

Important Information about our Loan Redraw Facility



1. To facilitate a redraw, the borrower(s) must complete and sign the designated Redraw Request form, included in this brochure. The signatures of all borrowers on the original loan agreement must appear on the Redraw Request form. If there is a guarantor(s) in relation to the loan, then the guarantor(s) must also sign the Redraw Request form.
2. Redraw facility only applies to loan which are in advance i.e. repayments have been made over and above the minimum required payment.
3. By making a redraw, the borrower acknowledges that the term of the loan will be greater than if a redraw was not made. However, the term of the loan cannot exceed the original term established when the loan was first advanced.
4. Fees and charges listed in the Schedule of Fees and Charges booklet will apply to the Loan Redraw Facility. In addition, there may be specific fees applied to the redraw facility and these will also be listed in the Schedule of Fees and Charges booklet. The Board of Directors may introduce or vary fees and charges on the redraw facility from time to time.
5. The payment of an amount under a redraw request must be first approved by the Credit Union. The Credit Union will not unreasonably refuse to approve a redraw request. If there has been an adverse change in the borrowers circumstances there will be grounds for the Credit Union to reasonably refuse a redraw request.
6. Funds withdrawn by redraw request will only be credited to a nominated CPS savings account within the same membership as the loan being redrawn.
7. Cheques deposited to the loan account will not be available for redraw until they are cleared.
8. Borrower(s) must acknowledge that any amount redrawn will attract interest payable as provided under the loan contract.
9. As a result of interest rate variations the effect of a redraw request may be that loan repayments are actually required to increase for the loan term to remain within the original term on a variation of loan repayments. The Credit Union will send to the borrower the relevant information required under the Consumer Credit Code.
10. A current paid comprehensive insurance policy, with CPS Credit Union noted as the mortgagor, needs to be held while the loan is open, for all Bill of Sale and real estate mortgage secured loans.
11. Relevant provisions of the Credit Union Code of Practice may apply to this facility. Details are available on request.
12. If a mortgage loan has a mortgage offset facility attached to it (i.e. S48 Mortgage Breaker a/c), any redraw will impact on the loan balance and hence affect the offset benefit accordingly.