

Summary of the key terms of your Transition Loan Agreement

Introduction

This is a summary of the key terms of your Transition Loan Agreement.

Your Transition Loan Agreement is made up of:

- your Loan Schedule, which sets out specific information about your loan such as loan amount, loan term, repayment requirements and things we require before we will provide you with the loan; and
- the General Lending Terms and Conditions.

This document is a summary only of your loan. It does not replace your Transition Loan Agreement, nor does it cover all of your obligations under the loan.

You should carefully review your Loan Schedule and the General Lending Terms and Conditions and any other document we provide in connection with your loan.

Key things you should know about your loan

Category	Summary
Facility limit	This is the amount we agree to lend you. It cannot exceed the amount of land transfer duty (stamp duty) that is payable in respect of the purchase of the eligible property.
Purpose of loan	You can only use the loan to pay your land transfer duty in connection with the relevant property.
How long do you have to use the loan	You need to use your loan within three months of the offer date set out in the Loan Schedule. If you do not, we can cancel the loan facility.
Facility term	Your loan will be for 10 years.
Fixed interest rate	You will be provided with an indicative interest rate when you apply for a loan. We will tell you the final interest rate on the day the purchase of the relevant property settles.
Repayments	<p>You have to make 10 equal repayments. Each repayment will be due on the anniversary of the loan being used. Your repayments include principal and interest.</p> <p>Early and additional payments</p> <p>You can repay all or part of your loan early, subject to a minimum payment amount of \$10,000. However, you need to tell us if you are going to do this. These repayments may attract break costs or break gains, which we will notify you of before your payment.</p> <p>Mandatory repayments</p> <p>There may be times when you need to pay us all or part of your loan early. If you receive any refund in duty or insurance or certain compensation proceeds in respect of the relevant property, those amounts must be applied to repay the loan. Once you have paid us these amounts, we will adjust your repayments.</p>
Conditions to us providing you with the loan	<p>Your loan will only be made available at settlement of the purchase of the relevant property. Before then, we will also need to be satisfied of certain things and you will need to provide us with certain documents and information. This includes:</p> <ul style="list-style-type: none"> • your signed Loan Schedule; • evidence that the relevant property is an eligible property, and you are an eligible applicant; • the sale documents relating to your purchase of the relevant property; and • evidence that you have received credit approval from an approved lender for a loan to acquire the eligible property.

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Fees and charges	Fees and charges may be payable in connection with your loan. Applicable fees and charges, their amounts and the times you have to pay them are set out at https://www.tcv.vic.gov.au/property-tax-reform/fees .
Other amounts you may have to pay us	You may also have to pay us other amounts under the Transition Loan Agreement. For example, you have to indemnify us against loss we may incur if there is a default or you do not comply with your obligations under the Transition Loan Agreement.
Security for your loan	To secure your obligations under the Transition Loan Agreement, we will have a statutory charge over the relevant property.
Representations	When you enter into your loan, and until you repay your loan, you make continuing representations and warranties to us about certain matters, including: <ul style="list-style-type: none"> • your eligibility for a transition loan; • your capacity and status; • your ownership of the relevant property, and that the relevant property is an eligible property; • the accuracy of information and reports you provide us; • that there is no default (past or present); • statements as to your financial and legal circumstances; and • specific matters if you are a trustee of a trust or partner of a partnership.
Things you must or must not do	You agree to do, or not do, certain things. These include: <ul style="list-style-type: none"> • providing us with financial report and information in connection with disputes and notices in relation to your business and the relevant property; • maintaining any relevant licences; • notifying us of certain matters, including any defaults and you losing your eligibility for the transition loan; • not disposing of the relevant property, allowing further security interests against the relevant property or incurring further indebtedness (unless within stated permitted parameters); • maintaining the relevant property and insurance over it; and • specific matters if you are a trustee of a trust or partner of a partnership.
Defaults and consequences	If there is a default, we can end your loan facility, require you to repay the loan early, enforce our security (e.g. by selling the relevant property) and take legal action against you. Examples of when a default occurs include: <ul style="list-style-type: none"> • you not paying amounts when due; • you becoming insolvent or bankrupt; • you no longer being an eligible applicant, or the property no longer being an eligible property; • another creditor taking enforcement action against you; • compulsory acquisition of the relevant property occurring; • you using the loan improperly; • you breaching the law; • you disposing of the relevant property without our consent;

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	<ul style="list-style-type: none"> • you failing to maintain a required licence or insurance; and • specific events of default that apply to stated entity types such as trusts or partnerships. <p>We will usually give you time to rectify the default before we require you to repay the loan early or take other action against, but there may be times when we do not have to do this.</p>
Reviewing the loan	<p>We can review the Transition Loan Agreement annually and when we reasonably believe a default has occurred. Following a review, if we reasonably consider that a default has occurred (or is continuing), or there are circumstances that have increased our credit risk, we can take default-based action if there has been a default or require you to repay the loan early.</p>
Changes we can make	<p>We can make changes to your Transition Loan Agreement in certain circumstances. This can include things like:</p> <ul style="list-style-type: none"> • changing how we calculate interest or repayments; • changing the amount of existing fees and charges or introducing new fees and charges; or • making changes required to comply with law or the requirements of a regulator. <p>We will generally provide you with notice of these changes, but there may be times when we do not have to do this.</p>
Set off	<p>We may set-off amounts you owe us under the Transition Loan Agreement.</p>
Transferring the loan	<p>You cannot transfer your rights or obligations under the Transition Loan Agreement without our consent.</p>
Anti-money laundering	<p>There may be times when we need to delay, block or refuse to process a transaction in connection with the Transition Loan Agreement because it will breach, or cause us to breach, a law or regulation or cause us to incur a penalty.</p>
Confidential information	<p>You and we agree to keep certain information provided to each other confidential. However, you and we can disclose it:</p> <ul style="list-style-type: none"> • to the extent it is already publicly information; • to internal officers or employees, as well as to professional advisers; • with each other's consent; • if required by law. <p>There are also some other circumstances in which we can disclose confidential information, such as if we enforce our rights under the loan, the disclosure is in accordance with our governing legislation or it is to another government agency.</p>