

Prospa removes unfair loan terms

Prospa Advance Pty Ltd (**Prospa**) has changed loan terms in its standard small business loan contract after an ASIC review citing concerns about terms being unfair under the ASIC Act.

Prospa has agreed that all contracts that entered into or renewed contracts from 12 November 2016 will benefit from the new changes.

Changes to the contract include:

- borrowers can now repay their loan without requiring Prospa's consent
- amend the unilateral variation clause to significantly limit Prospa's ability to unilaterally vary contracts
- removed a broad 'cross-default' clause which allowed Prospa to call a default under the loan due to any default under another finance document related to the loan
- removed an 'entire agreement' clause, and
- limited the guarantor's liability so that the guarantor is no longer liable for any increase in the amount of the loan principal and interest agreed as the start of the loan.

[Read the full list of changes here](#)