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NAB MICROENTERPRISE LOAN

terms and conditions

Effective 16 May 2007

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TERMS AND CONDITIONS

Unless **you** are already bound in respect of the **loan account**, the first **use** of a card or the **loan account** will be taken as your acceptance of this **agreement**.

However, the provisions regarding **card details** and **card** security contained in 4.4 and 16.7 are binding on **you** from receipt of the **card details** or **card**, whichever is received first.

The rights and obligations outlined in these Terms and Conditions in relation to **EFT transactions** comply with the Electronic Funds Transfer Code of Conduct as revised by the Australian Securities and Investments Commission and with the Code of Banking Practice.

1. Definitions and interpretations

'agreement' means these Terms and Conditions, the **loan account details** and where **you** are able to operate the **loan account** through an **extra facility** under 5.4, the terms and conditions of the **extra facility**, each as amended from time to time.

'annual percentage rate' means, for a **transaction** on the **loan account**, the annual percentage rate applicable to the **transaction** as described in the **loan account details**, and as changed from time to time under 23.

'authorisation' means, in relation to a **transaction**, approval given by **NAB** to the relevant merchant to proceed with the **transaction** which reduces **your available credit**.

'available credit' means the maximum amount of funds a **cardholder** may drawdown from the **loan account** at any point in time during the **drawdown period**, without exceeding the **credit limit**, which will be equal to:

- (a) the **credit limit**, less
- (b) the sum of:
 - (i) the **loan amount**;
 - (ii) any **authorisations** which have been received by **NAB** in relation to **transactions** which have not yet been processed to **your loan account**; and
 - (iii) any repayment credited to **your loan account** during the **drawdown period** where **NAB** has exercised its right not to increase the **available credit** in accordance with 14.1.

'business day' means a day other than a Saturday or Sunday or a day gazetted as a public holiday throughout Australia.

'card' means a card issued by **NAB** for **use** in connection with the **loan account**.

'card details' means:

- (a) the **card** number; and

(b) the **card** expiry date, as set out on the **card**.

'cardholder' means **you** or any person otherwise authorised by **you** to **use** a **card** or **card details**.

'closing balance' means the **loan amount** at the end of a **statement period**, as shown on **your** statement of account for that **statement period**.

'closing date' means, for a statement of account or a **statement period**, the date shown on the relevant statement of account as the last day of the **statement period** for that statement of account.

'credit limit' means the approved limit of the **loan account** as advised to **you** in the **loan account details**, or as changed from time to time in accordance with these Terms and Conditions.

'daily percentage rate' means the rate determined by dividing the **annual percentage rate** by 365.

'disclosure date' means the date advised as the 'disclosure date' in your **loan account details**.

'drawdown period' means the period from the **disclosure date** until the end of the third calendar month after the month in which the **disclosure date** occurs (for example, if the **disclosure date** is during January, the **drawdown period** finishes on 30 April).

'due date' means, for a **monthly payment**, the date by which the payment is required to be made as described in the **loan account details**. This will be advised to **you** on statements of account.

'EFT Code' means the Electronic Funds Transfer Code of Conduct as revised by the Australian Securities and Investments Commission.

'EFT transaction' means a funds transfer that results in a debit or credit to the **loan account** which is initiated through **electronic equipment** using a **card** or **card details** (or a combination of one or more of them). These include, but are not limited to:

- (a) **transactions** initiated by a **cardholder** using the **card details** through other **electronic equipment** (such as personal computer or telephone) including for example merchant Internet sites and by telephone or e-mail with a merchant; and
- (b) **transactions** initiated by a **cardholder** where a **card** is used through a 'swipe-only' device that does not require a manual signature.

These do not include:

- any funds transfer which is authorised by a **cardholder** physically signing a document (e.g. signing a **card** receipt);

- any funds transfer through a **NAB** channel with separate terms and conditions such as:

- (i) NAB Telephone Banking; or
- (ii) NAB Internet Banking.

'electronic banking facility' means each banking facility available through the Internet or by telephone from **NAB** and any other electronic banking facility advised to **you** by **NAB** from time to time.

'electronic equipment' means any electronic equipment which may be used in conjunction with a **card** or **card details** including personal computers and telephones to carry out an **EFT transaction**.

'extra facility' means any banking facility offered by **NAB** from time to time which permits **you** to **use** the **card** or charge amounts to the **loan account**. This includes **NAB's** **electronic banking facilities**.

'fee overlimit' occurs where fees, interest or government charges are debited to the **loan account** during a **statement period** causing the balance of the **loan account** to exceed the **credit limit**, but where the **account** has not also become **transaction overlimit**.

'financial institution' means:

- (a) a "bank" within the meaning of the Banking Act 1959;
- (b) a corporation:
 - (i) that is registered or incorporated as a building society or credit union under a law relating to such organisations that is in force in a State or Territory of Australia; or
 - (ii) a substantial part of whose business or undertaking is the provision of credit; or
- (c) a person who is not a corporation and in relation to whom paragraph (b)(ii) would apply if the person were a corporation.

'loan account' means **your** Microenterprise Loan account, as described in the **loan account details**.

'loan account details' means the letter entitled 'loan account details' in which **NAB** offered **you** the **loan account**.

'loan amount' means the balance of the **loan account**, which is the difference between the debits and credits on **your loan account**.

'minimum payment' means the amount calculated in accordance with 12.2.

'monthly payment' means the amount described in 12.5.

'NAB' means National Australia Bank Limited ABN 12 004 044 937 and its successors and assigns.

'overlimit amount' means the amount by which the **closing balance** of the last statement of account exceeds the **credit limit**.

'opening date' means for a statement of account or a **statement period**, the date shown on the relevant statement of account as the first day of the **statement period** for that statement of account.

'past payment' means the amount described in 12.3.

'pay ahead' means the feature described in 13 for changing the **monthly payment** by referencing the **pay ahead balance**.

'pay ahead balance' means the amount calculated in accordance with 13.3, 13.4, 13.6 and 13.7.

'pay ahead dishonour' means the dishonour or reversal of a payment which occurred during any period in which **pay ahead** is being applied to your **loan account**.

'pay ahead reduction amount' means the amount described in 13.4(a), being the amount by which the **monthly payment** which would otherwise be due in a **statement period** is reduced due to the application of **pay ahead**.

'pay ahead payment reversal' means the amount described in 13.7(b), being the amount required to be paid in a **statement period** as a result of a **pay ahead dishonour**.

'pay ahead start date' means any day on which **NAB** elects to apply **pay ahead** and sets the **pay ahead balance** at zero in accordance with 13.3. There may be more than one pay ahead start date, for example, if **pay ahead** ceases to apply and then is later reapplied.

'personal information' means information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

'repayment period' means the period which commences on the **opening date** of the first **statement period** after the last **statement period** covering the **drawdown period**, and continues until all monies owing under this **agreement** are paid and the **loan account** is closed.

'statement period' means the period specified on a statement of account as the statement period, and is the period to which the statement of account relates. The last statement of account covering the **drawdown period** may include several days after the end of the **drawdown period**.

'transaction' means a debit or credit to the **loan account** authorised by a **cardholder**. This may include, but is not limited to: a retail purchase, a payment, or a reversal of a payment.

'transaction overlimit' occurs at any time where a **transaction** is debited to **your loan account** and either:

- (a) the **transaction** causes the **loan amount** to exceed the **credit limit**; or
- (b) **your loan account** is **fee overlimit** or transaction overlimit at the time the **transaction** is debited to **your loan account**.

'use' in relation to a **card** means any physical use of the **card**, and any notification or use of the **card** number or any other identifying number or password issued by **NAB** in relation to the **card** or the **loan account** or to enable the **card** or the **loan account** to be used through an **extra facility**, and the making of any payment to the **loan account**. Some examples of use of a **card** are:

- physical use of the **card** in a terminal device;
- physical use of the **card** in an imprinter in a manually processed **transaction**;
- providing the **card** number to a merchant by telephone or internet;
- nominating the **card** number in a mail order or other authority to a merchant;
- entering the **card** number or an identifying number issued in relation to the **loan account** under **NAB's** Telephone Banking facility into a device connected to that facility;
- any **transaction** conducted on the **loan account** through **NAB's** Internet Banking facility

'you/your' means the person addressed as the **cardholder** in the **loan account details**. You includes your successors and assigns.

The singular includes the plural and vice versa.

2 Purpose of account

- 2.1 The **loan account** and each **card** must be used wholly or predominantly for business purposes and not for private or domestic purposes.
- 2.2 **NAB** may monitor the **use** of **your loan account** and each **card** to ensure that it complies with 2.1.
- 2.3 Where the **use** of your **loan account** or each **card** is not consistent with 2.1, **NAB** reserves the right to restrict a **cardholder's** access to the **available credit**. **NAB** will contact **you** as soon as practicable in this event.

2.4 **You** must notify **NAB** in the event there is any change in the ownership or control of the business **you** detailed in the application for **your loan account**.

3 Drawdown Period: Access to the credit limit and available credit

3.1 The **drawdown period** is the period of time, during which **NAB** will allow **you** to access the **credit limit** through **use** of a **card**. The **drawdown period** is the period from the **disclosure date** until the end of the third calendar month after the month in which the **disclosure date** occurs.

3.2 The **loan account details** will advise **you** of the **credit limit** which has been approved for the **loan account**.

3.3 A **cardholder** should ensure **transactions** do not exceed the **available credit**. If this occurs, the **loan account** may be **transaction overlimit** and, subject to 12.3, any **overlimit amount** will be due and payable as part of **your** next **monthly payment**.

3.4 The **credit limit** is only available to be accessed during the **drawdown period**. Once the **drawdown period** has expired, no further access to the **credit limit** is permitted, unless agreed to by **NAB** and **you**.

4 Cards

4.1 Any **cards** issued by **NAB** to **you** are for **use** on the **loan account** during the **drawdown period**. Each **card** remains the property of **NAB**, and at the end of the **drawdown period** all **cards** must be destroyed.

4.2 The **loan account** is a single account for all **cards** issued under this **agreement**.

4.3 Each **card** is issued with validity dates denoting month and year (e.g. 06/05 is June 2005). The commencing date is the first day of the month, the expiry date is the last day of the month.

4.4 **You** should:

- keep the **card** in a safe place, and provide reasonable protection for the **card** from theft;
- **use** the **card** in terms of these Terms and Conditions;
- return the **card** to **NAB** or destroy the **card** by cutting it diagonally in half through its magnetic strip upon:
 - (i) notice from **NAB** cancelling the **card**; or
 - (ii) expiry of the **card**.

4.5 Subject to 4.1, a **card** may be used up to its expiry date for some **transactions** without reference to **NAB**.

4.6 **You** must sign the **card** immediately when it is received.

4.7 **You** are responsible for each **transaction** made on the **loan account**. This is so whether the **transaction** is made

at **your** request or at the request of another **cardholder** or by the **use** of any **card**. There are limits on **your** liability for unauthorised **use** set out in 15 and 16.

For this reason, **you** should ensure each **cardholder** receives a copy of these Terms and Conditions and the terms and conditions of any **extra facility** (if applicable). Each **cardholder** should read and understand these documents.

5 Use of cards

5.1 A **card** must not be used for any unlawful purpose, including the purchase of goods or services, prohibited by local law in the **cardholder's** jurisdiction.

5.2 **NAB** may temporarily block the **use** of the **loan account** where it has reason to suspect unauthorised or unlawful activity on the **loan account**. **NAB** will endeavour to contact **you** in this event.

5.3 Electronic transactions - **Use** of **card** through an **extra facility**

You may be able to **use** a **card** or operate the **loan account** through an **extra facility**. In this instance:

- **you** will be provided with a copy of the terms and conditions of the **extra facility**;
- **use** of the **card** or **loan account** through the **extra facility** will be subject to the terms and conditions of the **extra facility**; and
- where those terms and conditions conflict with these Terms and Conditions, those terms and conditions will prevail.

5.4 **Cardholders** should ensure that the **transaction** amount is correct before they sign receipts or **transaction** records given to them by merchants or a **financial institution** when they **use** their **card**, and before they enter an identifying number or password at an **electronic banking facility**. By signing a receipt or **transaction** record or entering an identifying number or password at an **electronic banking facility**, the **cardholder** indicates their agreement that the **transaction** amount is correct.

5.5 It is desirable for **cardholders** to retain or record receipts to verify the statements of account.

5.6 **Use** of a **card** is an unchangeable order by the **cardholder** to **NAB** to process the **transaction**. A **cardholder** may not request **NAB** to alter or stop payment on the **transaction**.

5.7 However, **your** liability for the **transaction** could be limited in accordance with clause 15.2.

6 Acceptance of Card

6.1 Subject to any applicable law, **NAB** is not responsible for

goods or services supplied to a **cardholder** or the refusal of any merchant to accept a **card** and/or **card details**.

- 6.2 A **card** may be honoured by **financial institutions** and merchants displaying a Visa sign or Visa card promotional material. This does not mean that all goods and services available at those premises may be purchased by **use** of a **card**. **NAB** is not liable for the refusal of any merchant or **financial institution** to accept or honour a **card** or **loan account**.
- 6.3 A **card** or **card details** cannot be used to withdraw cash from the **loan account**. This includes, but is not limited to, a withdrawal of cash over the counter at a **financial institution**.
- 6.4 A Personal Identification Number (PIN) will not be issued for **use** in connection with a **card**. A **card** will not be able to be used in automatic teller machines.

7 Amounts debited to the loan account and effective dating

- 7.1 The **loan account** will be debited with, and **you** agree to pay to **NAB**:
 - (a) each **transaction**;
 - (b) interest charges, which will be debited monthly in arrears in accordance with 9 and 10
 - (c) fees and government charges payable under this **agreement**.
- 7.2 **You** agree that:
 - (a) the amount shown on a sales or debit receipt or any other evidence of a **transaction** is sufficient evidence of the **transaction**; and
 - (b) the above applies regardless of whether the receipt or other evidence is signed by a **cardholder**.
- 7.3 **NAB** may assign any date it considers appropriate to a debit or credit to the **loan account** (but, in the case of a debit, that date must not be earlier than the date on which the relevant **transaction** occurred) or may adjust such a debit or credit for the purposes of correction.

8 Loan amount and credit limit

- 8.1 The **loan amount** may exceed the **credit limit** advised to you in the **loan account details**.

For example Application of fees, interest and government charges

A **credit limit** is approved of \$20,000. At the conclusion of the **drawdown period**, \$20,000 has been drawn down through **use** of the **card**. No payment has been made in the **drawdown period**. In this example, the total **loan amount** at the conclusion of the **drawdown period** would be \$20,000 plus all fees, interest and government charges debited to the **loan account**.

For example Late processing of transactions

A **credit limit** is approved of \$20,000. At the conclusion of the **drawdown period**, the **closing balance** is \$18,500. In the first month of the **repayment period**, before any repayment is made, a **transaction** for \$1,750 is debited to the **loan account**. This **transaction** was conducted through **use** of a **card** during the **drawdown period**, but not debited to the **loan account** until the **repayment period**.

In this example, the total **loan amount** at the time the relevant **transaction** is debited to the **loan account** would be \$20,250, plus all fees, interest and government charges debited to the **loan account**.

- 8.2 If the **loan amount** at the beginning of the **repayment period** is less than the **credit limit**, **you** may ask **NAB** to reduce the **credit limit** accordingly. **NAB** may, but is not obliged to reduce the **credit limit** in response to **your** request. If the **credit limit** is reduced, the **monthly payment** will also change. If this happens, **NAB** will confirm this change on **your** next monthly statement of account.
- 8.3 **Transactions** may be debited to the **loan account** after the end of the **drawdown period**.

9 Calculation of interest charges

Applicable **annual percentage rate**

The **annual percentage rate** applicable to **transactions** will vary as follows:

- (a) **Drawdown Period**

Where a **transaction** is processed to the **loan account** during the **drawdown period**, no interest will apply to that **transaction** during the **drawdown period**.

- (b) **Repayment period:**

The method of interest calculation will be in accordance with 10.

10 Method of interest calculation

- 10.1 Interest charges will be calculated on **transactions** by applying the **daily percentage rate** to the aggregated balance.
- 10.2 The aggregated balance is calculated by adding together the daily unpaid balance of the **transaction** for each day from and including the date assigned to the **transaction** until and excluding the date the **transaction** is repaid in full.
- 10.3 Interest charges will be debited monthly on the **closing date** for each **statement period** and will be calculated from and including the **opening date** up to and including that **closing date**.

11 Statements and currency conversion

- 11.1 **NAB** will give **you** a monthly statement of account.
- 11.2 **NAB** recommends that **you** check each statement carefully as soon as **you** receive it. Please refer to 16 for details on how to report any disputed **transaction** to **NAB**.
- 11.3 Amounts on **your** statement of account will be expressed in Australian dollars.
- 11.4 If a **card** or **card details** are used to make **transactions** in a foreign currency, the way amounts are converted to Australian dollars for listing on **your** statement of account will be as follows:

Transactions, including refunds and any other charges incurred in currencies other than Australian dollars, are converted to Australian dollars (directly from United States, Canadian, New Zealand and Singapore dollars, pounds sterling, euros and Japanese yen or, if in a currency other than these currencies, first to United States dollars) as at the dates they are processed by Visa International using exchange rates determined by them. The exchange rates used by Visa International to convert a foreign currency transaction to Australian dollars are wholesale market rates selected by Visa International from within a range of wholesale rates or the government–mandated rate, in effect one day prior to the Visa International Central Processing Date. The converted Australian dollar amount appears on **your** statement of account as the **transaction** amount.

A NAB Foreign Currency Processing Fee, specified in **your loan account details** is charged to **you** in accordance with 7.1(c) for **transactions**. This fee is the sum of a fee charged by Visa International to **NAB**, calculated on the converted Australian dollar amount during the currency conversion process and the **NAB** Foreign Currency Transaction Fee, also calculated on the converted Australian dollar amount. (Note: Refunds incurred in currencies other than Australian

dollars are converted to Australian dollars as at the date they are processed by Visa International using exchange rates determined by them. This often results in the refund being converted using an exchange rate different from the one used to convert the original **transaction**.)

12 Payments required from you

- 12.1 Where the **closing balance** on **your** statement of account shows an amount owing, **you** must pay the **minimum payment**.
- 12.2 The **minimum payment** equals the sum of the **past payment** and the **monthly payment**.
- 12.3 The **past payment** is any amount shown on **your** statement of account as past due which has not yet been paid. Any **past payment** is due and payable immediately.
- 12.4 The **monthly payment** is due and payable on the **due date** and is calculated as set out in 12.5
- 12.5 The **monthly payment** due during a **statement period** is calculated as follows:
- (a) During the **drawdown period**:
 - (i) subject to (ii), no **monthly payment** is required;
 - (ii) if the **loan account** was **transaction overlimit** at the end of the previous **statement period**, the **monthly payment** will be the **overlimit amount** less any **past payment**.
 - (b) During the **repayment period**:
 - (i) subject to (ii) and (iii), the **monthly payment** will be 3.00% of the **credit limit**, less the **pay ahead reduction amount** (if any), plus the **pay ahead payment reversal** (if any); or
 - (ii) when the **closing balance** less any **past payment** as at the **closing date** of the previous **statement period** is less than the **monthly payment** as described in 12.5(b)(i), the **monthly payment** will be the **closing balance** less the **past payment** (if any); or
 - (iii) if the **loan account** was **transaction overlimit** at the **closing date** of the previous **statement period**, the **monthly payment** will be the greater of:
 - (a) the **overlimit amount** less any **past payment** plus the **pay ahead payment reversal** (if any); or
 - (b) 3.00% of the **credit limit** plus the **pay ahead payment reversal** (if any).
- 12.6 In addition to the **minimum payment**, **you** must also pay any other amount then due and payable under this agreement.

For example

This example is provided for information purposes only. The actual number and amount of payments for the loan account can only be calculated at the end of the drawdown period.

A **credit limit** is approved of \$20,000 on a NAB Microenterprise Loan. At the conclusion of the **drawdown period**, \$20,000 has been accessed through use of the card, and \$115 of fees, interest and government charges has been debited to the **loan account**. The total **loan amount** at the conclusion of the **drawdown period** would be \$20,115.

The **monthly payment** will be calculated as 3.00% of \$20,000 (the **credit limit**).

To repay the **loan amount**, and all fees, interest and government charges projected to be debited to the **loan account** during the **repayment period**, the following would be required:

- 40 **monthly payments** of \$600.00; and
- a final payment of \$263.17.

This information is based on the projected operation of this agreement. The actual repayments may vary. For the purposes of this example, we have assumed an annual percentage rate of 12 %.

12.7 Business days

If a day on which a payment must be made is not a **business day** then the payment must be made no later than the next **business day**.

12.8 Time for payment

For the purposes of payments under this **agreement** a day ends at 4.00pm.

12.9 Place of payment

All payments must be made:

- by direct debit; or
- by any facility for payment which **NAB** makes available from time to time. Examples include NAB Telephone Banking and NAB Internet Banking; or
- by posting it to the address shown on **your** statement of account; or
- to any branch of **NAB** within Australia.

Whenever **you** are overseas **you** must arrange for payments to be made to the **loan account** in Australia.

12.10 Currency of payment

All payments must be made in Australian dollars.

13 Pay Ahead

13.1 **You** may repay the whole or any part of the unpaid balance of **your loan account** at any time. If you make payment in excess of the **minimum payment** during a **statement period**, **you** must continue to make future **monthly payments** described in 15.5. However, the amount of future **monthly payments** may be reduced by the application of **pay ahead**.

13.2 **NAB** may in its discretion apply **pay ahead** in any **statement period** after the commencement of the **repayment period**. However, **NAB** will not apply **pay ahead** during the **drawdown period**.

13.3 Where **NAB** elects to apply **pay ahead**, the **pay ahead balance** is initially set at zero, and while **pay ahead** continues to apply:

- when **you** make aggregate payments to **your loan account** during a **statement period** which exceed the **minimum payment** due in that **statement period**, an amount equal to the excess is added to the **pay ahead balance**;
- any amount being a merchant credit, or any credit adjustment to **your loan account** will not be counted as a payment by **you** for the purposes of (a).

13.4 Where **pay ahead** continues to apply to **your loan account**, on the **closing date** of a **statement period**:

- the **pay ahead reduction amount** for the purposes of the next **monthly payment** will be the **pay ahead balance** (or if the **pay ahead balance** is greater than 3.00% of the **credit limit**, the **pay ahead reduction amount** will be 3.00% of the **credit limit**); and
- where a **pay ahead reduction amount** is applied in accordance with 12.5(b) the **pay ahead balance** is reduced by the same amount.

13.5 **Pay ahead** will cease to apply to **your loan account** if on the **closing date** of a **statement period** you are **transaction overlimit**, or your **closing balance** is less than 3.00% of the **credit limit**.

13.6 In any **statement period** where **pay ahead** ceases to apply or **NAB** does not apply **pay ahead**, the **pay ahead balance** will be reset to zero.

For example:

A **credit limit** is approved of \$20,000. At the conclusion of the **drawdown period**, the **loan amount** is \$18,000. On the **closing date** of the last **statement period** covering the **drawdown period**, a **monthly payment** is requested of \$600.00 (being 3.00% of the **credit limit**).

During the first **statement period** covering the **repayment period**, a payment of \$950 is processed to the **loan account**. This is \$350.00 greater than the **minimum payment** requested.

NAB elects to apply **pay ahead**, so the **pay ahead balance** is \$350.

On the **closing date** of the first **statement period** covering the **repayment period**, a **monthly payment** of \$250 is requested. This amount is the difference between the amount which is equal to 3.00% of the **credit limit** (\$600), and the **pay ahead balance** of \$350.

The **pay ahead balance** is reduced to zero.

13.7 Where a **pay ahead dishonour** occurs, without limiting 14.2

(a) the **pay ahead balance** will be reduced by the lesser of:

- (i) the amount of the **pay ahead dishonour**; or
- (ii) the **pay ahead balance**;

and

(b) if the amount of the **pay ahead dishonour** is greater than the **pay ahead balance**, and **NAB** has applied a **pay ahead reduction amount** since the most recent **pay ahead start date**, the **pay ahead payment reversal** which will form part of the next **monthly payment** will be an amount equal to the lesser of:

- (i) the amount by which the **pay ahead dishonour** exceeds the **pay ahead balance**; or
- (ii) the total of **pay ahead reduction amounts** applied to **your loan account** by **NAB** since most recent **pay ahead start date**.

14 Application of payments and refunds

14.1 **NAB** will credit payments as soon as practicable after receipt of the payment. However, if a payment is made during the **drawdown period**, **NAB** reserves the right not to increase the **available credit** by the amount of the payment until **NAB** receives value for the payment (for example, when a cheque is cleared). Payments made during the **repayment period** will not increase the **available credit**.

14.2 Where a payment has been credited, but **NAB** does not receive value for it (for example, if a cheque is dishonoured), **NAB** will debit the payment to the **loan account**. **NAB** may reverse the application of the original payment or treat any part of the payment as a **transaction**.

14.3 Where a **transaction** involving a transfer of an amount made through an **electronic banking facility** from the **loan account** to an account with another **financial institution** is not successfully completed for any reason, the amount in question will be credited to the account described as the "billing account" in the terms and conditions for the relevant **electronic banking facility**.

14.4 Any deposit balance in the **loan account** will be applied towards payment of any amount debited to the **loan account** as soon as the amount is debited.

14.5 Payments and Refunds

(a) Payments and refunds during the **drawdown period**

A payment or refund will be applied in the following order:

- (i) first, towards payment of any fees and government charges shown on a statement of account;
- (ii) second, towards payment of a **transaction** shown on a statement of account;
- (iii) third, towards payment of a **transaction** that has not appeared on a statement of account;
- (iv) fourth, towards payment of any other amount owing on the **loan account**.

(b) Payments and refunds during the **repayment period**

NAB will use any credit to the **loan account** to pay: first, interest, fees and government charges; secondly the unpaid balance of the **loan account**.

15 Lost/Stolen Cards

15.1 Notification procedure

(a) If a **card** is lost or stolen **you** must immediately notify **NAB** using the telephone number referred to on the back cover of these Terms and Conditions. **You** must give **NAB** all the information any **cardholder** has about how the loss occurred.

Where telephone facilities are not available during particular periods, any losses occurring during these periods that were due to non-notification are deemed to be the liability of **NAB**, providing notification is made to **NAB** within a reasonable time of the facility again becoming available.

Please refer to the contact details on the back cover of this document.

NAB will acknowledge **your** report and **you** should record or retain this acknowledgment.

- (b) Where a **card** is lost or stolen in the two weeks prior to the end of the **drawdown period**, **NAB** reserves the right not to re-issue a **card**. The **cardholder** will be notified of this at the time of reporting the **card** lost or stolen.

In this event, **you** may still access the **available credit** at any branch of **NAB**, or through an **extra facility** such as NAB Telephone Banking or NAB Internet Banking.

15.2 Your liability

You remain liable for any **transaction** made by any other person before **you** notify **NAB** of the loss or theft up to a maximum of:

- (a) in relation to all the **uses** of the **card** through an **extra facility** - the amount determined under the terms and conditions for the **extra facility** (if any). (Once **NAB** has been notified of these matters **your** liability for further **EFT transactions** will be limited); -
- (b) in relation to all other **uses** of the **card** – a total amount of \$150.

15.3 Despite notifying **NAB** of an event described in 15.1, **you** remain liable for any **transaction** made by a **cardholder** or any person authorised by a **cardholder**.

16 Disputed Transaction

16.1 A disputed **transaction** can be conducted electronically or manually and may include:

- (a) an unauthorised **transaction** - a **transaction** which **you** believe was not authorised by **use** of the **card** or **loan account** by a **cardholder**. This includes any unauthorised mail, telephone or Internet orders or any other unauthorised **transaction** on the **loan account**.
- (b) general dispute - a **transaction** which **you** wish to dispute. This may include a **transaction** which has been processed to the **loan account** more than once, or a **transaction** which was authorised by the **use** of the **card** or **loan account** which **you** wish to dispute.

Despite notifying **NAB** of a disputed **transaction** **you** remain liable for any **transaction** made by a **cardholder** or any person authorised by a **cardholder**.

16.2 Notification procedure

- **You** should immediately notify **NAB** of any disputed **transaction**.

- **NAB** recommends that **you** promptly read **your** statement of account.
- Use the telephone number printed on **your** statement of account or on the **loan account details** to report the disputed **transaction**. **You** must give **NAB** all the information any **cardholder** has about how the disputed **transaction** occurred. **NAB** may require **you** to confirm details in writing.
- All relevant information available to **you** regarding the disputed **transaction** is to be disclosed to **NAB**.
- **You** may be required to report any disputed **transaction** to the police and to provide **NAB** with a copy of such report. **You** may also be required to complete a statutory declaration detailing particulars of the disputed **transaction**.

16.3 Chargeback rights

Visa has a dispute resolution process that is contained in its operating rules. This process sets out specific circumstances and timeframes in which a member of the scheme (e.g. a bank) can claim a refund in connection with a disputed **transaction** on **your** behalf. This is referred to as a 'chargeback right'.

NAB's ability to investigate any disputed **transaction** on the **loan account**, and subsequently process a chargeback is restricted by the time limits imposed under the operating rules of Visa.

16.4 Timeframes for notifying **NAB**

The ability of **NAB to dispute a transaction on your behalf (where a chargeback right exists) may be lost if you do not notify **NAB** within the required timeframes.**

For this reason, it is in your interest to report any disputed transaction to **NAB immediately and certainly no later than the due date shown on the statement of account.**

Where it can be shown that you have unreasonably delayed notifying **NAB, you may be liable for the loss on any disputed transaction.**

16.5 Timeframes for **NAB** to process a chargeback right

NAB will only process a chargeback for **you** (where a chargeback right exists) when **you** have notified **NAB** of the disputed **transaction** within the required timeframe, as described in 16.4.

The timeframes for **NAB** to process a chargeback (where a chargeback right exists) vary between 30 days and 180 days depending on the type of disputed **transaction**.

NAB will not accept a refusal of a chargeback by a merchant's **financial institution** unless it is consistent with the Visa scheme rules.

16.6 EFT transactions

If the Electronic Funds Transfer (EFT) Code is applicable to a disputed **transaction**, the timeframes as specified in 16.4 may not apply in certain circumstances. **NAB** warrants that it will comply with the requirements of the **EFT Code** for all **EFT transactions** on the **loan account**.

EFT transactions include:

(a) Non-Card Based Electronic Transactions

For example, **transactions** conducted using **NAB's** Internet or Telephone Banking facilities. The procedures for resolving disputed electronic **transactions** are set out in the terms and conditions of the **extra facility**.

(b) Card Based Electronic Transactions

For example, **transactions** conducted at a merchant using either the telephone or Internet. The procedures for resolving disputed **card** based **EFT transactions** are detailed below.

16.7 General responsibility

You are generally responsible for all **EFT transactions** authorised by the **use** of the **card** and/or **card details** or undertaken by another person with **your** knowledge and/or consent. **Your** liability for any **use** not authorised by **you** may however be limited as provided below.

16.8 No liability in some circumstances

You are not liable for:

- (a) losses that are caused by the fraudulent or negligent conduct of **NAB's** employees or agents or companies involved in networking arrangements or of merchants or of their agents or employees;
- (b) losses arising because the **card details** and/or **card** is forged, faulty, expired or cancelled;
- (c) losses that arise from **EFT transactions** which required the **use** of a **card** and that occurred before a **cardholder** received the **card**;
- (d) losses that are caused by the same **EFT transaction** being incorrectly debited more than once to the same **loan account**;
- (e) losses resulting from unauthorised **transactions** occurring after notification to **NAB** that the **card** has been misused, lost or stolen;
- (f) losses resulting from unauthorised **transactions** where it is clear that a **cardholder** has not contributed to such losses.

16.9 Liability for unauthorised transactions

You are liable for losses resulting from unauthorised **transactions** as provided below:

- (a) where **NAB** can prove on the balance of probability that a **cardholder** has contributed to the losses through their fraud or their contravention of the security requirements in clause 16.8 **you** are liable for the actual losses which occur before **NAB** is notified that the **card** has been misused, lost or stolen. However, **you** are not liable for that portion of the total losses incurred on any **loan account** which exceeds the **credit limit** of that **loan account**;
- (b) **You** are also liable where **NAB** can prove on the balance of probability that a **cardholder** contributed to losses resulting from unauthorised **transactions** because they unreasonably delayed notifying **NAB** after becoming aware of that misuse, loss or theft of the **card**.

You will then be liable for the actual losses which occur between the time **you** became aware (or should reasonably have become aware in the case of a lost or stolen **card**) and when **NAB** was actually notified. However, **you** will not be liable for that portion of the total losses incurred on any **loan account** which exceeds the **credit limit** of the **loan account**.

16.10 Liability under credit and charge card scheme rules

Notwithstanding the above where **you** notify **NAB** of an unauthorised **transaction** on the **loan account** **NAB** will not hold **you** liable for an amount greater than the liability **you** would have had if **NAB** had, at the time the complaint was made, exercised its rights (to the extent relevant) under the Visa scheme rules.

17 Compliant investigation and resolution procedure

17.1 Notify NAB

If **you** believe that there has been an error in a **transaction**, instance of unauthorised **transactions**, or error in the statement of **loan account**, promptly notify **NAB**. Please refer to the contact details on the back cover of this document.

17.2 Written Advice

Should **NAB** be unable to resolve the matter immediately to **your** satisfaction, **NAB** will provide **you** with a written advice of **NAB's** procedures by which it will be investigated and handled further.

NAB will acknowledge receipt of **your** claim, and within 21 days of receipt of the complaint **NAB** will advise **you** in writing of either:

- (a) the outcome of **NAB's** investigation, detailing the reasons for **NAB's** decision with reference to the specific terms of the Terms and Conditions where appropriate; or
- (b) the need for more time to complete **NAB's** investigation.

Unless there are exceptional circumstances, of which **NAB** shall advise **you** in writing **NAB** may require up to 45 days from receipt of **your** complaint to complete **NAB's** investigations.

17.3 Monthly Updates

Where an investigation continues beyond 45 days, **NAB** shall provide **you** in writing with:

- (a) the reasons for the delay;
- (b) monthly updates on the progress of **NAB's** investigation; and
- (c) a date when a decision can be reasonably expected; except where **NAB** is awaiting a response from **you** and **NAB** has advised **you** of this fact.

17.4 Banking and Financial Services Ombudsman

If, because of a delay in giving a final decision, **you** have a right to take a matter to the Banking Ombudsman or some other external dispute resolution scheme, **NAB** will advise **you** in writing about that right within 5 **business days** of the day on which **you** acquire it.

17.5 Loan account adjustments

If **NAB** concludes, as a result of **NAB's** investigations, that the **loan account** has been incorrectly debited or credited, **NAB** will promptly adjust the **loan account** (including any fees, interest or government charges) accordingly and notify **you** in writing of the amount by which the **loan account** has been adjusted.

If **NAB** concludes from its investigations that the **loan account** has not been incorrectly debited or credited, or in the case of an unauthorised **EFT transaction**, that a **cardholder** has contributed to at least part of the loss occasioned by the unauthorised **use** (see clause 16.7), **NAB** will supply **you** with copies of any document or other evidence on which **NAB** based its finding and will advise **you** in writing whether there was any system or equipment malfunction at the time of the **transaction**.

17.6 Senior management review

If **you** are not satisfied with **NAB's** findings **you** may request, in writing, a review of these findings by **NAB's** senior management. Please direct such requests in writing to:

National Australia Bank
Head of Customer Resolutions
Reply Paid 2870
Melbourne VIC 8060
Fax: (03) 8641 0665

After this further review, should **you** remain dissatisfied with the findings of the investigation, external avenues of complaint may exist including for example the Consumer Affairs Department, Small Claims Tribunal and the Banking Ombudsman.

18 Cancellation of cards and closure of loan account

18.1 Cancellation or closure by **NAB**

- (a) **NAB** may close the **loan account**, at any time without notice. During the **drawdown period**, this may result in each **card** being cancelled.
- (b) A **card** may not be used after it is cancelled or the **loan account** is closed, and when **NAB** gives **you** notice of the cancellation or closure **you** must return all **cards** to **NAB**.
- (c) Where **NAB** has closed the **loan account**, **you** must continue to repay the **loan amount** in accordance with 12.1.

18.2 Closure by **you**

You may close the **loan account** if **you**:

- (a) telephone or write to **NAB**, requesting that the **loan account** be closed or otherwise advise **NAB** in a manner acceptable to **NAB** that **you** wish this to be done; and
- (b) return all current **cards** to **NAB** or otherwise destroy the **cards** by cutting them diagonally in half; and
- (c) pay the whole of the unpaid balance of the **loan account**, or if the **loan account** has a deposit balance, withdraw the deposit balance.

A deposit balance on **loan account** closure will be paid to **you** by bank cheque.

18.3 Agreement continues after cancellation or closure

This **agreement** will continue after a **card** is cancelled or the **loan account** is closed under 18.1 or 18.2, until:

- (a) the whole of the unpaid balance of the **loan account** is paid; and
- (b) any amounts subsequently debited to the **loan account** are paid (whether the amounts are accrued or charged before or after the cancellation or closure).

19 Default

19.1 If **you** are in default:

- (a) **NAB** may enforce this **agreement** against **you**; and
- (b) **you** must pay **NAB** immediately the unpaid balance of the **loan account** and any other money owing under this **agreement**.

19.2 **You** must return or arrange the return of each **card** immediately upon being told by **NAB** that the balance of the **loan account** has become due and payable.

19.3 **You** are in default if:

- (a) **you** do not pay any payment required under this **agreement** on time;
- (b) **you** breach any other requirement of this **agreement** or a provision of any security or other agreement **you** have with **NAB**; or
- (c) any information **you** give **NAB** in applying for the **loan account** is false or, in its opinion, misleading; or
- (d) **you** become bankrupt or insolvent, or go into liquidation or receivership or have an administrator appointed; or
- (e) **you** assign **your** estate to a creditor.

20 Notices

20.1 A notice must be in writing.

If **you** wish to give **NAB** a notice, **you** may send it by post, facsimile transmission or some other form of electronic transmission to, or leave it with an officer of **NAB** at:

- (a) a branch of **NAB**, or
- (b) the registered office of **NAB**.

If **NAB** wishes to give **you** a notice, **NAB** may:

- (c) deliver it personally to **you**; or
- (d) leave it at, or send it by post, facsimile transmission or some other form of electronic transmission to, the address nominated by **you** in writing to **NAB**, or if **you** do not nominate an address, the address of **your** place of residence last known to **NAB**.

You agree to tell **NAB** of any change of **your** address.

20.2 For the purposes of this **agreement** a notice is taken to be given:

- (a) in the case of a notice given personally – on the date it bears or the date it is received by the addressee, whichever is the later; or
- (b) in the case of a notice sent by post – on the date it bears or the date when it would have been delivered in

the ordinary course of post, whichever is the later; or

- (c) in the case of a notice sent by facsimile transmission or some other form of electronic transmission – on the date it bears or the date on which the machine from which the transmission was sent produces a report indicating that the notice or the document was sent to the number of the addressee, whichever is the later.

21 Fees, interest and government charges

21.1 **NAB** may retain or require payment of fees, interest or government charges incurred by **you** before this **agreement** ends, except third party fees or charges not incurred by **NAB**, whether or not **you** drawdown the loan.

21.2 **You** must pay the fees, interest and government charges shown in the **loan account details**.

21.3 Enforcement expenses may become payable under this **agreement** in the event of a breach. **You** must pay any reasonable enforcement expenses reasonably incurred or expended by **NAB** in enforcing this **agreement**. These enforcement expenses may extend to those reasonably incurred by the use of **NAB's** staff and facilities.

21.4 Government charges

If **NAB** is liable to pay goods and services tax or any similar tax (GST) on a supply (as defined in relevant legislation) (“the supply”) made in connection with this **agreement**, then **you** agree to pay **NAB** an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

You must also pay an amount equal to any government charges and duties on receipts or withdrawals charged upon the **use** of a **card** or upon **transactions** on the **loan account** or both, calculated in accordance with the relevant legislation.

These charges and duties are payable whether or not **you** are primarily liable for such charges and duties. All such charges and duties will be debited to the **loan account** on the **closing date** for each **statement period**.

In addition, **NAB** may impose new fees and charges in connection with this **agreement**, the **loan account** and any **agreement** or **transaction** related to the **loan account**, subject to complying with 23. Any fees and charges paid by **you** are not refundable.

NAB may waive or defer the payment of any fees or charges.

22 Code of Banking Practice

NAB has adopted the Code of Banking Practice and relevant provisions of the Code apply to the **loan account**, if **you** are an individual or a small business customer (as defined by the Code).

You can obtain from **NAB** upon request:

(a) information on **NAB's** current interest rates and standard fees, interest and charges relating to this **loan account**;

(b) general descriptive information concerning **NAB's** banking services including:-

- for accounts with cheque access, general descriptive information about cheques;
- account opening procedures;
- **NAB's** obligations regarding the confidentiality of **your** information;
- complaint handling procedures;
- bank cheques;
- the advisability of **you** informing **NAB** promptly when **you** are in financial difficulty;
- the advisability of **you** reading the terms and conditions applying to each banking service **NAB** provides to **you**;

(c) general descriptive information about:

- the identification requirements of the Financial Transactions Reports Act 1988;
- the options available to **you** under the tax file number legislation; and

(d) a copy of the Code of Banking Practice.

23 Changes

23.1 **NAB** may make changes

NAB may change:

- the **due date**;
- the **annual percentage rate** by changing the Rate or otherwise;
- the amount, frequency or time for payment of the credit fees and charges applicable under the **agreement** or impose a new credit fee or charge;
- the amount, frequency or time for payment of the payments required under this **agreement**; and
- any of the other provisions of this **agreement**.

23.2 Notification of change

NAB will notify **you** of any unilateral change by **NAB** to an **annual percentage rate** and in the amount or frequency of charging of any credit fees and charges (including the introduction of a new credit fee or charge) in writing or by advertising the change in a newspaper circulating throughout **your** State or Territory not later than:

- (a) in the case of a change to an **annual percentage rate** – the date the change takes effect; and
- (b) in the case of a change to a credit fee or charge - 20 days before the change takes effect.

If notice of a change is provided by advertising, **NAB** will also give **you** particulars of the change before or when the next statement of account is sent to **you** after the change takes effect.

NAB will notify **you** of any increase in **your** liability for losses relating to **EFT transactions**, by giving **you** notice of the change not later than 20 days before the change takes effect.

In addition to the other changes **NAB** may make to these Terms and Conditions which are detailed in these Terms and Conditions, **NAB** may change any other of these Terms and Conditions in accordance with any applicable legislation and industry codes.

23.3 **NAB** may agree to change this **agreement** or defer or waive any of the Terms and Conditions of this **agreement** without creating a new contract.

23.4 Email notification

If **you** agree **NAB** may advise **you** of any alterations or other changes under clauses 23.1 by electronic mail to **your** nominated electronic address. If **you** so agree, **NAB** may not give **you** notice in other ways (e.g. in writing).

You may change **your** nominated electronic address or withdraw **your** agreement to receive notices by electronic mail by giving **NAB** a notice.

You may request a paper copy of a notice given to **you** by electronic mail if **you** request the paper copy within 6 months of receipt of the electronic copy.

24 Other Matters

24.1 No security

NAB agrees not to rely on or to enforce as security for **your** obligations under this **agreement**:

- (a) any security which **NAB** may hold from **you**; or
- (b) any other security or guarantee which **NAB** may hold from any other person in relation to **your** obligations.

You acknowledge that this **agreement** by **NAB** does not vary the terms or affect the enforceability of that security or guarantee.

24.2 Other legislation

To the extent that any legislation applies to this **agreement**, if:

- (a) that legislation would otherwise make a provision of this **agreement** illegal, void or unenforceable; or
- (b) a provision of this **agreement** would otherwise contravene a requirement of that legislation or impose an obligation or liability which is prohibited by that legislation;

this **agreement** is to be read as if the provision were omitted or read down so that result would not occur.

24.3 Privacy Act 1988 (Cth)

The Privacy Act 1988 (Cth) applies to this **agreement** if **you** are an individual and at the time **you** entered this **agreement** **you** provided **personal information** of yourself or any other individual.

You can obtain from any of **NAB's** branches our Privacy Policy which explains **NAB's** privacy practices with respect to the collection, use and disclosure of **your personal information**. The Privacy Policy outlines **your** privacy rights along with **NAB's** rights and obligations under the Privacy Act.

24.4 Miscellaneous

Parties other than **NAB** may from time to time offer certain goods and services to **you**:

- (a) free of charge, or
- (b) at a particular price,

in connection with the **loan account**. **NAB** is not responsible for any of these goods or services, or the failure of such a party to provide or perform such goods or services.

24.5 Co-operation

You must give **NAB** promptly any information it reasonably asks for about **your** financial position.

You must do anything (such as producing and signing documents) that **NAB** reasonably requires to give full effect to these Terms and Conditions and the securities.

24.7 Assignment

NAB may assign or otherwise deal with its rights or beneficial interests under this **agreement** in any way **NAB** considers appropriate. **You** agree that **NAB** may disclose any information or document **NAB** considers necessary to help **NAB** exercise this right.

Your rights are personal to **you** and may not be assigned.

LOST/STOLEN CARD REPORTING

In Australia

Call toll free, 24 hours per day
1800 033 103

Overseas

Call reverse charges, 24 hours per day
Visa - 1 410 581 7931

CUSTOMER SERVICES

- For telephone enquires please contact NAB on **1300 650 456**
- If you are registered for NAB Internet Banking, please send us your inquiry via the Secure Message Service. Your query will be responded to by the next business day.
- For written correspondence concerning your Loan account use the following postal address:

Cards and Personal Loans
GPO Box 9992
Melbourne Vic 3001
Facsimile 1300 363 658

For more information call **13 22 65**
or

13 BANK

8am-8pm EST, Monday to Friday
or visit us at national.com.au



Hearing impaired customers
with telephone typewriters
can contact us on **1300 363 647**