

CUA Rate Breaker Package Terms & Conditions

Effective 1 October 2019

cua

BANKING | INSURANCE

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1. Acceptance of terms and conditions

You become a CUA Rate Breaker Package (referred to as the Package) customer when CUA has accepted and unconditionally approved your Package home loan application and the Package home loan is issued.

2. Eligibility for the CUA Rate Breaker Package

At time of application:

- you must have a total combined mortgage lending of \$250,000 or more with CUA. Mortgage lending includes all retail term home loans and Equity Line of Credit (and excludes commercial loans, overdrafts, and personal loans),
- you must be a natural person and a CUA member,
- you must maintain an everyday or savings account with CUA, which is linked to the Package home loan(s) for the life of the Package,
- you must pay the Annual Package Fee in accordance with these Terms and Conditions.

3. Entitlement to benefits

The Package benefits are only applied at your request.

You become eligible for the Package benefits once the first loan under the Package is funded. If you decide to not proceed with the Package, any established benefits will be removed.

4. Package benefits

4.1 HOME LOAN

As a Package customer, you're able to receive two types of benefits on eligible home loan products:

1. Preferential interest rates
2. Exemptions from certain fees and charges

Preferential interest rates

The home loans able to receive the preferential interest rates include:

- CUA Rate Breaker Variable Rate Home Loan – Owner Occupied
- CUA Rate Breaker Variable Rate Home Loan – Investment

The following rules will apply to eligible home loans under the Package:

- a) An interest rate discount, as per your Loan Contract, to be applied to the reference rate.
- b) The reference rate will be the blended average of the advertised standard variable home loan rates of the 'big 4' banks - Westpac, Commonwealth Bank (CBA), National Australia Bank (NAB), and ANZ.
- c) A minimum floor percentage rate, as per your Loan Contract, will be applied. This means that if the average advertised standard variable rates of the four major banks, less the interest discount, falls below this minimum, the interest rate on the Package home loan(s) will remain at the floor percentage rate.
- d) CUA may vary the interest discount percentage rate and the minimum floor percentage rate at any time and will provide you with appropriate notification of any changes.
- e) The four advertised standard variable home loan rates used to determine the reference rate are:

1. Westpac	Rocket Repay Home Loan
2. CBA	Standard Variable Rate Home Loan
3. NAB	NAB Tailored Home Loan
4. ANZ	ANZ Standard Variable Rate Home Loan

- f) These four standard variable home loan rates used to determine the reference rate are subject to change and are dependent on the four banks maintaining these home loan products. If for whatever reason, one or more of the above standard variable home loan products are no longer offered or advertised by the respective Bank(s), the next best alternative or replacement for that Bank(s), as determined by CUA, will be used to calculate the reference rate.
- g) CUA may vary the four nominated bank home loan products used to determine the reference rate linked to the Package. In addition, CUA may also change the day of the month that the reference rate is determined.
- h) There is no limit to the number of home loans under a Package that may receive the interest rate discount, provided the borrowers are the same across all the home loans, and provided the total loan balance under the Package does not exceed \$1,500,000. In the case of multiple borrowers, all subsequent home loans under the Package need to match the borrowers of the first loan.

- i) You are only permitted to have one Package at any point in time. For example, if you choose to open a Package in joint or multiple borrower names you are unable to open a further Package in just your name.
- j) Frequency of reviewing the reference rate:

The average advertised standard variable home loan rates of the 'big 4' banks (the reference rate) will be determined on the second Tuesday of every month. If the second Tuesday of the month falls on a public holiday, the reference rate will be determined on the next Queensland recognised business day.

Where there is a change to the reference rate, and therefore a change to the interest rate applied to home loans under the Package, the interest rate change will be applied on the third Tuesday of the month.

You will be advised of a change in interest rate and any associated repayment change either in writing or by advertisement in the national or local media.

If there is no change to the reference rate from the previous month, then no change will be made to the Package home loan interest rate or repayment.

Exemptions from certain fees and charges

You are not required to pay any new home loan Establishment Fee or top-up home loan Establishment Fee on eligible home loans under the Package.

If you've already paid any Establishment Fees before becoming a Package customer, these will not be reimbursed.

CUA Rate Breaker Package customers are entitled to one free valuation for the security linked to the Rate Breaker Home Loan under the CUA Rate Breaker Package product rules. Once customers have received this valuation fee waiver benefit under the Package, any future valuations (either on existing or future Package eligible home loans) will be charged to customers at CUA's standard cost.

If you've already paid any valuation fees before becoming a Package customer, these will not be reimbursed.

4.2 EVERYDAY BANKING

As a Package customer you may receive exemptions from certain day-to-day banking fees and charges on the following products and services:

1. An eligible CUA everyday account
2. An eligible CUA MasterCard

Everyday accounts

As a Package customer, you may nominate an everyday account to receive exemptions from certain day-to-day banking fees and charges.

If your nominated everyday account is a CUA Everyday Account, CUA Everyday Youth Account, CUA Everyday 55+ Account, CUA Everyday 50+ Account or CUA Everyday Snap Account, you will be subject to the standard fees for these products as outlined in the Schedule of Fees Accounts and Access Facilities brochure.

As a Package customer, if your nominated everyday account is a CUA Prime Access Account, CUA Freedom Plus Account, CUA Platinum Plus Account or CUA Special Purpose Account, then you will receive unlimited fee-free withdrawal transactions each month on this linked account. Please see below for eligible withdrawal transactions.

The Package benefit of unlimited fee-free withdrawal transactions will be applied to your nominated CUA Prime Access Account, CUA Freedom Plus Account, CUA Platinum Plus Account or CUA Special Purpose Account on the first day of the month following the settlement of the first Package home loan.

Fee-free withdrawal transactions are limited to the following:

- CUA ATM withdrawals
- EFTPOS transactions
- Member cheque withdrawals
- Staff assisted transfer fee
- Cash withdrawals at CUA branches.

Full details of the fees and charges are available in our Schedule of Fees Accounts and Access Facilities brochure.

Unless you advise otherwise, CUA will apply the fee-free withdrawal transactions to the CUA Prime Access Account, CUA Freedom Plus Account, CUA Platinum Plus Account or CUA Special Purpose Account nominated under the Package.

The owners of the everyday account nominated under the Package must be the same as, or a subset of, the borrowers listed on the home loan(s) under the Package.

The CUA Prime Access Account, CUA Freedom Plus Account, CUA Platinum Plus Account or CUA Special Purpose Account that receives the unlimited fee-free withdrawal transactions does not need to be the nominated mortgage offset account linked to a home loan under the

Package; nor does it have to be the nominated account which is to be linked to the Package loan(s) for the life of the loan.

CUA Platinum Credit Card

As a Package customer, you will receive all of the benefits of a CUA Platinum Credit Card, along with the benefit of no annual fee on the Platinum Credit Card (“Credit Card Annual Fee Waiver”). This Credit Card Annual Fee Waiver is only available to individuals who use the credit card for personal, domestic or household purposes (excludes companies, businesses and Trusts for example).

You may receive this Credit Card Annual Fee Waiver on one CUA Platinum Credit Card once you have received conditional approval on a Package home loan and do not have to wait until the settlement of that home loan.

You may only include one CUA Platinum Credit Card under the Package to receive the Credit Card Annual Fee Waiver and the CUA Platinum Credit Card must be in the name of one of the borrowers on the Package home loan.

Any application for a CUA Platinum Credit Card will be subject to CUA's standard credit card assessment criteria and the CUA Platinum Credit Card fees, charges, terms and conditions otherwise apply.

The Credit Card Annual Fee Waiver will only apply to your CUA Platinum Credit Card if you have requested the credit card to form part of your Package.

If you've already paid any annual credit card fees before becoming a Package customer, these will not be reimbursed. However, any future annual CUA Platinum Credit Card fees will be waived as part of the Package benefits going forward.

4.3 GENERAL INSURANCE

CUA promotes and distributes general insurance products on behalf of insurance providers with whom it has a contractual arrangement. These insurance providers may change from time to time.

As a Package customer, when you arrange insurance through CUA, you will receive the following benefits:

- (a) home and contents insurance - up to a 10%* discount on premium rates
- (b) landlord insurance - up to a 10%* discount on premium rates
- (c) car insurance - up to a 5%* discount on premium rates

*Application of discount subject to minimum premiums and rounding. In some instances this may reduce the extent to which the discount is applied. In addition, the discount is applied to the premium before application of fees, charges and taxes that are included in the total premium amount paid by you.

The above discounts are an ongoing benefit and will continue to be applied while you remain a Package customer and the policy is in place. Please note the policyholder(s) must be the same as, or a subset of, the borrowers listed on the Package home loan(s).

The discounted home and contents premium benefit under the Package is applicable only where the policy is against your primary place of residence.

If you have an existing home and contents, landlord or car insurance policy arranged through CUA prior to becoming a Package customer, and you ask us to include the policy under the Package, the discount will be applied at policy renewal and will take into account standard annual premium increases that may be applied by the insurance provider.

Should you cancel or pay out your home loan(s) under the Package you will no longer be considered a Package customer and the discounted premium benefit on your home and contents, landlord or car insurance will be removed at the next policy renewal.

Discounts on general insurance products may not be applied to any flood component of the premium (if applicable).

4.4 CUA HEALTH INSURANCE

As a Package customer, when you purchase health insurance from CUA Health, you will receive one month free on your premium each year you hold any CUA Health policy.

The premium benefit under the Package is applicable only where the policy is against all or a subset of the borrowers listed on the Package home loan(s).

This is an ongoing benefit provided in August each year to all Package customers with a CUA Health insurance policy as at the start of each August. Should you cancel or pay out your home loan(s) under the Package you will no longer be considered a Package customer and the benefit associated with any CUA Health Insurance policy will be removed.

5. Cancellation of the CUA Rate Breaker Package

The Package benefits will be cancelled within 30 days of the last loan under the Package being repaid or cancelled.

Cancelled by us:

CUA may cancel your Package at any time, including:

- 90 days after you fail to pay the Annual Package Fee
- if you breach these Package Terms and Conditions or the terms and conditions applicable to the Package home loan

Cancelled by you:

You may cancel your Package at any time by notifying CUA of your request to repay the Package home loan(s) or switch out of the Package to another CUA home loan product.

On cancellation of the Package, any benefits that have been applied to products under the Package will be removed and the accounts will be conducted on the terms that then apply where Package benefits are not applicable.

If, after applying for a Package, you choose not to proceed with the Package home loan and the loan does not settle, any benefits applied across the different products under the Package will be revoked.

6. Fees and charges

Your nominated CUA deposit account linked to your Package home loan(s) will be charged the Annual Package Fee. In the case of multiple home loans under the Package, all loans under the Package must be linked to the same CUA deposit account.

An Annual Package Fee (as disclosed in your Loan Contract) is payable annually on the 15th of August.

You will be charged the first Package fee on settlement of your first home loan under the Package. This will be calculated on a daily pro-rata basis from the date the first Package home loan is issued until 15th of August.

The Annual Package Fee is not debited to the loan. The first pro-rata Annual Package Fee will be automatically debited to your nominated CUA deposit account upon settlement of the Package home loan or on the date you

switch an existing home loan to the Package. In the case of progressive draw downs and construction loans, the first Annual Package Fee will be charged on the date of the first draw down, with every subsequent Annual Package Fee debited annually thereafter on the 15th of August, irrespective of whether the loan is fully drawn.

Every subsequent Annual Package Fee will be debited annually thereafter on the 15th of August to the nominated CUA deposit account nominated under the Package (also known as the Package fee account). If you become a Package customer due to switching an existing CUA home loan into the Package, the first Annual Package Fee will be charged on the switch date. This will also be calculated on a daily pro-rata basis depending on the switch date, with every subsequent Annual Package Fee debited annually on the 15th of August.

As a Package customer, you authorise CUA to debit your CUA deposit account nominated under the Package on loan settlement and with each subsequent Annual Package fee.

Only one Annual Package Fee will be debited to your nominated deposit account irrespective of the number of home loans you have under the Package; and will continue to be payable until the last home loan under the Package is repaid or the Package is cancelled. You must ensure at all times that there are sufficient funds in the CUA deposit account nominated under the Package to pay the Annual Package Fee. If you maintain insufficient funds in your nominated account the debiting of the Annual Package Fee to that account will result in an unauthorised overdrawn balance which you must rectify.

If you fail to rectify (in full) any unauthorised overdrawn balance for a period of 90 days, CUA may cancel your Package and switch each home loan under the Package to the CUA Standard Variable Rate Home Loan.

7. Changes to the Package

CUA may vary the Package benefits at any time.

If CUA materially reduces the overall Package benefits, you may request to repay or switch your Package home loan(s) and CUA will provide you with a pro-rata refund of your Annual Package Fee. We will not otherwise refund your Annual Package Fee if you cancel your Package or a Package benefit is removed because of a breach by you of these Terms and Conditions or the terms and conditions applicable to the Package home loan.

CUA may vary the Annual Package Fee.

We will notify you of changes as follows:

- 30 days prior notice to an increase in the Annual Package Fee
- 30 days prior notice to any change to Package benefits

8. Contacting CUA

Call **133 282**

Drop into your local CUA branch

Visit **cua.com.au**

Or writing to us at Credit Union Australia Limited,
GPO Box 100, Brisbane QLD 4001

For more information:

Call **133 282**

Visit **cua.com.au**

Drop into your local branch



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