

**Important Information:** We're making some changes to the terms that relate to the *HSBC Home Loan Terms*. These changes will be effective from effective from **11 April 2024**.

## Summary of changes

Please refer to the following table for details on the changes to the **HSBC Home Loan Terms (dated 2 June 2023)**. You can access the latest version of these terms and conditions in the link below.]

[www.hsbc.com.au/help/important-notice](http://www.hsbc.com.au/help/important-notice)

**ⓘ All clause, section and page references in the following table are to the clauses, sections or pages of the latest terms and conditions that can be accessed through the link above.**

Change summary	Change details
<b>General changes</b>	
We've made the following general changes throughout the HSBC Home Loan Terms. These changes are intended to make the HSBC Home Loan Terms more transparent and easier to read – not to change your or our rights and obligations under your agreement with us.	
We've clarified where to find relevant content.	We've done this by amending the headings of certain clauses so that they are as clear as possible.
We've placed relevant content together.	We've done this by moving content so that it sits with similar content under a relevant heading. We've also removed duplicated wording.
<b>Specific changes</b>	
We're making the following specific changes to sections and clauses of the HSBC Home Loan Terms.	
We're discontinuing Australia Post services	We've done this by removing references to Bank@Post throughout the document, where relevant. <b>See clause 11</b> <b>See Appendix 2, clause 2</b> <b>See Appendix 3, Clause 3</b>
We're changing the availability and use of cheques in certain situations.	We've done this by removing references to cheques in certain clauses and reducing the ways in which cheques can be used to make or receive payments. <b>See Part C: Other Terms</b> <b>Appendix 2, clause 2</b> <b>Appendix 3, clauses 2, 3, 5</b>
<b>Part A: Our Credit Guide and General Information</b>	
We've updated the contact details for the National Relay Service.	We've done this by updating the contact details for the National Relay Service see <b>page 8</b>
<b>Part B: Home loan terms</b>	
We've clarified the documents that form the agreement between you and us and what information they contain.	In the table under <b>clause 2</b> , we've: <ul style="list-style-type: none"> <li>clarified that we'll only make changes to the information in the letter of offer in accordance with clauses 5 and 6 of the HSBC Home Loan Terms; and</li> <li>clarified that the Fixed Rate Handout (Home Loans) applies if you have a Fixed Rate Home Loan – the terms in the Fixed Rate Handout (Home Loan) already applied if you opted for a Fixed Rate Lock.</li> </ul>

Change summary	Change details
<b>How can we change this agreement?</b>	
We've clarified that our rights in this section only apply to the terms of your home loan.	We've clarified this in <b>clauses 5 and 6</b> .
We've made changes about how we will tell you about certain changes to your loan.	We've done this by stating that favourable changes or changes relating to your interest rate or fees and charges will no longer be published in a national newspaper. Instead, we'll tell you about these changes in a notice or by publishing them on our website.  See <b>clauses 6, 22, and 31</b>
We've refreshed the terms that give us the right to make changes to your home loan.	We've done this by refreshing the table containing the changes we can make, the reasons we can make those changes and when we'll tell you about the change. See <b>clause 6</b> .  <i>Note: The updated terms above are intended to make these matters clearer and are not intended to give us additional grounds for changing the terms of your home loan.</i>  <b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 6 TO KNOW OUR RIGHTS TO CHANGE TO YOUR HOME LOAN.</b>
We've clarified how we'll tell you about changes.	In <b>clause 6</b> in 'How we'll tell you about changes?' we've clarified: <ul style="list-style-type: none"><li>• for changes to your interest rate or fees and charges, or where we reasonably believe that the change is favourable to you, we'll tell you about changes by writing to you or by publishing them on our website; and</li><li>• for all other changes, we'll notify you in writing.</li></ul> <b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 6 TO KNOW HOW WE'LL TELL YOU ABOUT A CHANGE TO YOUR HOME LOAN.</b>
<b>What needs to happen before we allow you to draw on the loan?</b>	
We've clarified our right to not let you draw on the loan.	There are a number of circumstances where we are not required to let you draw the loan or lend to you further. We've clarified some of these circumstances by: <ul style="list-style-type: none"><li>• clarifying that our right to do this when you're in default and you haven't fixed it to our satisfaction is limited to our "reasonable" satisfaction; and</li><li>• adding to the existing list of reasons if acting reasonably, in our opinion, something occurs that makes not advancing funds to you and withdrawing necessary in order to protect our legitimate interests.</li></ul> See <b>clause 8</b> .
<b>What will you have to pay us, when and how?</b>	
We've clarified when we might treat a payment as not received.	We've done this by adding that we'll treat a payment as not having been made: <ul style="list-style-type: none"><li>• when it doesn't clear; and</li><li>• when we determine the payment was a result of mistake or fraud, or if we refuse to accept a payment into your account.</li></ul> See <b>clause 9</b> under 'When we treat your payment as being made'.
We've clarified for how we apply payments.	We've done this in <b>clause 9</b> under 'Applying payments' by removing: <ul style="list-style-type: none"><li>• the order that we usually apply payments; and</li><li>• our right to decide which account to apply the payment to if you don't tell us how to apply it.</li></ul> This means that if you don't tell us how to apply cleared payments, we will continue to apply these to any part of all you owe in the order that we decide, acting reasonably.
We've clarified what your periodic payment amount is.	In <b>clause 10</b> , we've clarified that your periodic payment is your scheduled repayment as set out in your letter of offer. This includes the repayment of interest charges in that periodic payment period.
We've made changes to how you can make payments	You will no longer be able to make payments at a Post Office.  See <b>clause 11</b>

Change summary	Change details
We've clarified how much you can redraw.	In clause 13, we've clarified that you can only redraw the amount that is available for redraw. If you redraw more than this, we may charge you default interest.
We've clarified our right to cancel your access to the redraw feature.	<p>We've done this by in <b>clause 13</b> by:</p> <ul style="list-style-type: none"> <li>• adding the circumstances that we may cancel your access to redraw;</li> <li>• clarifying that if we do cancel your access, we'll try to tell you in advance, but this may not always be possible, and we may take the amount of your next periodic payment from the amount you have available for redraw.</li> </ul> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 13 TO KNOW WHY WE MAY CANCEL YOUR ACCESS TO THE REDRAW FEATURE AND WHAT MAY HAPPEN IF WE DO.</b></p>
We've clarified what happens if you miss a periodic payment.	<p>We've done this by clarifying that:</p> <ul style="list-style-type: none"> <li>• you'll need to pay any amount of the periodic payment that is missed immediately or otherwise come to another arrangement with us; and</li> <li>• you'll be in default of your payment obligation until you pay the overdue amount.</li> </ul> <p>See <b>clause 14</b>.</p> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 14 TO KNOW WHAT HAPPENS IF YOU MISS SOME OR ALL OF A PERIODIC REPAYMENT.</b></p>
<b>What do we calculate interest on and how do we work out interest?</b>	
We've clarified when your interest rate may change before you draw your loan for Fixed Rate loans.	In <b>clause 16</b> , we've clarified that the interest rates in your letter of offer may change before you draw your loan even if your letter of offer specifies a Fixed Rate unless you've opted for the Fixed Rate Lock.
We've updated what we mean by capitalising interest, fees and charges.	<p>We've done this by replacing our existing terms on capitalising interest, fees and charges. See <b>clause 17</b>.</p> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 17 TO KNOW WHAT HAPPENS TO ANY UNPAID INTEREST AND ANY FEES AND CHARGES.</b></p>
We've clarified how we charge default interest.	<p>We've done this by clarifying that default interest is calculated:</p> <ul style="list-style-type: none"> <li>• on overdue amounts if you fail to pay your required periodic payment amount in full; and</li> <li>• only until you pay the overdue amount.</li> </ul> <p>See <b>clause 21</b>.</p> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 21 TO KNOW WHEN YOU MAY INCUR DEFAULT INTEREST.</b></p>
We've clarified what your interest rate is made up of.	We've done this in <b>clause 22</b> by clarifying that your letter of offer sets out your interest rate which is made up of a Reference Rate plus or minus any margins.
<b>Fees and charges</b>	
We've updated how we recover fees and charges for your loan.	<p>We've done this at the beginning of this section by:</p> <ul style="list-style-type: none"> <li>• clarifying that we can debit our fees and charges to your loan account, or you can pay them to us directly; and</li> <li>• removing the right to require that you pay them on demand in addition to your periodic payments.</li> </ul> <p>See Fees and charges, page 32</p>
We've clarified where you can find the fees and charges that apply to home loan.	We've done this by clarifying that fees may separately apply in connection with payments made into and out of your home loan account, to the use of your Offset Savings Account or Home Loan Transaction (Non-Offset) Account and if your loan account allows you to make transactions, and where you can find these fees. See <b>clause 23</b> .

Change summary	Change details
We've clarified what else you could have to pay extra for, and what you don't have to pay for.	In <b>clause 24</b> , we've clarified that you must reimburse us for certain fees and charges that we incur in managing your loan and to protect our legitimate interest in the property. We've also clarified that we won't charge you for costs that come about because of negligence, fraud and wilful misconduct by us or someone acting for us.
We've clarified when we may obtain valuations and how we charge you.	We've clarified that we can obtain valuations at any time we reasonably consider necessary to protect our legitimate interests in the property. We can charge you the cost of the valuation to the account that you've told us to charge. See <b>clause 25</b> .
We've clarified what you need to do in relation to insurance.	<p>In <b>clause 26</b>, we've clarified obligations in relation to insurance by:</p> <ul style="list-style-type: none"> <li>• adding that you must maintain any insurance required under the mortgage you give us;</li> <li>• adding that if we believe that you do not maintain insurance as required under the mortgage you give to us, we may take it out to protect our security interest; and</li> <li>• updating the terms to state that you must deal with proceeds of any insurance policy in accordance with the Mortgage Memorandum.</li> </ul> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 26 TO KNOW WHAT YOU MUST DO IN RELATION TO INSURANCE.</b></p>
We've clarified how we add charges that don't relate to any particular sub-account.	We've done this by clarifying that we'll act reasonably in choosing to add the charges to any particular sub-account. See <b>clause 27</b> .
<b>Repaying your loan before the end of the home loan term</b>	
We've clarified when you may have to pay break costs.	We've done this by clarifying that we may charge you break costs if you repay early or pay more than the maximum amount allowed. See <b>clause 28</b> .
<b>When you don't follow this agreement</b>	
We've clarified when you're in default and what may happen when you're in default.	<p>We've done this by adding to the existing list that you'll be in default if:</p> <ul style="list-style-type: none"> <li>• you're in default under the mortgage you give to us; and</li> <li>• you don't meet any of your obligations under the agreement or mortgage and we reasonably consider that it puts our interests at serious risk.</li> </ul> <p>Additionally, we've also:</p> <ul style="list-style-type: none"> <li>• clarified when we'll give you notice that you're in default and what will happen if you don't fix it; and</li> <li>• made it clearer when we don't give you notice or wait before taking action by putting the existing list of things that trigger this into a separate table.</li> </ul> <p>See <b>clause 29</b>.</p> <p><b>⚠ WE RECOMMEND YOU READ THE UPDATED TERMS IN CLAUSE 29 TO KNOW WHEN YOU'RE IN DEFAULT AND OUR RIGHTS TO TAKE ACTION IF YOU ARE.</b></p>
<b>What you tell us by entering into the agreement</b>	
We've clarified what you tell us by entering into this agreement and what you need to tell us during the agreement.	<p>In <b>clause 30</b>, we've updated the table by:</p> <ul style="list-style-type: none"> <li>• clarifying that you need to notify us of any threatened, pending or actual litigation or anything else we tell you we reasonably require notice of. You must tell us notify us of these things before you enter into the agreement and throughout the agreement;</li> <li>• removing the requirement for you to notify us of any event which would require you to repay immediately;</li> <li>• clarifying that if you're joint borrowers, you each tells us that you've not coerced or otherwise unduly compelled any other joint borrower to enter into this agreement and that each of you do not intend to deprive any other joint borrower of receiving substantial benefit from this loan; and</li> <li>• clarifying that if you're a trustee for a trust, you agree you're liable as the trustee for the trust and personally if you've acted outside your authority as trustee.</li> </ul>

Change summary	Change details
<b>Contacting each other</b>	
We've clarified how we can give you notice.	In <b>clause 31</b> , we've clarified that, where permitted by laws or regulations, we may give you notice on our website.
<b>Other terms</b>	
We've clarified the documents that you need to sign.	Under the heading 'Additional documents' we've clarified that you agree to sign any documents to documents we may reasonably need to safeguard the mortgage or our other security or to protect our legitimate interests in your property.  See <b>page 45</b>
<b>Jurisdiction</b>	
We've clarified what laws govern the agreement.	We've done this by clarifying that the agreement is governed by the laws and regulations in the State or Territory in Australia that you've told us that you reside in.  See <b>page 46</b>
<b>Appendix 1: Additional terms for home loan accounts</b>	
We've clarified that repayments, the interest rate and how we calculated fees and charges payable if you repay more than you're required to won't change if a market linked rate applies.	We've stated this in <b>clause 5</b> in Appendix 1.
We've clarified the conditions that apply to Construction Loans.	In <b>clause 7</b> of Appendix 1 we have made the following clarifications: <ul style="list-style-type: none"> <li>• in condition (c), clarifying that if you believe the cost to complete works may exceed the unused portion of the overall loan balance, you should contact us to discuss your options;</li> <li>• in condition (d), clarifying that before the final progress payment you need to give us evidence of an insurance policy (rather than the original policy); and</li> <li>• in condition (g), adding that you must contact us to discuss your options as soon as you become aware that the specified things occur and you must obtain our agreement.</li> </ul>
We've clarified when we can take demand repayment, cancel or reduce your credit limit for your Home Equity Loan.	In <b>clause 9</b> of Appendix 1, we've clarified that we'll only do these things acting reasonably.
<b>Appendix 2: Transaction Terms</b>	
We've clarified that HOME SMART® and Home Equity provide access to a Visa Debit card.	We've stated this to <b>clause 2</b> in Appendix 2.
We've made changes to chequebooks on the <a href="#">HOME SMART® and Home Equity</a>	We've added a new footnote 6 to <b>clause 2</b> in 'How deposits and withdrawals can be made' under the subheading 'Home SMART® and Home Equity' It sets out: <ul style="list-style-type: none"> <li>• Cheque books are no longer available for new accounts or for existing accounts that don't already have a cheque book</li> </ul>
We've made changes to special cheque clearances on the HOME SMART® and Home Equity	We've removed reference to special clearances relating to cheques. See <b>clause 2</b> .
<b>Appendix 3: Offset Savings Account and Home Loan Transaction (Non Offset) Account</b>	
<b>Offset Savings Account and Home Loan Transaction (Non Offset) Account</b>	
We've defined what we mean by the Home Loan Transaction (Non Offset) Account.	At the start of this section, we've clarified that if you have a Fixed Rate Loan, we refer to the Offset Savings Account as "Home Loan Transaction (Non Offset) Account" and it won't offset against your loan account.  <i>Note: The Home Loan Transaction (Non Offset) Account is not a new type of account. Instead, we have defined it to be clearer what happens to your linked transaction account when you have a Fixed Rate loan account.</i>

Change summary	Change details
We've clarified how the <i>HSBC Personal Banking Booklet</i> applies to Offset Savings Accounts and Home Loan Transaction (Non Offset) Accounts.	We've done this at the start of this section by adding that the clauses of the HSBC Personal Banking Booklet apply to your Offset Savings Account or Home Loan Transaction (Non Offset) Account where specified in the Personal Banking Booklet as applying to transaction and savings accounts or where specified as applying to payments that can be made into, or our of, the account.
We've clarified how certain credit and operational risks may arise.	We've done this by clarifying that events may occur which may result in you incurring fees charged by third parties that we don't control. See 'Credit and operational risk' in ' <b>Summary of Key Risks</b> '.
We've made changes to chequebooks on the <u>Offset Savings and Home Loan Transaction (Non Offset) Account</u> .	We've removed cheque access as a key feature, and we've added a new clause in ' <b>How deposits and withdrawals can be made</b> '. It sets out: <ul style="list-style-type: none"> <li>• Cheque withdrawal access is no longer available for new accounts or for existing accounts that don't already have a cheque book</li> </ul> See <b>clause 2</b> .
We've made changes to special cheque clearances on the Offset Savings and Home Loan Transaction (Non Offset) Account.	We've removed reference to special clearances relating to cheques. See <b>clause 3</b> .
We've made changes to the Offset Savings and Home Loan Transaction (Non Offset) Account when you delink your Standard Variable Rate or Fixed Rate Loan.	We've done this by amending <b>clause 5</b> to clarify that issuing you a bank cheque is will no longer be an available payment method to receive funds, if your Standard Variable Rate or Fixed Rate loan account is closed or you move products, and we terminate your Offset Savings Account or Home Loan Transaction (Non Offset) Account.

In addition, we've updated the terms so that they're simpler and easier to understand by:

- updating definitions of certain terms that we use in the HSBC Home Loan Terms to make them clearer (for example, we've clarified what we mean by 'Reference Rate' in clause 6);
- updating the use of certain terms and expressions (for example, we've updated references from 'loan balance' to 'all you owe' and from 'loan' to 'loan account' where appropriate) and making our use of expressions more consistent;
- making it clearer how the terms in the HSBC Home Loan Terms work with the other terms of your agreement including by adding cross-references and referring to the HSBC Personal Banking Booklet that could contain other relevant terms, and removing the term that addressed conflict between the different documents that make up your agreement;
- simplifying the wording used; and
- making grammatical and formatting changes.