

Terms and Conditions

Personal Loans

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TCU Products and Services

This brochure contains the Terms and Conditions applicable to all of our Personal Loans.

This document must be read in conjunction with our Personal Loan Interest, Fees and Charges brochure and any loan contract provided to you.

TCU's BSB number is 704-062.

If you require any further information in relation to any of the details contained in this brochure please contact us by either phoning 8999 0777 or visiting your local branch.

About this Document

These Terms & Conditions help you to:

- understand how our Loans operate (including interest, arrears, Account statements etc); and
- decide whether Traditional Credit Union's Loans will meet your needs;

You should read these Terms & Conditions before making a decision to apply for a Loan with Traditional Credit Union.

Please note: by applying for a loan you agree to be bound by these Terms & Conditions.

We recommend you read this document carefully. You can download this document by visiting our website at www.tcu.com.au.

How to Contact Us

If you wish to contact us, would like to provide feedback or have a complaint please contact us by:

Phoning us: 8999 0777

Writing to us: PO Box 40425 Casuarina NT 0811

Emailing us: info@tcu.com.au

Visit a TCU branch

Visiting our Website: www.tcu.com.au

1. Codes of Practice

Customer Owned Banking Code of Practice

The Customer Owned Banking Code of Practice seeks to foster good relations between customer owned banking institutions and their customers. The Customer Owned Banking Code of Practice also seeks to promote fair and consistent treatment of customers of customer owned banking institutions by setting down formal standards of disclosure and conduct that customer owned banking institutions must comply with when dealing with their customers.

The Customer Owned Banking Code of Practice is administered by the Code Compliance Committee, an independent committee established by the Customer Owned Banking Association. Traditional Credit Union is a customer owned banking institution and is committed to the Customer Owned Banking Code of Practice.

The code contains 10 key promises:

1. We will be fair and ethical in our dealings with you;
2. We will focus on our customers;
3. We will give you clear information about our products and services;
4. We will be responsible lenders;
5. We will deliver high customer service and standards;
6. We will deal fairly with any complaints;
7. We will recognise customers' rights as owners;
8. We will comply with our legal and industry obligations;
9. We will recognise our impact on the wider community; and
10. We will support and promote the Customer Owned Banking Code of Practice

Our commitment to the Customer Owned Banking Code of Practice means that we will:

1. define standards of good practice and service;
2. disclose information that is relevant and useful to our Members;
3. clearly define the terms and conditions for all our products and services; and
4. make a simple, effective complaints handling process available to our Members.

You can obtain a copy of the Customer Owned Banking Code of Practice upon request or from our Website. The Customer Owned Banking Code of Practice applies to all our Accounts.

If you have a complaint about our compliance with the Customer Owned Banking Code of Practice you can contact:

Code Compliance Committee Mutuals
PO Box 14240
Melbourne VIC 8001
Phone: 1300 78 08 08
Fax: (03) 9613 7481
info@codecompliance.org.au

ePayments Code

We subscribe to the ePayments Code and warrant that we will comply with the ePayments Code where that Code applies to your dealings with us.

You can obtain a copy of the ePayments Code upon request or from our Website.

2. Privacy

Collection of Personal Information

We collect personal information about you for the purposes of providing our products and services to you and for processing your Payments.

We owe you a duty to keep information about you confidential and in general, we will not disclose your information to other parties. However, we can disclose information we have about you in circumstances where:

- We are required to do so in order for us to provide you with your Account or Access Facility or to carry out your instructions in relation to an Account or Access Facility.
For example, disclosure to our service providers or payment intermediaries, such as CUSCAL.
- We are compelled to do so by law.
For example, disclosure to various Government departments and agencies such as the Australian Taxation Office of the amount of interest you have earned on your Account, and disclosure to the courts under subpoena.
- It is in the public interest to do so.
For example, where a crime, fraud or misdeed is committed or suspected by us, and in our reasonable discretion, disclosure is justified.
- We are permitted by law and it is in our interest to do so.
For example, disclosure to a court in the event of legal action to which we are a party, or if we are trying to recover a debt, we may have to inform solicitors, debt collectors or credit reference agencies.
- You ask us or agree for us to do so.
For example, when you open an Account or apply for a service, you may agree to us giving a reference or passing on information to a credit agency by signing an authority allowing us to do so.

When you notify us of any changes to your personal information, you consent to us disclosing your updated personal information to the above parties.

You may have access to the personal information we hold about you at any time by asking us, or to any of the personal information held by any of the above parties by contacting them.

We must also comply with the Privacy Act which is an Act passed by the Australian Government that requires us not to disclose certain information about you unless that disclosure is allowed.

More detailed information on our privacy practices can be found in our Privacy Policy, which can be obtained from:

- any of our branches;
- by calling us on 08 8999 0777 or
- our Website.

Anti-Money Laundering (AML) and Counter Terrorism Financing Requirements

We meet the regulatory and compliance obligations of AML and Counter-Terrorism Financing laws both in Australia and overseas. These obligations mean that:

- we will not allow a person to operate any Account(s) until his or her identity has been verified in accordance with any identification procedures we deem necessary to meet our obligations. This applies equally for all Account owners and authorised Third Party Operators;
- we may be required to obtain additional information from you where required by any law in Australia or any other country and you agree to provide us with that information;
- we may be required (and you authorise us) to disclose information provided to us or any other information where required by law in Australia or any other country.

You agree that you will not initiate, engage in or effect a transaction or Payment that may breach any law in Australia or any other country. If you do so, you indemnify us against any loss or liability we may incur which arises from such transaction or Payment.

3. General Information

Changing the Conditions

TCU may change the conditions at any time. For example, we can change:

- interest rates and the way we calculate interest
- fees and charges
- when we charge or pay interest

TCU will give you the period of notice required as set down by the relevant law.

If no period of notice is needed, we can make changes immediately and you might not be told of these changes before they happen.

We can give you notice in any way permitted by law. This includes:

- advice on or with your statement
- press advertisement in local or national media
- in writing

Change of Details

You must advise us immediately if you change your phone number or address by mail, telephone, in person, email, or by fax. For changes to your name we will need documented proof of the change.

If we write to you at the last address you gave us, it is accepted that the mail is delivered and received by you.

Copies of Documents

At your request, we will send you a copy of any of the following documents relating to a product or facility you have, or have had, with us:

- loan application
- contract (including any Terms and Conditions/Fees and Charges booklet that make up part of the contract)
- security document
- statement of account
- notice previously given by your institution to the member/customer about exercising your rights (e.g. a default notice).

Lodge a Complaint and Complaints Resolution

Internal Dispute Resolution Process

Frequently, complaints are simple cases of confusion or misunderstanding which can be sorted out to everybody's satisfaction very quickly.

However, not all complaints can be dealt with quickly. Our supervisor or manager will advise you if he or she is unable to resolve your complaint by the next business day. Our aim is to have your complaint resolved within 14 days, although in more complex cases we may need up to 30 days.

If the complaint is credit related we will resolve your complaint within 21 days.

We may take more time though if there are complex circumstances or circumstances beyond our control causing a delay, or if we need more information from you. If this is the case, we will advise you in writing within 30 days of receiving your complaint (or 21 days for certain credit-related complaints) and let you know when you can expect an outcome.

If you want to make a complaint, contact us and indicate you would like to make a complaint or visit our Website. Our staff must advise you of our complaint handling process and the expected time frame for handling your complaint ("Internal Dispute Resolution Process")

External Dispute Resolution Process

If you are not satisfied with the outcome of our Internal Dispute Resolution Process or if we are not able to resolve your complaint to your satisfaction within 30 days or 21 days if the complaint is credit related, then you may escalate your complaint as below.

If your complaint relates to a breach of the Customer Owned Banking Code of Practice and you have not suffered loss or detriment, you can report it to the Compliance Manager of the Code Compliance Committee on local call: 1300 780 808.

For all other complaints, you may refer the matter to the Australian Financial Complaints Authority (AFCA):

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

Free call: 1800 931 678

Email: info@afca.org.au

4. Loans - General Information

Real Estate Loans

TCU does not offer loans for Real Estate Property.

Loan Purposes

TCU provides loans to members that are in the best interests of both the member and of the membership as a whole. In fulfilling its objectives, TCU will endeavour to assist each member seeking a loan for worthwhile purposes. Acceptable purposes for a personal loan are:

1. Vehicle purchase and repairs
2. Furniture
3. White Goods

A written quote is required from the supplier of the goods.

Loan Amounts

As a general rule a member's loan is normally limited to \$5000 inclusive of all applicable fees.

Co-Borrowers

We will not accept a co-borrower if they will not receive a benefit from the loan.

Before we accept a co-borrower we will provide them with general information regarding their liability.

Term of Loans

Loan terms are calculated up to a 2 year term.

Interest Rates

Refer to the Interest, Fees and Charges Brochure – Personal Loans for full details.

Interest is calculated daily on the outstanding loan balance, and is debited monthly on the last day of each month.

5. Eligibility

Membership

Loans will only be granted to natural persons who are members of TCU.

Savings Pattern/Deposit Required

A member will be required to save a set amount for three months by regular payments before completing an application. Withdrawals from these savings may indicate the member is unsuitable for a loan.

A 10% deposit is required to be saved before personal loans are funded.

Crediting of Income to TCU

Normally, before becoming eligible for a loan a member would need to have all their pay or benefits, direct credited to their account with TCU.

6. Loans for Motor Vehicles

Loans for motor vehicles are normally unsecured. A PPSR Vehicle Register check will be completed in all cases to ensure that the vehicle is not subject to any existing finance.

Value of the Vehicle

A Red Book check will be obtained as a guide to the value of the vehicle prior to loan approval.

Ownership

The borrower must provide TCU with a copy of the vehicle registration papers prior to TCU considering the application.

Mechanical Check

Prior to funding any vehicle loan, an independent mechanical check at the member's expense is to be performed and a copy of the report provided to TCU. If the mechanical check is unsatisfactory the loan will not proceed.

7. Loan Applications

All loan applications must be made in writing on the current version of the TCU loan application. Loan processing may commence on a faxed copy, however the original application must be held prior to disbursement of loan funds.

Information to be Provided

The minimum information to be provided prior to approval of a loan is:

- loan purpose
- household income and expenditure
- current assets and liabilities
- current loan commitments
- credit history

All information will be verified prior to any approval of loans.

Documents Required

You will be required to produce relevant documents to substantiate the information given such as:

- the 3 most recent payslips at the time of the loan application or a letter from current employer stating income;
- current Centrelink Income statement
- Statements (3 months current) from other financial institutions showing transactional and or credit history.

Capacity to Repay

TCU will assess your total commitments to ensure you have capacity to repay a loan and to ensure we are not putting you under financial strain. Income will be verified by pay slip, Centrelink confirmation or other where appropriate. We will verify the terms and length of employment by phone with the employer.

If you are currently unemployed, savings and budgeting record with TCU or other financial institutions will be taken into account.

Loan History, Credit Reference

A Credit Reference check will be obtained for all loan applicants. If a loan is declined due to an adverse Credit Check we will advise the member in writing.

8. Loan Approval

Loan Contract

You are required to read and/or be explained all details of the contract. TCU will not accept a loan contract until they are satisfied that you understand the loan contract. If deemed necessary, an interpreter will be used.

Signing

The contract will be explained before signing. You should sign the loan contract in the presence of TCU staff, where possible. The signing of the contract is to take place only if you have a clear understanding of the loan contract.

Disbursement of Funds

Loans will only be advanced to members after all TCU loan documents including the Final Assessment Notice have been correctly executed by the parties concerned.

Loan funds can only be paid to a third party or suppliers by cheque or electronic transfer.

Cash will not be given nor will transfers to your personal accounts.

Loans approved but not funded after three months will be withdrawn, if there has been no contact or other arrangements agreed upon with the loan applicant.

Right to set-off

TCU shall utilise its right to charge the shares and any credit balance of a deposit account of a member, with respect to any debt owed by the member to TCU. Accordingly, it will notify you of this right as required by legislation on all membership applications.

9. Loan Arrears

We will comply with Debt collection guidelines.

We will send a written default notice to the last address you have given us, and will give you an opportunity to pay any amount outstanding on an account with us, before we commence legal action against you.

10. Redraw

If repayments on a loan are in advance you may apply in writing to draw down part of the amount by which the loan is in advance. Approval will be at TCU's discretion and only approved if it is considered to be for an appropriate purpose and if it is believed it will not prejudice the eventual repayment of the loan

11. Case of Hardship

If you ever experience financial difficulty you should inform us promptly. The earlier you do so the sooner we may be able to assist you.

TCU will take account of circumstances of genuine hardship when dealing with borrowers. In such circumstances, TCU shall use discretion in deferring loan repayments for a period of time mutually agreeable with the members.