

BFS Policy on the Early Redemption of Term Investments

Government agencies, APRA and ASIC have mandated new rules for early redemptions from fixed term investments for all financial institutions. These rules apply to early redemptions from BFS Term Investments as from 1st January 2017.

Clients who wish to redeem funds from a Term Investment before the maturity date must give 31 days' notice before the funds can be released.

An Early Redemption Fee and Penalty Interest Reduction will be applied to requests for both partial or full redemption. These charges may vary from time to time as determined by the Board. In hardship cases, the Early Redemption Fee may be waived at the discretion of the CEO depending on the hardship circumstances.

Financial Hardship

Funds may only be released without requiring 31 days' notice in cases of financial hardship.

Financial hardship is defined as a difficulty in coping with financial commitments due to unforeseen circumstances such as:

- Suffering an illness or injury,
- Unemployment or a reduction in working hours,
- Significant life events such as relationship breakdown or death in the family,
- Moving to a retirement village or a nursing home,
- Sudden unforeseen changes in income or expenditure, or
- Emergency or natural disaster.

Please note that the following examples will NOT be considered financial hardship for the purposes of early redemption and will therefore require 31 days' notice before funds may be redeemed prior to maturity:

- Deposit for purchase of family home or other property,
- Purchase of motor vehicles,
- Family vacations,
- Home renovations,
- Home repairs not a direct result of natural disaster,
- Time-limited investment or business opportunities, or
- Any other purpose not considered by BFS as constituting financial hardship.

All applications for release of funds due to financial hardship must be approved by the CEO and explanations of hardship should be stated on the BFS Request for Early Redemption of Term Investment form.