

Portfolio Loan – Request to Vary Existing Structure



St.George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714.

This form is used for any of the following request: Sub-account closure, change of primary sub-account, credit limit variation and/or change of interest rate option.

Borrower(s)

Mailing Address

Portfolio Loan account No.

Primary Sub-account

Package Number

Important – the information in this variation is current as at /..... /..... (the variation disclosure date).

- This form is to be completed in conjunction with an authorised representative of St.George Bank.
- Place a tick ✓ in the box for each requested option.
- The meaning of words printed *like this* is explained in the “Meaning of words” clause of the Portfolio Loan Agreement General Terms and Conditions.
- All Portfolio Loan *borrowers* and guarantors must sign this form.

A. New sub-account

I request the Bank to open the new *sub-account(s)*, to be

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

and redistribute the *Portfolio credit limit* as per section C. **Credit limit variation.**

Please add the new sub-accounts to existing Advantage Package number

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A. New sub-account (cont.)

The *sub-account holders* are to be:

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

Sub-account number

Name(s) of *sub-account holders*

B. Sub-account closure

I request the Bank to close the following *sub-account* number(s). Please tick if you wish to retain the following sub-account(s) as transaction account(s).

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

Sub-account number

and:

redistribute the *Portfolio credit limit* as per section C. Credit limit variation; or

reduce the *Portfolio credit limit* from \$ _____ to \$ _____

If the sub-account to be closed is the primary sub-account, Section D, Change of primary sub-account must be completed.

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C. Credit limit variation

I request the Bank to reduce the *Portfolio credit limit* from \$_____ to \$_____ and redistribute the *sub-account credit limits* as follows:

I request the Bank to redistribute the *sub-account credit limits* as follows:

List all sub-accounts. Write "NIC" in any box where there is to be no change

Sub-account number	Current sub-account credit limit	New sub-account credit limit
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____
<input type="text"/>	\$ _____	\$ _____

Sub-account number

is an Asset Access sub-account. Whenever a sub-account is an Asset Access sub-account, the sub-account credit limit is not available for drawing by the sub-account holder(s). Please refer to the Asset Access terms and conditions for detailed information.

Should any variable sub-account credit limit be exceeded as a result of the redistribution of variable sub-account credit limits, as specified in the immediately preceding table, I authorise the Bank to transfer balances as follows:

Balance	from Sub-account number	to Sub-account number
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>
\$ _____	<input type="text"/>	<input type="text"/>

D. Change of primary sub-account

I request that sub-account number becomes the *primary sub-account*. A primary sub-account must be in the name of all Portfolio Loan borrowers and be at a variable rate.

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E. Change of interest rate or interest rate option

- I request the Bank to change the interest rate or interest rate option on the following *sub-accounts*:
- to Portfolio Variable rate

<i>Sub-account number</i>	Current rate (% per annum)	New rate (% per annum)	Margin applied (% per annum)

Switching to variable rate

If switching to available rate, the applicable *sub-account* above is under the variable rate option for the remainder of the term of the *sub-account*.

From the date the negotiated variable rate period commences on a *sub-account*, the *annual percentage rate* for that *sub-account* is at a margin below the Portfolio Loan variable rate at that time. That margin and the *annual percentage rate* on a *sub-account* at the variation disclosure date is specified above for that *sub-account*.

From the end of a negotiated variable rate period which is less than the term of the *sub-account*, the *annual percentage rate* is the Portfolio Loan variable rate which is _____ % per annum at the variation disclosure date.

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E. Change of interest rate or interest rate option (cont.)

- I request the Bank to change the interest rate or interest rate option on the following *sub-accounts*:
 to Portfolio Fixed rate

<i>Sub-account</i> number	Current rate (% per annum)	New rate (% per annum)	Fixed rate margin (% per annum)	Fixed rate period (months)	Locked rate applies to this <i>sub-account</i> (Yes/No)	Rate Lock period remaining from <i>disclosure date</i> (days)

Switching to fixed rate

If shown above that the *locked rate* option applies to the *sub-account(s)*, the *annual percentage rate* for the fixed rate period on that *sub-account* is the “fixed rate” specified above. However, if:

- the fixed rate period commences after the end of the Rate Lock period shown above, or
- the Portfolio fixed rate specified above is greater than our advertised Portfolio fixed rate for the fixed rate period specified above, last published by us on or before the date the fixed rate period commences (“the last published Portfolio fixed rate”), modified by any “fixed rate margin” specified above for the *sub-account(s)*,

the last published Portfolio fixed rate modified by the “fixed rate margin” specified above for the *sub-account(s)* will apply. The last published Portfolio fixed rate at the variation disclosure date is the “last published Portfolio fixed rate” shown above. So, as at the variation disclosure date, the fixed interest rate (that is, if the *locked rate* does not apply) is the fixed rate specified above for the *sub-account(s)*.

If the *locked rate* option does not apply to the *sub-account(s)*, the fixed rate for the *sub-account(s)* is the last published Portfolio fixed rate modified by the “fixed rate margin” specified above for the *sub-account(s)*. The last published fixed rate at the variation disclosure date is the “last published Portfolio fixed rate” shown above.

So, at the variation disclosure date, the fixed interest rate (that is, if the *locked rate* does not apply) is the fixed rate specified above for the *sub-account(s)*.

From the end of the fixed rate period, the *sub-account(s)* is/are under the variable rate option, and the *annual percentage rate* is the Portfolio Loan variable rate, which is _____ % per annum at the variation disclosure date.

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F. Fees and charges

The following fees and charges are payable in connection with this request:
Additional *sub-account* fee

\$ _____

Rate lock fee

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Sub-account \$ _____

Rate lock fee sub-total

\$ _____

Additional Bank legal fee

\$ _____

Redistribution fee

\$ _____

Conversion (Switch) Fee (Repayment Pause)

\$ _____

Lender's mortgage insurance fee

\$ _____

Valuation fee

\$ _____

Change of *primary sub-account* fee

\$ _____

Change of *sub-account* interest rate or interest rate option or payment requirement

\$ _____

Break costs

\$ _____

Portfolio Loan Annual administration fee of \$200.00 per annum – the fee is first debited to the *primary sub-account* on the date the Bank processes the change then the fee is debited to the *primary sub-account* on each anniversary of when the fee is first debited.

\$ _____

Monthly *Sub-account* administration fee of \$14.00 payable per *sub-account* for each month or part month in which the *sub-account* is held. The first fee is payable at the end of the month in which the Bank processes the change. This fee is then debited to each *sub-account* at the end of each following month or immediately before the *sub-account* is closed.

\$ _____

If the *sub-account* is included in an Advantage Package the monthly *sub-account* fee will be \$0, whilst you continue to meet the Terms and Conditions of the Advantage Package.

\$ _____

TOTAL (to the extent ascertainable)

\$ _____

Break costs payable:

If a *sub-account* is under the fixed rate option and before the end of the fixed rate period, you:

- prepay the *sub-account* total amount owing; or
- make prepayments on that *sub-account* in excess of the prepayment threshold; or
- are in default so that the *sub-account* total amount owing becomes immediately due for payment,

then you must pay us the prepayment break costs that we calculate.

Unascertainable. Calculated using the break costs method (see "Break costs" section at the end of this form).

If a *sub-account* is under the fixed rate option and before the end of the fixed rate period you change to another interest rate option (fixed or variable), then you must pay us the switch break costs that we calculate.

Unascertainable. Calculated using the break costs method (see "Break costs" section at the end of this form).

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G. Important information

1. The Bank will consider this request only if it receives this form signed by me and each guarantor within 21 business days of the variation disclosure date.
2. The Bank debits all fees and charges relating to this request to the *sub-account* to which those fees and charges apply or, if they are *portfolio fees and charges*, to the *primary sub-account*.
3. If the Bank accepts this request, this request forms part of the Portfolio Loan Agreement. All other terms and conditions of my Portfolio Loan Agreement remain the same.
4. If the Bank accepts this request, I accept that any guarantee I provide to the Bank for the repayment of a *sub-account* extends to any new *sub-account*, of which I am not a *sub-account holder*, and to any increased limit on any *sub-account* of which I am not a *sub-account holder*.
5. I declare that:
 - (a) I have not dealt with any *security* connected with my Portfolio Loan without the Bank's consent; and
 - (b) I am not relying on any statement or representation by the Bank, its employees or its agents relating to taxation matters.
6. A fixed rate period/negotiated variable rate period/a Repayment Pause period commences on a *sub-account* on the date the Bank tells me in writing.
7. Any *annual percentage rate* which is fixed will not be varied for the fixed rate period.
8. Whenever a *sub-account* has a fixed interest rate, I cannot redraw any repayments on the *sub-account*.
9. The entire *sub-account credit limit* (less any amount the Bank agrees may remain undrawn initially and be used for capitalisation purposes) must be fully drawn within 30 days from the settlement date. Any amount which is not drawn within that period cannot be drawn and is not available on that *sub-account* for that fixed rate period.

Acceptance by Portfolio Loan Borrowers

I have received and understood "Portfolio Loan Agreement – General Terms and Conditions" brochure.

Signature of borrower 	Date
Signature of borrower 	Date
Signature of borrower 	Date
Signature of borrower 	Date

Executed by |.....|

in accordance with section 127(1) of the Corporations Act, 2001:

Signature of authorised person 	Signature of authorised person
Print name 	Print name
Print position 	Print position

and if only one person has signed, that person states that he/she signs in the capacity of sole director and sole secretary of the company.

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**Acceptance
by Portfolio
Loan
Guarantors**

I accept that my guarantee extends to any increase in the *borrowers'* obligations due to St.George accepting the *borrowers'* request.

Signature of Portfolio Loan Guarantor _____ Date _____

Name of Portfolio Loan Guarantor _____

Signature of Portfolio Loan Guarantor _____ Date _____

Name of Portfolio Loan Guarantor _____

Signature of Portfolio Loan Guarantor _____ Date _____

Name of Portfolio Loan Guarantor _____

Signature of Portfolio Loan Guarantor _____ Date _____

Name of Portfolio Loan Guarantor _____

For Company Portfolio Loan Guarantors

I accept that my guarantee extends to any increase in the *borrowers'* obligations due to St.George accepting the *borrowers'* request.

Executed by _____

in accordance with section 127(1) of the Corporations Act, 2001:

Signature of authorised person _____ Signature of authorised person _____

Print name _____ Print name _____

Print position _____ Print position _____

and if only one person has signed, that person states that he/she signs in the capacity of sole director and sole secretary of the company.

**BANK USE
ONLY**

- Complete the Form and have Customers sign
- Note Branch Name _____ Branch Number _____
- Prepared By Employee Name _____ Employee Number _____
- Fax form to 1300 307 562 (Branch Must Keep The Original – To Refax in Need)
- DO NOT SEND ORIGINAL or COPY TO LOANS ADMINISTRATION

Break costs

1. When St. George lends you money at a fixed rate for a set term, the risk associated with movements in interest rates is accepted by St. George. We then manage this risk based on the understanding that all the required repayments due over the whole of the fixed rate period will be made in full and on time. We obtain funding on this basis through transactions at wholesale market interest rates. If you make a prepayment (that is, you repay ahead of the due date or you pay an extra or higher amount) or change to another interest rate option, that will change our funding position. If wholesale market interest rates have dropped, this causes a loss to St. George. The estimated amount of this loss is passed on to you as break costs (subject to the prepayment threshold described below).
2. If a sub-account is under the fixed rate option and before the end of the fixed rate period you:
 - (a) prepay the sub-account total amount owing; or
 - (b) make prepayments on that sub-account in excess of the prepayment threshold; or
 - (c) are in default so that the sub-account total amount owing becomes immediately due for payment,
 then you must pay us the prepayment break costs that we calculate.
3. If a sub-account is under the fixed rate option and before the end of the fixed rate period you change to another interest rate option (fixed or variable), then you must pay us the switch break costs that we calculate.
4. Each of the events referred to in paragraphs 2 and 3 is a “break”.
5. This paragraph applies if you prepay less than the sub-account total amount owing.

The prepayment threshold is the maximum amount we allow you to prepay on each fixed rate sub-account in each 12 month period without charging you prepayment break costs. Your prepayment threshold is \$10,000 in each 12 month period. You will reach your prepayment threshold for a sub-account for a 12 month period once the total prepayments for the sub-account during that 12 month period reach \$10,000 or more on a day during that 12 month period. After that, each prepayment during that 12 month period will trigger a prepayment break costs calculation. A prepayment is any regular or lump sum payment of any amount in excess of your contractual obligation.

For this purpose a “12 month period” is the period from the date the fixed rate period of the sub-account starts to the first anniversary of that date and each consecutive 12 month period after that during the fixed rate period.

For example, if a sub-account has a 3 year fixed rate period and in year 1 you:

- prepaid \$9,000 in month 3;
- prepaid \$5,000 in month 8;

you would exceed your prepayment threshold by \$4000 in month 8. Therefore prepayment break costs may apply.

We do not treat payments of overdue amounts as prepayments. For example if the overdue amount of a fixed rate sub-account is \$2,000 and you pay \$7,000, then only \$5,000 is counted towards your prepayment threshold.

6. Both prepayment break costs and switch break costs are “break costs” and calculated using the break costs method described in paragraph 7.

7. In general terms you will need to pay us break costs if our current Wholesale Market Interest Rates for the part of the fixed rate period remaining after the break are lower than the Wholesale Market Interest Rates for the original fixed rate period (that is, the Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility).

The “Wholesale Market Interest Rates” are the rates at which we determine we can get fixed rate funds from the wholesale markets on the relevant day.

To work out break costs, we take into account:

- (i) the relevant Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility (the “original Wholesale Market Interest Rates”);
- (ii) the Wholesale Market Interest Rates for the part of the fixed rate period remaining on the date of the break (the “current Wholesale Market Interest Rates”);
- (iii) the difference between your annual percentage rate on the fixed rate sub-account for the fixed rate period and the original Wholesale Market Interest Rates;
- (iv) the outstanding balance on the sub-account and in the case of partial prepayments, the prepayment threshold we allow you to prepay before we impose break costs;
- (v) the number of days remaining until the end of the fixed rate period of the sub-account;
- (vi) the timing, frequency and dollar amount of payments required under the contract for the sub-account; and
- (vii) any amount of any unpaid interest, fees and charges and any default interest which was debited to your sub-account.

Our break costs formula is complex. A simplified version of it is:

Interest Rate Differential x (Multiplied by) Average Outstanding Balance x (Multiplied by) Number of Years Remaining in Fixed Term x (Multiplied by) Net Present Value Discount Factor
--

Our formula estimates our loss but may not necessarily reflect any actual transaction that we may enter into (either before or at the time of the break).

An example of the amount of break costs is set out under Fixed Rate Break Costs Example below.

FIXED RATE BREAK COSTS EXAMPLE

The following example will help you understand how the break costs formula generally works.

Say you decide to fix the interest rate on your sub-account of \$100,000 with interest only payments for 5 years with a loan term of 25 years in April 2009. Your customer fixed interest rate is 7.00% p.a. for five years (no locked rate was requested). You don’t make any prepayments. The Wholesale Market Interest Rates on the settlement date for your fixed rate period was 6.00% p.a.

You then prepay the sub-account total amount owing in full after one year on a repayment date in April 2010, (i.e. four years still remain in your fixed rate period).

If the four year Wholesale Market Interest Rates in April 2010 is 5.00% p.a. you will need to pay us break costs of approximately \$3,600.

This break costs example is based on:

Loan term	25 years (interest only for the first 5 years)
Fixed rate period	5 years
Sub-account loan amount	\$100,000
Customer rate	7.00% p.a. (no locked rate was requested)

An explanation of the terms used in our break costs formula is outlined below. Examples of these terms have also been provided.

Average outstanding balance: The average balance of the sub-account between the time of break and what the balance would have been at the expiry of the fixed rate period (assuming no prepayment).

In this example, since the repayment type is interest only, the average outstanding balance of the fixed rate sub-account is \$100,000.

Interest Rate Differential: The difference between the original Wholesale Market Interest Rates for the applicable fixed rate period and the current Wholesale Market Interest Rates for the remainder of the fixed rate period.

For example, say you prepay the sub-account total amount owing after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The Interest Rate Differential would be 1.00% (6.00% less 5.00%).

Number of Years Remaining in the Fixed Term: If you prepay the sub-account total amount owing after one year on a repayment date in April 2010, there are still 4 years remaining in your fixed rate period.

Net Present Value Discount Factor: The factor which discounts the cost incurred to the Bank spread over the remaining fixed rate period, to today's value. The formula for calculating the Net Present Value Discount Factor is as follows:

$$100.00\% - ((\text{Current Wholesale Market Interest Rates} \times \text{Number of Years Remaining in Fixed Rate Period}) \div 2)$$

For example, say you prepay the sub-account total amount owing after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The Net Present Value Discount Factor would be 90.00%.

WARNING: The example above and the simplified version of our break costs formula, are a general guide only. If you do have to pay break costs, the actual amount may be different from the amount you calculate yourself using the simplified version of our formula.

- Break costs can be quite high. We suggest you ask us for an estimate of the break costs and seek independent financial advice before you repay your sub-account early during a fixed rate period.

Our break costs formula is complex. If you would like to see a more detailed description of the formula used to work out the break costs, you can obtain from any St.George Bank branch a booklet called Things you should know about Break Costs.

Please also note that we will not pay you a benefit if the current Wholesale Market Interest Rates are higher than the original Wholesale Market Interest Rates. This is because we allow you to make prepayments up to the prepayment threshold without charging break costs.

Business Purpose Declaration



St.George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714.

I/We declare that the credit to be provided to me/us by the credit provider in connection with this

Portfolio Loan account number

Portfolio *sub-account* number*

is to be applied wholly or predominantly for;

- business purposes; or
- investment purposes other than investment in residential property

Important

You should **only** sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property

By signing this declaration you may lose your protection under the National Credit Code.

- Notes:
1. *The declaration must be signed by all the account holders.*
 2. *This declaration must be signed before entering into the credit contract.*
 3. *It must be signed separately to any other loan application or documentation.*

Signature of borrower

Date

*Name of borrower

Signature of borrower

Date

*Name of borrower

**Only the sub-account holders of this sub-account should sign this declaration.*