

Notice for new borrowers and guarantors **(9 November 2023)**

This notice outlines changes to our Home Lending, Personal Lending, Goods Mortgage, Credit Cards, and Guarantee & Indemnity documents effective 9 November 2023.

If you haven't yet signed and returned your credit documents, then by doing so, you will agree to these terms.

If you have recently signed and returned your credit documents, you will automatically receive the benefit of the changes.

If you have any questions about these changes, give us a call on 13 14 22 (24/7), or email us at info@heritage.com.au.

It's important that you read these changes to fully understand your loan conditions. The particulars of the changes and the products to which the changes relate are set out below.

The changes outlined in Section A are changes that apply to all documents listed in this notice. The changes outlined in Sections B to E, apply to the specific documents listed in that section.

Reading this document	
Section A – General Changes	Section A1 applies to all product and security documents listed in this notice. Section A2 outlines changes to documents which apply across a range of our products: 1. Fees and Limits Guide 2. Lending Terms and Conditions 3. Heritage Credits Terms and Conditions
Section B – Credit Cards	Section A and Section B applies to credit cards
Section C – Personal Loans	Section A and Section C applies to personal loans
Section D – Home Loans	Section A and Section D applies to home loans
Section E – Guarantees	Section A and Section E applies if you are a guarantor. The terms of the loan you are guaranteeing will also be amended by Sections A and D ¹ .

Section A – General changes

A1. All documents covered by this notice

1. In any provision of a document that requires you to obtain our consent or approval, that provision is amended to read that our consent or approval will not be unreasonably withheld.
2. In any provision of a document that requires you to notify us immediately about an event, that provision is amended to read as only requiring that you promptly notify us of that event.
3. In any provision of the documents where we are required to form an opinion, exercise a discretion, make an election, make a determination or form or hold an opinion or be satisfied regarding any fact (including the form of another agreement or document), event or circumstances, we will do so acting reasonably. Where we require you to provide a document or information, that requirement is amended to read as applying to a document or information that we reasonably require.
4. To the extent any provision of the documents requires you to indemnify us or otherwise limits our liability, that obligation to indemnify us or limitation on our liability shall be limited to the extent that any default, damage or loss is caused by our fraud, negligence or wilful misconduct (including that of our officers, employees, contractors or agents).
5. In any document, where the terms purport to exclude the right for you to set-off the balances of one account against another, those provisions should read as if they also say "unless you have a right granted at law which cannot be excluded by agreement."
6. In any document where Heritage has the right to transfer, assign or otherwise deal with its rights and benefits under the document, then those provisions are amended to add "provided that you then have and may exercise the same rights against the transferee as you have against Heritage". The provisions are also amended to state the Heritage does not need your consent to do so, but we will notify you in writing as soon as reasonably practicable if it is reasonable to do so.
7. In any document where Heritage is required to send you a notice and we do so by post, the notice is taken to have been delivered 7 Business Days after posting.

¹For the avoidance of doubt, the changes outlined at D2 will not legally alter the terms of any mortgage, but we will act in a manner consistent with these changes that are to your benefit.

A2. Documents applicable across multiple products

1. Fees and Limits Guide

This document applies if you are taking out a Home Loan, Personal Loan, Credit Card or a Deposit product. The Fees and Limits Guide is amended as outlined in the Supplementary Fees and Limits Guide dated 9 November 2023, available at www.heritage.com.au/terms-conditions.

2. Lending Terms and Conditions dated 1 September 2023

This document forms part of your credit contract or Goods Mortgage if you are taking out a Home Loan, Personal Loan, or are entering into a Goods Mortgage as part of a loan agreement. This document is amended in accordance with the Supplementary Guide to Lending Terms and Conditions dated 9 November 2023, available at www.heritage.com.au/terms-conditions.

3. Heritage Credits Terms & Conditions dated 1 March 2023

The Heritage Credits Terms and Conditions is amended as outlined in the Supplement to the Heritage Credits Terms and Conditions dated 9 November 2023, available at www.heritage.com.au/terms-conditions.

Section B – Specific changes to Credit Cards

The Heritage Guide to Credit Card Products dated 1 September 2023 which forms part of that Credit Contract is amended as outlined in the Supplementary Guide to Credit Card Products dated 9 November 2023, available at www.heritage.com.au/terms-conditions

Section C – Specific changes for Personal Loan Products

Where we have issued you a Credit Contract for a personal loan, the Specific Particulars section of that document is amended so that where Heritage exercises its rights under clause 6 to change the way in which the Amount of Credit is paid, we will only do so acting reasonably and in accordance with our legitimate interests.

Section D - Home Lending Documents

D1. Credit Contract – Specific Particulars

1. Where your Specific Particulars contain a Special Condition providing us with the right to cancel a Credit Contract if a Pest Inspection report is unsatisfactory, we will only exercise that right where, acting reasonably, we determine that the report is unsatisfactory due to there being a material impact on Heritage's credit risk.
2. Where your Specific Particulars contain a provision allowing Heritage to change or withdraw a Package at any time, Heritage will only exercise that right acting reasonably and in accordance with its legitimate interests.

D2. Mortgage including the Memorandum of Standard Terms of Mortgage.

This notice will not legally alter the terms of any mortgage, but we will act in a manner consistent with these changes that are to your benefit. Where we have issued you a mortgage document as part of a Home Lending process, we will only exercise our rights in respect of that mortgage where consistent with the following changes as applied to the Memorandum of Standard Terms of Mortgage we have supplied to you:

1. The definition of Amount Owing is amended by deleting the struck through wording:
means all money which you or any Debtor (personally or as a trustee, alone or with another person) now or in the future owe or may contingently owe, whether as principal debtor or as a surety, to us (alone or with another person) ...
2. Clause 5.2 is amended by adding the underlined wording:
The mortgagor must not withhold a payment or make a deduction from a payment for any reason, including set off, defence or counterclaim, except to the extent that the mortgagor has a right of set off granted by law which cannot be excluded by agreement.

¹For the avoidance of doubt, the changes outlined at D2 will not legally alter the terms of any mortgage, but we will act in a manner consistent with these changes that are to your benefit.

3. Clause 7.2 is amended by adding the underlined wording:

We may debit to any of your accounts held with us any amount payable by you pursuant to this clause with effect from the date the cost, charge or expense is incurred by us and whether or not we have demanded payment. We will provide notice of this debit at a reasonable time after it occurs.

4. Clause 13(a) is amended by adding the underlined words at subsection (a):

upon becoming aware, notify us if there is a Contaminant on, in, under or migrating to or from the Mortgaged Property;

5. Clause 13(b) is amended by deleting the struck through words and adding the underlined words:

~~not have a Contaminant on~~ use reasonable efforts to ensure there are no Contaminants, in or under the Mortgaged Property, or allow a Contaminant to escape or migrate from or to it;

6. Clause 13(c) is amended by deleting the struck through words and adding the underlined words:

~~Immediately to the extent within your reasonable control, promptly~~ remove any Contaminant from the Mortgaged Property, minimise its impact on the Environment and make good any damage it causes;

7. Clause 14.5 is amended by deleting the struck through words and adding the underlined words:

You must notify us ~~about~~ upon becoming aware of any event which may give rise to an insurance claim in respect of the Mortgaged Property over \$10,000

8. Clause 18.3 is amended by deleting the struck through words:

You repeat each warranty and representation whenever we provide financial accommodation to you or to third parties at your request ~~and whenever any Amount Owing is paid to us.~~

9. A new clause 18.5 is added with the following wording:

You must notify us promptly if there is any material change to any of the warranties or representations you make or give in this Mortgage or an agreement covered by this Mortgage.

10. Clause 19.1 is amended by adding the underlined words:

At any reasonable time, without notice to you, we and persons authorised by us may enter and inspect the Mortgaged Property, however we must give you reasonable notice unless there is an immediate risk to our legitimate business interests which require us to immediately enter the Mortgaged Property.

11. Clause 20.1(n) is amended by deleting the struck through words:

there is an event that (by itself or with the giving of notice or passage of time) empowers us to require early payment under an Agreement Covered By This Mortgage ~~or in respect of a separate financing arrangement a Transaction Party has with us;~~

12. Clause 21.1 is deleted and replaced by the following more limited clause of default:

If you are in default under this mortgage, the full Amount Owing will become immediately due for payment (to the extent that it was not already due for payment) and we may exercise any and all of the powers given to us as mortgagee by law or under clause 22 but only:

(a) if you are in default because of clause 20.1(a) where the default is able to be remedied, we allow you at least 30 days for the default to be remedied and notify you of this time period;

(b) if you are in default because of a clause other than 20.1(a):

(1) we reasonably consider the default has had, or is likely to have, a material impact on a:

(A) a Transaction Party's ability to meet their financial obligations to us;

(B) our credit or security risk or our ability to assess either of these risks (including, without limitation, a material impact on the effectiveness, value, priority or enforceability of this mortgage); or

(C) in the case of clauses 20.1(d), 20.1(j) and 20.1(k), our legal or reputational risk; and

(2) where the default is able to be remedied, we allow at least 3 months for the default to be remedied and notify you of this time period. A shorter time period may apply in the case of a circumstance listed in paragraph 86 of the 2022 Customer Owned Banking Code of Practice.

13. Clause 22 is amended by deleting the struck through words and adding the underlined words:

Subject to any laws which cannot be excluded, when our powers under this clause become exercisable by us, ~~in addition under clause 21.1, in addition to our duty to realise the best price possible for the Mortgaged Property~~ any powers, rights or remedies conferred by law or under any Agreement Covered By This Mortgage, we may, without further notice to you and without limiting any other power:

14. Clause 29.2 is amended by adding the underlined words:

In addition to any other right of set-off we may have and in order for us to protect our legitimate business interests, if you are in default under this mortgage we may, without notice, combine, consolidate, or merge any or all of your accounts conducted with us and may set-off the Amount Owing against them, even if those accounts and the Amount Owing are not in the same currency. We may affect any currency conversion necessary or desirable for that purpose. We will notify you in writing as soon as practicable after doing so.

15. Clauses 30, 34 and 34A are deleted in their entirety and will not be relied upon.

16. Clause 48.4(a) is amended by deleting the struck through words:

post, it will be deemed received ~~three Business Days after posting (or seven Business Days after posting if sent to or from a place outside Australia)~~;

17. Clause 56.4 is amended by adding the underlined words:

We and persons authorised by us may enter the Mortgaged Property to inspect the Works. In doing so, we must use best efforts to minimise disruption and to comply with site safety requirements. We will give you reasonable notice if we require access to the Mortgaged Property under this clause, but you must give us access immediately if we reasonably require it.

Section E – Guarantee & Indemnity

The terms of any Guarantee & Indemnity that you may be providing are amended in accordance with the changes outlined in Section A1 above. The terms of any home loan in relation to which you are providing a guarantee and indemnity, will also be amended as outlined at Section D² above.

The following specific changes also apply to the General Conditions clauses in the Guarantee and Indemnity:

1. Where we exercise our rights to treat your accounts as one account under clause 10, we will notify you if we exercise that right.
2. Clause 17 "Heritage's certificates" is deleted in its entirety and will not be relied upon.

²For the avoidance of doubt, the changes outlined at D2 will not legally alter the terms of any mortgage, but we will act in a manner consistent with these changes that are to your benefit.