

Schedule 4 Part 2: Acknowledgment of Legal Advice by Proposed Guarantor

1. I have instructed _____ (name of Solicitor)
(my Solicitor) to give me legal advice concerning the following loan and security documents:
 - (i) Loan agreement/offer of loan between
_____)
and _____
_____ (the borrower/grantor of a security interest)
 - (ii) Mortgage over property (specify address or other description) _____

 - (iii) Memorandum registered number _____
 - (iv) Charge over _____
 - (v) Guarantee _____
 - (vi) Other _____
(the loan documents)
2. I produced to my solicitor the following evidence as to my identity:
 - (a) Passport
 - (b) Driver Licence
 - (c) Medicare Card
 - (d) Credit Card
 - (e) Rate Notice
 - (f) Other
3. The advice given to me by my solicitor included that:
 - (a) if the borrower fails to make any payment on time, I as the guarantor will be liable to remedy that failure, and that could involve me in payment to the lender of all amounts owed by the borrower to the lender including principal, interest, default interest and the lender's costs of rectifying the default;
 - (b) if as the guarantor I fail to remedy any failure by the borrower to comply with the terms and conditions of the loan in any way, including the obligation to pay principal, interest, default interest, or other charges,
 - the lender can sue me personally; and
 - can take possession of my property secured to the lender and, after notice, sell it to recover the amount owing together with interest and other costs, including solicitor's costs, the costs of selling the property and the costs of maintaining the property; and
 - if the proceeds of sale from my property are insufficient to satisfy the debt to the lender, the lender can sue me for the deficit;

- (c) my liability under the loan documents can be increased (set out the facts regarding the extent of the possible increase, and of any restriction or limitation of the guarantor's rights or obligations in relation to the security and any other party to the documents);
 - (d) the lender can exercise its rights against me as the guarantor even if it has not pursued the borrower;
 - (e) my liability under the loan documents is (eg limited to a specified sum, or is unlimited (whichever is the case) and may be affected by cross guarantees; and
 - (f) the additional obligations, rights and remedies set out in the loan documents if the National Credit Code or the *Personal Property Securities Act 2009* (Cth) apply.
 - (g) by making a Statutory Declaration verifying the giving of the advice I am making a statement having the force of an Oath which can be relied upon by the lender.
4. Generally, in relation to the proposed transaction my solicitor specifically advised me that:
- solicitors by virtue of their profession possess no special skill to give financial (as distinct from legal) advice; and
 - if I have any doubts about the wisdom of the transaction, or its possible financial consequences for the proposed signatory or I have any other questions about any financial aspect of the transaction or the documents, I should consult an accountant or other financial counsellor of my choice before signing the documents.
6. After receiving the above advice I freely and voluntarily signed the loan documents.

DATE: _____

SIGNED: _____
(Signatory)