

HOW A PERSONAL LOAN WORKS

06.2022



SETTING UP MY PERSONAL LOAN

What is a variable interest rate loan?

A variable interest rate Personal Loan has an interest rate that may change during the loan term. Accordingly, variable interest rate Personal Loan repayments may change throughout the life of the loan.

With a variable interest rate loan you can make early or additional repayments. If you decide you want to access these early or additional funds at a later date, you can as often as you like.

What is a fixed interest rate loan?

A fixed interest rate Personal Loan has an interest rate that stays the same for the full loan term. Fixed interest rate Personal Loan repayments should not change due to interest rate changes throughout the life of the loan.

With a fixed interest rate loan you cannot pay extra to get ahead in your repayments. The repayment amount specified in your contract needs to be paid each week, fortnight or month as per the arrangement until the loan is paid in full. If additional payments are made, charges may be applied.

How is my interest rate determined?

A range of interest rates apply to ANZ Personal Loans. The advertised range shows the minimum and maximum interest rate that may be applicable.

We tailor your interest rate based on our assessment of your credit score. Where you have demonstrated good credit based behaviour, such as not opening too many credit products or making repayments on time for your other credit products, this will be reflected in your credit score and you may be offered a rate in the lower end of the advertised range. Where your credit history isn't as long, or as good, or you have made many applications in a short period of time, this may negatively impact your credit score and you may be offered a rate at the higher end of the range.

We'll confirm your interest rate in the Letter of Offer.

What is a drawdown?

A drawdown occurs when the loan funds are made available to you. Specifically, when we deposit the loan funds into your nominated account or process the cheque, we have 'drawn down' the loan and you may access your funds. Interest starts accruing from the time your Personal Loan is drawn down.

TIP

The basics

How a Personal Loan Works provides a basic overview of an ANZ Personal Loan, including how fees and interest are calculated and charged. For detailed information on your ANZ Personal Loan account, please refer to your ANZ Consumer Lending Terms and Conditions booklet and your Letter of Offer. If you would like a copy of the booklet please call us on 13 13 14.

What is redraw?

Redraw allows you to access the additional repayments you have made (above your minimum monthly payments) on a variable interest rate loan.

What is 'outstanding balance'?

Outstanding balance is the total amount you have remaining on your Personal Loan at a specific given time, excluding accrued interest and fees.

FEES AND CHARGES

How do I pay the Loan Approval Fee?

Once your Personal Loan is approved, a Loan Approval Fee will be added to the amount of your loan. For example, a \$10,000 loan with a \$150 Loan Approval Fee will become a loan for \$10,150.

What are 'Early Repayment Charges'?

Early Repayment Charges will be payable on a fixed interest rate Personal Loan if you pay your loan off in full, make an early or extra repayment, or make certain other changes to your loan, during any fixed-rate period.

How debit interest is calculated?

Debit interest will accrue daily on the unpaid balance of your loan account as at the end of the day. The rate applied on a particular day will be the annual percentage rate applicable to your loan for that day, divided by 365.

REPAYMENTS

How are my repayments recalculated?

Your repayments are calculated based on the total amount of your loan, the loan term, applicable fees and the annual interest rate. The repayment ensures that the loan is repaid in full within the agreed loan term.

When are my repayments due?

Loan repayments are established at the beginning of the loan and may be paid weekly, fortnightly or monthly on the agreed date.

How do I make repayments?

Repayments can be made via

- Direct Loan Payment or periodical payment from your ANZ account;
- Electronic transfer from an account with another financial institution;
- ANZ ATM, ANZ Phone Banking, ANZ Internet Banking or ANZ Mobile Banking (if funds transfer functionality is available on your version of ANZ Mobile Banking), or by
- Visiting an ANZ Branch.

What are the cut-off times for making payments?

Refer to your relevant account terms and conditions for details regarding when transactions made using ANZ Phone Banking, ANZ Internet Banking, ANZ Mobile Banking, Pay Anyone and International Services, and BPAY® Payments, will be applied to your account and processed as a payment to the payee.

Can I change the date my repayments are due on my personal loan?

If you have a variable interest rate loan, you may change the date your repayments are due at any time during the life of the loan. You must let us know at least 48 hours before your next repayment is due so that we can make the change.

If you have a fixed interest rate loan, the repayment date cannot be changed during the life of the loan. The date the loan is drawn down will generate the repayment due date.

What is a Direct Loan Payment?

A Direct Loan Payment is an automatic payment set up from your everyday ANZ transaction account into your Personal Loan.

A Direct Loan Payment is the easiest way to pay your ANZ Personal Loan and is the recommended payment method.

LATE PAYMENTS

What happens if I pay my loan late?

You may incur a Late Payment Fee.

What is a Late Payment Fee?

The Late Payment Fee is charged on loan accounts in which the whole or any part of any payment remains unpaid for 5 days or more after it is due. A further Late Payment Fee is payable monthly (from the date of the previous Late Payment Fee) where the loan continues to be in arrears during the period up to the day on which the further Late Payment Fee is scheduled to be charged.

How do I know if my repayment is late?

It is your responsibility to be aware of when your loan repayments are due, and ensure they are made on time.

How do I bring my loan up-to-date?

If you miss a repayment and/or, in the case of a Direct Loan Payment or Periodical Payment, have insufficient funds in your account at the time the payment is due, you will need to make a special repayment directly to the loan to bring your loan up-to-date. You can make the payment via ANZ Phone Banking, ANZ Internet Banking or by visiting any ANZ branch.

Does additional interest get charged if I miss a repayment?

Yes. Interest is calculated on the outstanding balance of your loan. If you miss a repayment on your loan, your outstanding balance does not reduce as scheduled on your original loan agreement.

What do I do if I cannot make a payment?

Call 1800 337 919 (option 1) immediately and we will discuss the matter and see if we can come to an arrangement.

ANZ LOAN PROTECTION

If you have ANZ Loan Protection and would like to cancel the policy, please contact the ANZ Insurance Centre by:

Phone: 1300 552 253
Email: anz@qbe.com
Mail: ANZ Insurance Centre,
P.O. Box 1422,
Paramatta NSW 2124

The following must be included in any written request:

- name(s) of policyholder(s);
- address(es) of policyholder(s);
- policy number,
- ANZ loan number, and
- signature(s) of policyholder(s) and the date.

What happens when I cancel my ANZ Loan Protection?

If you are still paying your loan but have cancelled ANZ Loan Protection, your minimum loan repayment may change because the balance of your loan may also change.

If you received a discounted interest rate for including ANZ Loan Protection in your loan, your interest rate may also change. Any unused premium will be returned to your loan account, which will reduce the amount you owe.

Your loan repayments will be re-calculated on the reduced balance, the remaining loan term, applicable fees and amended annual interest rate at the time.

If I cancel my ANZ Loan Protection can I have that money?

No. The refund reduces the outstanding balance of your loan account, and is not available for withdrawal at a later date.

CLOSING MY LOAN

How do I pay my loan in full?

You can obtain a payout figure by calling 1800 801 485 (options 1, 3, 5). Once you have the final amount, you can make the final payment via ANZ Phone Banking, ANZ Internet Banking or by visiting any ANZ branch.

It is important that the payment is for the exact amount quoted and is paid on the nominated date.

**IF YOU REQUIRE ANY ADDITIONAL
INFORMATION, CONTACT US ON 13 13 14 OR
VISIT ANY ANZ BRANCH WHERE ONE OF
OUR FRIENDLY STAFF WILL ASSIST YOU.**

This insurance is co-issued by ING Life Limited ABN 33 009 657 176, AFSL 238341 (ING Life) and QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 (QBE). ING Life is a subsidiary of Australia and New Zealand Banking Group Limited (ANZ). ANZ, an authorised deposit taking institution (ADI) under the Banking Act 1959, does not stand behind the issuer. The issuer is not an ADI and this insurance is neither a deposit nor liability of ANZ or any member of the ANZ Group, other than ING Life. ANZ recommends that you read the ANZ Financial Services Guide and the relevant Product Disclosure Statement for further information about its association with the issuer, any benefits that it may receive and other important information before deciding whether to acquire or hold this product.

Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. Australian Credit Licence Number 234527. Item No. 83765 06.2022 WZ120435



anz.com