

## Reverse mortgage repayment guide

With a Heartland Reverse Mortgage, you are not required to make any loan repayments until the end of the loan, but you have the flexibility to do so at any time without penalty (discharge fee applies) before it is due for repayment. This guide details the process for making repayments on your Heartland Reverse Mortgage, whether that be partial repayments, early full repayment, or full repayment when the loan is due.

<b>Partial repayments</b>	<p>Loan repayments are optional and can be made at any time. You can make repayments at any Commonwealth Bank branch, or via internet banking, and can also set up a regular direct payment.</p> <p>Any repayments towards your loan must include your loan number and your surname in the transaction description. This is essential, as it enables us to correctly identify your loan repayment and allocate it to your loan account. If these are not included, we may be unable to allocate your loan repayment.</p>
<b>Early repayment</b>	<p>As well as the ability to make partial repayments, you can also repay the loan in full at any time. Please provide at least 15 business days' notice from the date we receive a current discharge authority form to the date of full repayment request. <i>The notice period commences on receipt of this fully completed form.</i></p> <p>If you wish to repay your loan, please get in touch with Heartland to discuss a repayment date and payout amount, including requesting a current discharge authority form.</p> <p>Once we have received a completed discharge authority form, we will send out a loan payout letter that includes the payout figure, and repayment account details. Final payout figures will be provided five business days prior to the discharge date. Prior to this, Heartland can provide an indicative figure – but this is subject to change.</p> <p>Please note that once a payout figure has been provided to you, all retained facilities (cash reserve, regular advances and redraw) on your loan account will be closed and you be unable to request these.</p>
<b>Repayment when the loan is due</b>	<p>Provided the loan is not in default, when a loan is a <b>Standard Reverse Mortgage</b> or a <b>Secondary Property Loan</b>, the total loan amount, including accumulated interest, is usually repayable within twelve months of when the last customer moves permanently from their owner-occupied home - this includes when the security property is sold, they move into long-term care, or they pass away.</p> <p>You must notify Heartland when the last Nominated Borrowers ceases to reside in their owner-occupied home. From this date, full repayment is required within 12 months.</p> <p>Our <b>Aged Care Option</b> loan has a five-year maximum term and must be repaid five years after the commencement date or, if earlier, 12 months after the passing of the last nominated borrower.</p>
<b>Discharge Settlement of your full loan repayment</b>	<p>The discharge settlement of your loan will occur when the payment of the full and final payout figure is received, plus payment of any applicable fees. This can be done by direct payment of the confirmed payout figure, by your authorised representative via Australia's online conveyancing system (PEXA), or physical attendance of settlement booking. If it is not paid on the correct date, additional interest will be payable.</p> <p>If the discharge settlement booking being managed by your solicitor or conveyancer, please ensure you provide your nominated representative's contact details on your discharge authority form.</p>
<b>If the last customer has passed away</b>	<p>We will require an originally certified copy of the death certificate and last Will/Grant of Probate confirming the executor of the Estate. We will only be able to liaise with the executor or their nominated solicitor to complete the discharge.</p> <p>If the Certificate of Title needs to be updated prior to discharge settlement, we will require the relevant documentation for review. A Variation Fee, plus any relevant government processing costs, will be payable.</p>
<b>Portability</b>	<p>The loan may be able to be transferred to a new property this is subject to application. The new property must meet Heartland's current credit criteria, terms and conditions. A new valuation, full approval, and independent legal advice will be required.</p> <p>It is recommended that Heartland is contacted well in advance to discuss the proposed transfer.</p>
<b>Equity protection option</b>	<p>The Equity Protection Option applies if it was documented in your loan agreement. If this is the case, when your loan is repaid, you or your estate are guaranteed to receive that protected percentage, even if the balance on your loan is higher than this amount (subject to the terms of the loan being met).</p>
<b>Fees</b>	<p>There are no fees for partial repayments, however when you pay off your loan in full a discharge fee applies and there may be a mortgage release (amount varies between jurisdictions) or our legal office's administration fee (currently \$110 but subject to change).</p>
<b>Loan statement</b>	<p>You will receive a final loan statement after your loan has been repaid in full in the next six-monthly statement run period.</p>

**IMPORTANT NOTICE:** Every situation is different - this information has been prepared without taking into account your needs, objectives, or financial situation. If you are considering a reverse mortgage, we encourage you to understand how it may affect your personal circumstances - talk to friends and family, speak to professionals, and use the resources and tools Heartland has available.

Loans are subject to loan approval criteria. Terms, conditions, fees and charges apply. Credit provided by ASF Custodians Pty Ltd (ACN 106 822 780 / Australian Credit Licence No. 386781). Information provided is accurate as of 30 June 2023 and may change from time to time.