

# Co-Borrower Acknowledgement Form

Customer may receive no substantial benefit from the loan

Please complete the form in full in black or blue pen using CAPITAL LETTERS and  where appropriate.  
Please note: ALL SECTIONS of this form need to be completed.

Loan amount/ Credit limit (Loan)		Loan Product	
Application Reference			
Your (Borrower's) full name			
Other Co-Borrower/s full name/s			

## Reasons why you want to be a co-borrower

You have applied to be a Co-Borrower for the Loan for the following reason(s):

Tick all applicable boxes

<input type="checkbox"/>	The structure of the Loan is being determined in accordance with independent tax/ financial/ legal advice
<input type="checkbox"/>	Income of all borrowers is needed to service the loan
<input type="checkbox"/>	Other. Please specify:

## Acknowledgement

By signing below in the presence of an independent witness, you freely, voluntarily and without pressure from your Co-Borrower(s) or any other person, acknowledge the following:

### 1. No substantial benefit

You want to be a borrower of the Loan, even though you may not receive a substantial benefit from the Loan.

### 2. Differences between a Co-Borrower and a Guarantor:

#### a. Co-Borrower liability

You understand that:

- All borrowers are jointly and severally liable for repaying the loan. This means that if, for some reason, one borrower will not or cannot pay, you and any other Co-borrower(s) are responsible and liable for the total debt owed, and all Co-Borrower(s) or any one of you individually may be pursued to repay the full amount,
- Failure by all borrowers to meet their repayments obligations may result in debt collection or an adverse credit rating for all borrowers as well as sale of property and other assets, and
- in applying as a Co-Borrower, you and your Co-Borrower(s) have asked us to assess the Loan application on the basis that your joint incomes will service the Loan.

**b. Guarantor liability**

You understand that:

- A guarantor makes a promise to repay the debt if a borrower does not pay. The guarantor does not become liable to repay the debt until the borrower defaults and steps are taken to collect the debt from the borrower
- A guarantor may be able to limit their liability under law
- A guarantor is permitted to recover monies from the defaulting borrower

**3. How do you wish to proceed with the application?**

As a person who may not receive a substantial benefit from the Loan, we have explained the differences between being a Co-Borrower and a guarantor and you:

- (a) understand the difference between being a Co-Borrower and guarantor;
- (b) understand becoming a Co-Borrower involves financial risks, including the risk of losing any security, property and other assets; and
- (c) have requested to be a Co-Borrower.

**4. Independent advice**

We require that you obtain independent legal advice about your obligations as a Co-Borrower prior to settlement and:

- you provide your solicitor with this form to read;
- you ask your solicitor in particular for advice on the following issues:
  - » the difference in the obligations between being a Co-Borrower and a guarantor; and
  - » the risk associated with being a Co-borrower under a loan agreement including the risk of losing any security, property and other assets.

In addition, you agree that you have either obtained independent financial advice, or, you acknowledge that you have had the opportunity to obtain independent financial advice, but you have chosen not to obtain such advice.

Signature of Co-Borrower	Date of signature
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