

UPDATE

CommonwealthBank



Third Party Banking



2 July 2010

Changes due to National Consumer Credit Protection Legislation

In the financial year 2010-11 a number of the regulatory reforms, introduced by the Federal Government, will come into effect. These reforms aim to protect consumer's credit and contractual activities.

From 1 July 2010, the National Consumer Credit Protection regime introduces Unfair Contract Terms (UCT) provisions and the new National Credit Code (NCC).

Unfair Contract Terms

The Unfair Contract Terms (UCT) provisions within the Australian Consumer Law regulate 'standard form contracts' entered into by 'consumers'. Contracts, Security Documents, Product Disclosure Statements and Terms & Conditions have been updated to ensure they are compliant.

The Bank's system to generate security documentation will reflect the new Unfair Contract Terms (UCT) requirements to ensure that we do not include terms which may be seen as 'unfair'.

The following forms comply with the new legislation, as from 1 July 2010 and are available on [CommBroker](#):

- Mortgage Advantage Application 000-726 (version date 180610)
- MISA Application Form 003-007 (version date 300610)
- Contract Authority and Nomination to Receive Notices for Home Loans, Investment Home Loans and Personal Loans 001-258 (010710)
- Direct Debit Request (DDR) Service Agreement Personal Loan/Home Loan 000-258 (010710) - Please note the standalone 000-258 form on the CommBroker site should only be used when an application involves a Trust Investigation.

If you have existing stock of the above would you ensure that you destroy and replace with the new versions on [CommBroker](#).

National Credit Code

In summary the National Credit Code (NCC) enhances the protection for:

- Customers borrowing for Residential Investment Property and
- Customers experiencing financial hardship.

From 1 July 2010 the National Credit Code (NCC) replaces the Uniform Consumer Credit Code (UCCC). This change extends the code to include loans predominantly used for residential investment purposes, and refinancing those loans. We note the Consumer Credit Contract will reflect these changes. Residential Investment Property loans are regulated by the National Credit Code when, borrowers return their signed documents to the Bank after 1 July 2010

Also all hardship requests must be actioned by referring customers to Collections & Credit Solutions (C&CS) **immediately** as NCC requires that our customer receives a response within 21 calendar days. Examples of hardship may be, experiencing difficulty making a repayment to a Credit Card, Personal Loan, Home Loan or Personal Overdraft. In these circumstances contact the Customer Assist team on 1300 720 814.

For information on Commonwealth Bank home loan products and credit policies go to <http://www.commbroker.com.au/>

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