

The basics

How a Personal Loan Works provides a basic overview of an ANZ Personal Loan, including how fees and interest are calculated and charged. For detailed information on your ANZ Personal Loan account, please refer to your *ANZ Consumer Lending Terms and Conditions* booklet and your Letter of Offer. If you would like a copy of the booklet please call us on 13 13 14.

Setting up my personal loan

What is a variable interest rate loan?

A variable interest rate personal loan has an interest rate that may change during the loan term. Accordingly, variable interest rate personal loan repayments may change throughout the life of the loan.

With a variable interest rate loan you can make early or additional repayments without incurring any penalties. If you decide you want to access these early or additional funds at a later date, you can. You will need to be at least \$500 ahead in your payments as the minimum amount you can redraw is \$500.

What is a fixed interest rate loan?

A fixed interest rate personal loan has an interest rate that stays the same for the full loan term. Fixed interest rate personal loan repayments should not change due to interest rate changes throughout the life of the loan.

With a fixed interest rate loan you cannot pay extra and get ahead in your repayments. The repayment amount specified in your contract needs to be paid each week, fortnight or month as per the arrangement until the loan is paid in full. If additional payments are made, charges will be incurred. The repayment frequency cannot be changed during the life of the loan.

What is a drawdown?

A drawdown occurs when the loan funds are made available to you. Specifically, when we deposit the loan funds into your nominated account or process the cheque, we have 'drawn down' the loan and you may access your funds. Interest starts accruing from the time your Personal Loan is drawn down.

What is redraw?

Redraw allows you to access the additional repayments you have made (above your minimum monthly payments) on a variable interest rate loan. You will need to be at least \$500 ahead in your payments as the minimum amount you can redraw is \$500. A Redraw Fee will apply.

What is 'outstanding balance'?

Outstanding balance is the total amount you have remaining on your personal loan at a specific given time, excluding accrued interest and fees.

Fees and charges

How do I pay the Loan Approval Fee?

Once your personal loan is approved, a Loan Approval Fee will be added to the amount of your loan. For example, a \$10,000 loan with a \$125 Loan Approval Fee will become a loan for \$10,125.

How is interest calculated?

Interest is calculated on the unpaid daily balance of your loan and is charged to the loan on a monthly basis. The interest rate applied each day is equal to your annual interest rate at the time, divided by 365.

Please note: interest charged to your loan may differ each month, as it is dependent on the number of days in the month, the applicable annual interest rate and the unpaid balance of your loan.

What are 'Early Repayment Charges'?

Early Repayment Charges will be payable on a fixed interest rate personal loan if you repay the loan in full before the end

of the agreed loan term or if you make additional repayments. Full details are available in the ANZ Consumer Lending Terms and Conditions booklet.

Repayments

How is my repayment calculated?

Your repayments are calculated based on the total amount of your loan, the loan term, applicable fees and the annual interest rate. The repayment ensures that the loan is repaid in full within the agreed loan term.

When are my repayments due?

Loan repayments are established at the beginning of the loan and may be paid weekly, fortnightly or monthly on the agreed date.

How do I make repayments?

Repayments can be made via

- › Direct Loan Repayment from your ANZ account,
- › Direct Debit from your nominated bank,
- › ANZ Phone Banking,
- › ANZ Internet Banking,
- › Electronic Transfer, or by
- › Visiting an ANZ Branch on or before payment due date.

What are the cut-off times for making payments?

For a Periodical Payment from another financial institution, the payment needs to be made two (2) business days before your ANZ Personal Loan payment is due. This will ensure the payment is received by ANZ when it is due to avoid a Late Payment Fee.

For any ANZ Phone Banking or ANZ Internet Banking transaction, the payment will generally be processed to your account on the same day ANZ receives your instructions - if given before 10pm Melbourne time Monday to Friday (except National public holidays).

Details of payment cut-off times can be found on www.anz.com and in your *ANZ Consumer Lending Terms and Conditions* booklet.

Can I change the date my repayments are due on my personal loan?

If you have a variable interest rate loan, you may change the date your repayments are due at any time during the life of the loan. You must let us know at least 48 hours before your next repayment is due so that we can make the change.

If you have a fixed interest rate loan, the repayment date cannot be changed during the life of the loan. The date the loan is drawn down will generate the repayment due date.

What is a Direct Loan Repayment?

A Direct Loan Repayment is an automatic payment set up from your everyday ANZ transaction account into your Personal Loan.

A Direct Loan Repayment is the easiest way to pay your ANZ Personal Loan and is the recommended payment method.

Late payments

What happens if I pay my loan late?

You may incur a Late Payment Fee.

What is a Late Payment Fee?

The Late Payment Fee is charged on loan accounts in which the whole or any part of the loan repayment remains unpaid for 30 days or more. A fee will be charged to the customer's loan account each 30 days until the outstanding amount is repaid. Current fees and charges are available at anz.com or any ANZ branch.

How do I know if my repayment is late?

It is your responsibility to be aware of when your loan repayments are due, and ensure they are made on time.

How do I bring my loan up-to-date?

If you miss a repayment and/or, in the case of a Direct Loan Payment or Periodical Payment, have insufficient funds in your account, you will need to make a special repayment directly to the loan to bring your loan up-to-date. You can make the payment via ANZ Phone Banking, ANZ Internet Banking or by visiting any ANZ branch.

Does additional interest get charged if I miss a repayment?

Yes. Interest is calculated on the outstanding balance of your loan. If you miss a repayment on your loan, your outstanding balance does not reduce as scheduled on your original loan agreement and you may also have incurred a Late Payment Fee.

What do I do if I cannot make a payment?

Call 1800 337 919 (option 2) immediately and we will discuss the matter and see if we can come to an arrangement.

ANZ Loan protection

Can I cancel my ANZ Loan Protection?

You must notify Western QBE in writing to cancel your policy if:

- You change your mind and no longer wish to keep this insurance, or
- You pay out your loan early.

Send your notification, specifying your name, address, policy number and the account number for your loan, signed by you to:

Western QBE Insurance
PO Box 219 Parramatta NSW 2124; or
Email: anz@qbe.com

What happens when I cancel my ANZ Loan Protection?

If you are still paying your loan but have cancelled ANZ Loan Protection, your minimum loan repayment may change because the balance of your loan may also change.

If you received a discounted interest rate for including ANZ Loan Protection in your loan, your interest rate may also change. Any unused premium will be returned to your loan account, which will reduce the amount you owe.

Your loan repayments will be re-calculated on the reduced balance, the remaining loan term, applicable fees and amended annual interest rate at the time.

If I cancel my ANZ Loan Protection can I have that money?

No. The refund reduces the outstanding balance of your loan account, and is not available for withdrawal at a later date.

Closing my loan

How do I pay my loan in full?

You can obtain a payout figure from an ANZ branch or by calling 1800 801 485. Once you have the final amount, you can make the final payment via ANZ Phone Banking, ANZ Internet Banking or by visiting any ANZ branch.

It is important that the payment is for the exact amount quoted and is paid on the nominated date.

If you have ANZ Loan Protection, the payout figure provided by ANZ takes into account the ANZ Loan Protection Rebate for early cancellation.

If you require any additional information, contact us on 13 13 14 or visit any ANZ Branch where one of our friendly staff will assist you.

ANZ Loan Protection is issued by ING Life Limited ABN 33 009 657 176 (ING Life) and QBE Insurance (Australia) Ltd ABN 78 003 191 035 trading as Western QBE Insurance (Western QBE). ING Life insures the Life benefit. Western QBE insures the Disability and Involuntary Unemployment benefit. ANZ receives a commission from ING Life. ANZ recommends you read the Product Disclosure Statement for ANZ Loan Protection available by calling 13 13 14 or visiting an ANZ branch or www.anz.com before deciding to acquire or hold the product.

