

Supplementary PC Premium Home Package Terms and Conditions

This Supplementary PC Premium Home Package was prepared on 21 April and is required to be read together with Police Credit's PC Premium Home Package Terms and Conditions identified as 02.10 1102pc.

Please note that from 17 February 2010, in clause 11.5 Wealth Management of the Package Benefits on page 11, the minimum deposit for a term deposit is \$5,000.

Product Issuer:

Police Association Credit Co-operative Limited

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PC Premium Home Package Terms and Conditions



PC Premium Home Package offers members savings and benefits. Available to both homeowners and investors, the PC Premium Home Package gives you discounts on your home/ investment insurance premiums, higher interest rates on term deposits as well as other savings benefits. The more products you have with Police Credit, the more you will save.

Important Information – Things you should know about your proposed PC Premium Home Package

If you wish to take up the PC Premium Home Package, you must advise Police Credit, meet the mandatory account criteria, pay the annual fee and accept the terms and conditions.

If you wish to take up the PC Premium Home Package benefits, you must advise Police Credit that you are eligible for the Package benefits applying to the product or service and request that they be applied.

PC Premium Home Package benefits cannot be taken in conjunction with, or in addition to other special offers, negotiated rates or discounts offered by Police Credit.

It is essential that all loans and other products under the PC Premium Home Package must be held in the same name or names as the Eligible Loan Account/s, unless otherwise agreed by Police Credit.

Loan and credit card applications are subject to Police Credit's normal credit approval criteria.

Police Credit reserves the right to review, amend or withdraw the Package and its benefit components at any time, including the annual Package fee.

The information in this Conditions of Use is current as at 9 March 2010.

The PC Premium Home Package terms and conditions follow below.

These terms and conditions should be read in conjunction with the terms and conditions of the eligible package products you acquire and our General Information, Terms and Conditions. These terms and conditions do not replace or vary any other terms and conditions that apply to your accounts or services that form part of this Package. If the terms and conditions applying to any Police Credit account or service forming part of this package are inconsistent with these terms and conditions, then these terms and

conditions will prevail.

1. Defined Terms

Annual Payment Date: means each anniversary of the first business day of the month following the day upon which your initial PC Premium Home Package fee was paid.

Eligible Product or Service: Eligible Credit Card Account, Eligible Loan Account, Eligible Savings Account, PC Planning initial financial planning consultation, PC Planning initial personal risk assessment, Eligible Insurance Product;

Eligible Credit Card Account: Police Credit Gold credit card account for which you are the account holder;

Eligible Insurance Product: Home Building, Home Contents, Valuables and Motor insurance policy taken out through PC Insurance Agency for which you are the policy holder;

Eligible Loan Account: any of the Police Credit account/s :
→ Standard Variable Rate Home Loan,
→ Line of Credit Home Loan
→ Fixed Rate Home Loan and
→ Interest only Home Loan;

Eligible Savings Account: Police Credit Transaction Account for which you are the account holder;

Mandatory Accounts: Eligible Loan Account plus either a Police Credit credit card account for which you are the account holder and is operated only for your personal use or an Eligible Savings Account

Nominated Transaction Account: an eligible Savings Account or Eligible Credit Card Account;

Package: PC Premium Home Package

PC Insurance Agency: the registered business of Police Association Credit Co-operative Limited for its insurance services

PC Planning: the registered business of Police Association Credit Co-operative Limited for its financial planning services;

PC Premium Package benefit: any benefit or discount described in clause 11 of these terms and conditions

Total Home Lending Balance: the sum of the account balance of home loan accounts and the approved credit limit of Line of Credit account/s that you, as the borrower, have with Police Credit.

Transaction Account: a Police Credit At Call savings account.

We / Credit Union / Police Credit: Police Association Credit Co-operative Limited ABN 33 087 651 661 AFSL 240293 and

any successor at law and any other grammatical form of the word 'we' has a corresponding meaning;

You / Your: the member, borrower or any person authorised to act on behalf of the members and any other grammatical form of the word has a corresponding meaning.

2. Mandatory Criteria

To qualify for the PC Premium Home Package and receive the package's benefits you must meet the following mandatory criteria:

→ Be a Police Credit Member;

AND

→ Be a borrower or joint borrower utilising one of the following Mandatory Loan Accounts and with a minimum total borrowing of \$250,000 with Police Credit:

- Standard Variable Rate Home Loan;
- Line Of Credit Home Loan;
- Fixed Rate Home Loan;
- Interest Only Home Loan;

AND

- be the accountholder or joint accountholder of an Eligible Savings Account or the accountholder of an Eligible Credit Card Account.

PC Discount Variable Home Loans during the discounted period, Car and Personal Loans do not qualify as Mandatory Accounts.

The Package Benefits are not available in conjunction with any other special offer or package.

Police Credit is not obliged to provide you with any Package Benefit unless:

- you have accepted these terms and conditions
- you pay the Package's annual fee or other fees and charges that may be applied to the Package notice of which has been given to you;
- you maintain a Mandatory Account.

3. Commencement

PC Premium Home Package will commence and benefits apply from the date

- your new home loan is approved by Police Credit; or
- your request to convert to the PC Premium Home Package is approved.

Where the PC Premium Home Package Member

- holds an existing fixed term deposit, interest rate benefits cannot commence until the term deposit is rolled over, i.e. a new term (deposit) commences;
- has an existing Eligible Insurance Product the benefit cannot commence until that policy is renewed; and/or
- is the borrower on a fixed interest rate home loan, interest rate discounts cannot commence until the a new fixed interest rate period commences.

Benefits are available for the life of the Package on the basis that

- you are not in default in any of your home loans;
- you have paid the annual fee and any other applicable fees and charges; and
- you maintain the Mandatory Accounts.

Police Credit may at its sole discretion vary or remove any or all of the benefits provided that Police Credit gives to you written notice of such withdrawal or variation which shall not take effect until the next Annual Payment Date.

4. Acceptance

You accept these terms and conditions by indicating signing the Home Loan Application Form or PC Premium Home Package Application Form if you have an existing Police Credit Eligible Loan Account.

5. Annual PC Premium Home Package Fee

In order to be eligible for the PC Premium Home Package, you must pay the annual fee.

The annual fee is as disclosed in our Acceptance Advice to you and in Police Credit's Fees and Charges booklet a copy of which has been provided to you.

The fee will be debited from your Nominated Transaction Account

- Upon settlement of your Eligible Loan Account; or
- On approval of your application for the PC Premium Home Package if you have an existing Eligible Loan Account; and
- Upon acceptance of these terms and conditions.

The fee will then be drawn from your Nominated Transaction Account each year on the Annual Payment Date.

If on settlement of a new Eligible Loan Account the annual fee is not paid all benefits shall cease.

The annual fee paid is not refundable in full nor on a pro

rata basis.

6. Government Fees, Taxes and Charges

Police Credit reserves the right to pass on any government taxes, duties fees and charges that are imposed on these terms and conditions by government or any regulatory authority. Police Credit is irrevocably authorised to debit your nominated transaction account with those fees, charges, duties or taxes.

7. Cancellation of PC Premium Home Package

Police Credit may cancel the PC Premium Home Package by giving you written notice if any of the following events occur:

- you do not hold all the Eligible Accounts;
- you are in default under any loan agreement or Credit Card agreement which you have with Police Credit;
- you fail to pay the PC Premium Home Package Fee, or any other amount payable under these terms and conditions, when due.

You may cancel your PC Premium Home Package, informing Police Credit in writing or by contacting Member Response on 13 63 73.

In canceling your PC Premium Home Package you must give Police Credit at least seven (7) days notice for the cancellation to take effect.

Once the PC Premium Home Package is cancelled you will no longer be eligible for any future benefits associated with the Package.

The annual Package fee paid will not be refundable.

Police Credit also has the right to withdraw the Package from availability.

8. Changes to Terms and Conditions

Police Credit may change these terms and conditions and introduce or vary fees and charges that apply to the Package from time to time. If we do so we will give you notice as specified under the industry code of practice.

Police Credit will notify you of any changes to the terms and conditions of the Package through any of the following

- Notice on or sent with account statements;
- Notification by direct letter or other direct communication;
- Notification by electronic means;

- Announcement via our newsletter or website;
- Notices in branches; or
- Press advertisements.

Police Credit is entitled to change the following:

- Package Benefits, including interest rate discounts, premium discounts;
- the amount, charging date, or calculation of any fee payable under these terms and conditions; and
- the eligibility criteria for the Police Credit Premium Home Package and/or Package benefits.

Police Credit can introduce new fees or charges.

9. Codes of Practice

Police Credit warrants that it will comply with the requirements of the Mutual Banking Code of Practice as it applies to the Package and these terms and conditions.

For more information about the Mutual Banking Code of Practice call Member Response on 13 63 73 or via the website www.policecredit.com.au.

10. Disputes

Police Credit has established an internal dispute resolution procedure to resolve any disputes a member, account holder may have with Police Credit. Police Credit also has access to an external and impartial system to enable a member to resolve any dispute that cannot be satisfactorily dealt with by Police Credit's internal procedures. Details of this external system and our internal dispute resolution procedure are detailed in our Complaints and Dispute Resolution Guide available on our website or on request.

11. Package Benefits

You will be eligible to receive a number of benefits as a PC Premium Home Package member as soon as Police Credit approves your application. These benefits are only available on products or services listed as Eligible Product or Service.

To receive the Package Benefit, you must ensure you advise Police Credit of your eligibility when you take up the Eligible Product or Service.

The terms and conditions or conditions of use and fees and charges applying to the product or service that becomes an Eligible Product or Service continue to apply to the product or service. Full details of each product or service's terms and conditions are available on request.

The Package Benefit may be an interest rate discount and/or waived costs on credit products, interest rate reward on wealth management products, discount on some insurance premiums and discount on PC Planning initial consultation services.

11.1 Home Loan Benefits

Discount Criteria

The following interest rate discounts are available in the PC Premium Home Package.

Standard Variable Home Loan

0.25% discount pa on Total Home/Investment Lending of \$250,000 and more

Interest Only Home Loan

0.25% discount pa on Total Home/Investment Lending of \$250,000 and more

Line of Credit

0.25% discount pa on Line of Credit Lending of \$250,000 and more

Fixed Rate Home Loans

0.10% discount pa on fixed rate home loans*

* The interest rate discount will apply only upon commencement of a new fixed interest rate period, i.e. new fixed interest rate loan or existing fixed interest rate where a new fixed interest rate period commences.

The discount applicable is dependent on the balance of your total liability at the time of your application for the PC Premium Home Package. Your total liability being the combined sum of all Eligible Loan Accounts.

The discount will be reassessed if

- you repay one Eligible Loan Account and replace with another Eligible Loan Account changing your total liability, or
- you acquire another Eligible Loan Account which increases your total liability.

The PC Premium Home Package discounts are not available on any other offer with Police Credit.

Subject to Police Credit's right to vary or withdraw benefits the PC Premium Home Package discounts will continue for the life of your PC Premium Home Package. Should your Package cease, your interest rates will return to the standard applicable rate for that loan product, with

the exception of the Fixed Rate Home / Investment Loan where the discounted rate will continue until the end of the current contracted fixed period.

PC Discount Variable Home Loan accounts are ineligible for the interest rate discount during the account's discount period. Car and Personal Loans are not Eligible Loan Accounts.

11.2 Waived fees and charges

The following fees and charges are waived for PC Premium Home Package Members

- **Establishment Fee**

PC's Establishment Fee is payable on all home loans approved by Police Credit. As shown in the Fees and Charges booklet, this fee may vary depending on the security and type of loan (new loan or top-up). The Establishment Fee covers the preparation of your Line of Credit home or investment home loan and incorporates one valuation, Torrens title search (one), mortgage and other documentation preparation costs.

The Establishment Fee for any home loan that is part of the PC Premium Home Package is waived.

- **Switching fee, where applicable.**

PC's Switching Fee is applied when we agree to your request to change the type of your interest rate. e.g. for home loans changing from:

- *Standard Variable to Fixed*
- *Introductory Rate or Discount variable (reverting to Standard Variable) to Fixed*
- *Interest Only Variable to Interest Only Fixed*
- *During the fixed term of Introductory rate to either Standard Variable or Fixed*

Important Note : Other fees and charges and break costs such as Deferred Establishment Fee and Break Costs applicable to fixed interest rate contracts and as disclosed in the Offer and Loan Contracts continue to apply.

- **Three standard property valuations are waived per year on each Package.** *Standard property valuations are defined as those within the Metropolitan area and major regional centres and where the value is under \$1million.*

11.3 Credit Card Benefits

PC Visa Gold Credit Card members pay an annual fee to partake in the PC Cash Back Rewards program and receive

international travel insurance.

The PC Visa Gold Credit Card annual fee will be waived as long as you remain eligible to receive PC Premium Home Package benefits.

The PC Visa Gold Credit Card account must be held in the your name, that is as the borrower named on the Offer and Loan Contract of the Eligible Loan Account. If the Eligible Loan Account is in joint names, only one PC Visa Gold Credit Card account will be eligible for a Package Benefit.

Package Members who apply for a PC Visa Gold Credit Card must meet Police Credit's usual credit approval criteria. All PC Visa Gold Credit Card accounts are in the name of one person only, with the option to have an additional cardholder.

Police Credit reserves the right to vary or remove Credit Card Package Benefits.

11.4 Insurance Benefits

PC Insurance Agency can assist members with insurance policies to suit their particular requirements – home building, home contents and valuables and/or motor insurance.

PC Insurance Agency can help you find the coverage that best suits you. As a PC Premium Home Package Member you are entitled to receive a premium discount of 10% on all these insurance products renewed or taken out after you become a PC Premium Home Package Member and for the life of your PC Premium Home Package.

Should you cancel the Package, discount will remain on the paid premium with the ensuing premium returning to its full cost at renewal.

This Package Benefit is available to any or all parties named on the Offer and Loan Contract of the Eligible Loan Account as a borrower.

Police Credit Home, Contents and Valuables Insurance

You can benefit from a 10% discount of your annual insurance premium on home, contents and valuables insurance while you are a PC Premium Home Package Member. This offer is not available in conjunction with any other Police Credit Insurance package or promotional discount or offer.

Police Credit Motor Vehicle Insurance

As a PC Premium Home Package Member, you can benefit from a 10% discount of your annual premium on your comprehensive, third party and/or third party fire and theft motor vehicle insurance. This offer is not available in conjunction with any other Police Credit Insurance package or promotional discount or offer.

11.5 Wealth Management

Police Credit provides term deposit accounts where the term of lodgement is for three months to five years.

A minimum deposit of \$2,000 is required and interest is calculated daily and paid annually and/or on maturity. Terms and conditions for PC's term deposits are documented within our General Information, Terms and Conditions booklet.

As a PC Premium Home Package Member you can receive a higher interest rate on a new term deposit or existing term deposit rolled over for a further term.

Term Deposits

0.25% additional interest pa on term deposits under \$100,000

0.10% additional interest pa on term deposits \$100,000 or more

This Package Benefit is available to any or all parties named on the Offer and Loan Contract of the Eligible Loan Account as a borrower.

This offer is not available in conjunction with any other Police Credit Wealth Management package or promotional benefit or special offer.

Subject to Police Credit's right to vary or withdraw benefits the term deposit PC Premium Home Package benefits will continue for the life of your PC Premium Home Package. Should your Package cease, your benefits will continue until the end of the current contracted fixed period of the term deposit.

11.6 PC Planning

Police Credit's financial planning services give you an opportunity to meet one-on-one with an adviser who will help you prioritise your financial concerns and develop a strategy to meet your financial goals.

PC Planning's advisers provide advice on a range of

investment and personal risk insurance options and products will only be recommended to you after consideration of their suitability to your specific objectives and current financial situation and needs.

Issues such as security, eligibility for government pensions or allowances, ease of management and flexibility of operation are discussed in depth. After careful consideration, the result is a comprehensive financial plan (Statement of Advice) that focuses on your needs. The amount of time it takes to prepare your Statement of Advice will depend on the complexity of your situation and of the strategies and recommendations provided and as such the cost of the Statement of Advice can also vary – you should refer to the Financial Services Guide for cost details.

To offset this cost, as a PC Premium Home Package Member you are eligible to receive a free initial consultation and personal risk assessment from PC Planning. And in subsequent years, whilst you remain a Premium Package Member, you are eligible for a free initial consultation for any other party to the loan or a nominated family member.

This offer is not available in conjunction with any other PC Planning package or promotional discount or offer.

Disclosure

PC Insurance Agency and PC Planning are registered trading names of Police Association Credit Co-operative Limited ABN 33 087 651 661 AFSL 240293 (Police Credit) Any advice given is general and before acting on the advice you should consider whether the advice is appropriate for you. Before you make any decision to acquire any non-basic deposit account (term deposit) or general insurance product you should obtain and consider the relevant Product Disclosure Statement, available from any branch of Police Credit or by calling 13 63 73 or via the website www.policecredit.com.au. Police Credit provides general insurance products as an agent for Allianz Australia Police Credit Australia Insurance Limited ABN 15 000 122 850 AFSL 234708 and CGU Insurance Limited ABN 27 004 478 971 AFSL 238291. In arranging this insurance, Police Credit acts as an agent for Allianz and CGU not as your agent. Our financial planners are members of the Financial Planning Association of Australia and are representatives of the Police Association Credit Co-operative Limited. Fees and charges apply. Information on our interest rates, terms and conditions and fees and Charges are available on application or request.

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