out our enforcement rights. See, for example, Parts A and H of the Customer Terms.

18.1 If your *mortgage overdraft* is provided in conjunction with a *home loan* and you repay all the *balance owing* for the *home loan* or the term of the *home loan* has expired, we cancel the *mortgage overdraft*.

18.2 We may charge you a cancellation fee if the *mortgage overdraft* is cancelled within one year from when you open the *account* for the *mortgage overdraft*, or within one year of renewal after an annual review (see the *letter of offer* and the *tariff booklet*).

Part D - Meaning of words

19 Meaning of words

You also need to refer to our Customer Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Customer Terms, the definition in these terms applies for the purposes of a *mortgage facility*.

default rate means, for a *mortgage facility* and at a particular time, the rate of interest per annum which applies to amounts owing under the *mortgage facility* as stated in the *letter of offer*, or as otherwise notified by us to you.

home loan means each facility we make available to you by way of term loan as described in Part B.

limit means, for a *mortgage facility*, the limit set out in the *letter of offer* for the *mortgage facility*.

loan means the outstanding principal amount of all drawdowns under a *mortgage facility*.

mortgage facility means each *home loan* or *mortgage overdraft* we make available to you under these terms as stated in our *letter of offer*.

mortgage overdraft means each facility we make available to you by way of overdraft as described in Part C.

property means the subject of the *security* for your *mortgage facility*.