

Loan Agreement – Specific Terms Kāinga Ora First Home Loan

AGREEMENT

We agree to make the Loan available to you on the terms set out in this Agreement (as such terms is defined in the General Lending Terms).

Borrower Name(s) (also referred to as “you” & “your”)

Continuing Disclosure Statements will be available to you electronically using your NBS Internet Banking access

Loan Account Number:

Effective Date of this Agreement:

Deduction Account Number:

- These Specific Terms, together with the General Lending Terms and Collateral Documents, contain the terms and conditions on which you have agreed to borrow the Loan from us.
- These Specific Terms describe the commercial terms of your Loan and the security to be provided in support of the Loan.
- The General Lending Terms describe your obligations under the Loan and what we can do if you do not fulfil those obligations.
- The General Lending Terms which apply to this Loan are the General Lending Terms – Version 2021-1.
- These Specific Terms also constitute a Disclosure Statement for the purposes of the Credit Contracts and Consumer Finance Act 2003.
- You should read this document thoroughly. If you do not understand anything in this document, you should seek independent advice. You should keep this Disclosure Statement and a copy of the entire Agreement in a safe place.
- The law gives you a limited right to cancel this Agreement. This is described below under the heading “Statement of Right to Cancel”. Note that strict time limits apply.

LENDER DETAILS

This is the organisation providing you with credit (also referred to as “NBS” “we” and “us”)

You may send us notices under this Agreement by:

- Writing to us at our postal address, or
- Sending an email to the address specified

Name on FSP Register	Nelson Building Society
Postal Address	PO Box 62, Nelson, 7040
Email	lending@nbs.co.nz
FSPR Registration no	FSP 33381
Dispute Resolution Scheme	Banking Ombudsman Scheme

LOAN DETAILS

LOAN PURPOSE

CREDIT DETAILS

Amount Financed:

This is the amount you owe us on the Date of Advance, including any fees we charge you on that date

Amount Financed

Loan Establishment Fee

Lender's Mortgage Insurance Premium Fee

Amount Financed (Maximum Amount)

Total Interest

Total Amount Payable

PAYMENTS

Term:

First payment date:

Final payment date:

Schedule of Payments:

You are required to make each payment of the amount specified and as stated in the Payment Frequency. The Term of the Loan is as requested by you. The First Payment Date and Final Payment Date are indicative only. We will agree the date for the first payment with you.

The amount of Total Interest, Number of Payments and your Payment Amount following expiry of the fixed interest rate period are indicative only and have been calculated assuming the Maximum Amount of your Loan has been drawn, using the Interest Rate specified. The Interest Rate may change over the term of this Loan so the actual amounts you pay following expiry of the fixed interest rate period are likely to be different to the above.

INTEREST

Interest Rate: x.xx% per annum. Rate may change if loan is in default (see clause 6.4 of the General Lending Terms)

Fixed Interest Rate Period: xx Months. At the end of the Fixed Interest Rate Period the Interest Rate will change to the NBS Variable rate, at which time the Interest Rate can be Fixed as agreed between you and us.

Total Interest Charges: \$x.xx. This is the total amount of the interest charges payable under this Agreement (see assumptions on page 1).

Method of charging interest:

Interest charges are calculated by multiplying the unpaid balance at the end of the day by a daily interest rate. The daily interest rate is calculated by dividing the annual interest rate by 365. Interest will be charged to the Loan on the last day of each month.

SPECIAL CONDITIONS:

Lenders Mortgage Insurance Premium Fee

Kāinga Ora First Home Loan scheme is a form of ‘Lenders Mortgage Insurance’ which insures the lender (NBS) against loss if a loan repayment goes into default. Kāinga Ora charges this fee to insure each First Home Loan. The amount of this fee is 1.2% of the loan amount, and this fee can be added onto the loan.

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SECURITIES

The repayment of the Loan is secured over the property described below. The Terms which apply to the security interest are set out in Clause 7 of the Memorandum of Mortgage.

ACKNOWLEDGMENT

By signing this document you, as a Borrower(s) or a Guarantor(s):

1. agree to be bound by this Agreement which is made up of these Specific Terms and the General Lending Terms.
2. consent to receiving disclosure of information about this Loan and other communications (including in relation to your membership) from us electronically; and we consent to receiving electronic messages from you.
3. acknowledge your obligations under this Agreement have been explained to you, and you understand those obligations.
4. acknowledge a copy of this Agreement was given to you before you signed below.
5. agree no representation, warranty or undertaking has been made by or on behalf of us in relation to the Loan that is not expressly set out in this Agreement and, you have not received or relied upon any advice given by or on behalf of us, when accepting this Loan.
6. acknowledge if the Loan is acquired for business purposes, the provisions of the Consumer Guarantees Act 1993 do not apply and you confirm that disclosure has been made to us if any Secured Property or part of the Secured Property used as Collateral for the Loan forms part of any Goods and Services Tax activity.
7. agree if the Borrower, Guarantor or Obligor is a Trust then we acknowledge that, for the purposes of Clause 10 of the General Lending Terms of the Loan, Clause 16 of the Guarantee and Indemnity and Clause 18 of Memorandum number 2007/4231, are independent trustees of the Trust

Executed as a Deed by the parties named below

Signed Acceptance

Signed by Borrower

Signed by Borrower

Signature:.....

Signature:.....

Name:

Name:

Date:

Date:

GENERAL INFORMATION

FEES AND CHARGES

Information on the amounts of fees and charges payable under this Agreement and how and when those fees and charges may become payable are set out in this section, the Loan Details section and in the attached Fee Schedule.

The fees in the Loan Details section will be deducted from the Amount Financed on the Date of Advance.

The fees in the Fee Schedule may apply during the term of the Loan.

We may alter the amount of these fees and charges at any time (see Clause 5.3 of the General Lending Terms.) Administration costs and fees payable on early repayment are disclosed below under the heading "Early Repayment Recovery Amount".

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest

We have a security interest in the property and the land described under the heading **SECURITIES** to secure performance of your obligations under this Agreement and the payment of money payable under this Agreement. If we hold a security interest in personal property, we will register our interest on the Personal Property Securities Register. If we hold a security interest in land, we will register a mortgage with Land Information New Zealand. The security interest secures the repayment of all money you owe us and the performance of all of your obligations to us, under this Agreement and any Collateral Document. The security interest gives us direct rights in the relevant property which we can exercise **if you fail to meet your commitments under this Agreement, including if you grant a security interest over the same property to another person. These rights include the right to repossess and sell this property or land.** If the proceeds of sale do not repay the Loan in full, you will remain liable to repay the outstanding balance. We confirm that no disabling devices will be fitted to any secured property.

Default interest and default fees

If an Event of Default occurs under Clause 13.2 (a) of the General Lending Terms, or if at any time the Maximum Amount is exceeded, and while the relevant event continues, you must pay Interest at the Default Rate and the Fees as specified below.

The Default Rate is **4.00% per annum above the annual interest rate**

A Default Administration Fee of **\$45.00 (plus Recovery Costs)** may be charged for any breach by you under this Agreement or if we enforce this Agreement.

EARLY REPAYMENT RECOVERY AMOUNT

When choosing a fixed rate loan you need to know that if you:

- repay the loan early either in full or in part or
- switch to another fixed or variable interest rate

before the end of the Fixed Interest Rate Period (**Early Repayment**), you may be required to pay an Early Repayment Recovery amount to us.

Fixed rate loans are a contract between you and NBS. They give you certainty of your repayments and the interest you will be charged during the Fixed Interest Rate Period. In exchange, we receive certainty of income that will be received. If you repay some or all of your fixed rate loan early or switch to another fixed or variable rate before the end of your Fixed Interest Rate Period, we may lose income. The Early Repayment Recovery amount helps us recover an estimate of the likely loss of that income.

When calculating the loss, we use the calculation set out in the Credit Contracts and Consumer Finance Regulations 2004 (regulation 9 and 11).

The calculation is complex and takes into account:

- the amount being repaid early;

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- the time remaining in the Fixed Interest Rate Period;
- our current applicable fixed interest rates; and
- what your current regular payments are.

We calculate the Early Repayment Recovery amount by comparing:

- the interest that would have been payable on the relevant part of your loan for the time remaining in your Fixed Interest Rate Period; and
- the interest that would be payable if we relend the amount you intend to repay early, on the day of your repayment at the applicable prevailing interest rate.

The result of the calculation depends on the specific features and term of your loan.

We recommend you contact your branch for an estimate of your Early Repayment Recovery amount before you look to repay or restructure your fixed rate loan.

You may also have to pay a \$50.00 administrative fee relating to the Early Repayment (**Early Repayment Administration Fee**).

We may not always charge the Early Repayment Recovery Amount

You can increase the amount of your regular payments, or you can make lump sum payments during your Fixed Interest Rate Period, without the Early Repayment Recovery amount being applied. However, you can only do this if your Early Repayment is not more than \$50,000.00 in each year of your Fixed Interest Rate Period. The year is calculated from the first day of your Fixed Interest Rate Period.

STATEMENT OF RIGHT TO CANCEL

The Credit Contracts and Consumer Finance Act 2003 gives you a right for a short time after the terms of this Agreement have been disclosed to you to cancel this Agreement.

How to cancel

If you want to cancel this Agreement you must give written notice to us that you intend to cancel this Agreement by:

- giving notice to us or one of our employees or agents; or
- posting the notice to us or one of our agents; or
- emailing the notice to our email address.

You must also return to us any advance and any other property received by you under this Agreement.

Time limits for cancellation

If the disclosure documents are handed to you directly you must give notice that you intend to cancel within 5 working days after you receive the documents.

If the disclosure documents are sent to you by electronic means (for example, email) you must give notice that you intend to cancel within 7 working days after the electronic communication is sent.

If the documents are mailed to you, you must give the notice within 9 working days after they were posted.

Saturdays, Sundays and national public holidays are not counted as working days.

What you may have to pay if you cancel

If you cancel this Agreement we can charge you:

- The amount of any reasonable expenses we had to pay in connection with this Agreement and its cancellation (including legal fees and fees for credit reports, etc); and
- Interest for the period from the day you received the Loan until the day you repay the Loan.

This statement only contains a summary of your rights and obligations in connection with the right to cancel. If there is anything about your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that you do not understand, if there is a dispute about your rights, or if you think that we are being unreasonable in any way, you should seek legal advice immediately.

STATEMENT OF RIGHT TO MAKE HARDSHIP APPLICATION

If you are unable reasonably to keep up your payments or other obligations because of illness, injury, loss of employment, the end of a relationship, or other unforeseen cause, you may be able to apply to us for a hardship variation.

To apply for a hardship variation, you need to:

- make an application in writing; and
- explain your reason(s) for the application; and
- request one of the following:
 - an extension to the term of this Agreement (which will reduce the amount of each payment due under this Agreement); or
 - a postponement of the dates on which payments are due under this Agreement (specify the period for which you want this to apply); or
 - both of the above; and
- give the application to us.

Do this as soon as possible. If you leave it for too long, we may not have to consider your application.

Application must be made before you (the Borrower) have:

- been in default for two months or more;
- been in default for two weeks or more after receiving a repossession warning notice or Property Law Act notice, or
- failed to make four or more consecutive loan repayments on their due date.

CONTINUING DISCLOSURE

We may be required to provide you with regular disclosure statements. The statements will give you information about your account. If we are required to provide you with regular statements, those statements will be provided six monthly or at least every 45 working days if your Loan is a Revolving Credit Loan (or at such other times required under the Credit Contracts and Consumer Finance Act 2003).

If you do not have Internet Banking service with us, we will forward your statements to your email address.

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DISPUTE RESOLUTION

If you have a complaint about this loan or our service, you should first contact the relevant NBS Local Branch Manager.

If you are still not satisfied with the outcome, you can contact complaints@nbs.co.nz or the General Manager Banking Operations at Nelson Building Society - 111 Trafalgar Street, Nelson 7010, PO Box 62, Nelson 7040. Phone: +64 3 548 2164. Free Phone: 0800 101 700.

If we cannot resolve your complaint or you are not satisfied with the resolution we propose, you can contact the Banking Ombudsman Dispute Resolution Scheme (which is an approved scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008). The Banking Ombudsman offers a free, independent dispute resolution service that may help investigate or resolve your complaint. You can contact the Banking Ombudsman at:

Contact details of dispute resolution scheme are as follows:

Phone:	0800 805 950 or 0064 4 915 0400 (from overseas)	
Website:	www.bankomb.org.nz	
Email:	help@bankomb.org.nz	
Address:	Level 5 Huddart Parker Building 1 Post Office Square Wellington 6011	Postal Address: Freepost 218002 PO Box 25327 Featherston Street Wellington 6146

Complaints can also be made to the Financial Markets Authority through their website <https://www.fma.govt.nz/>

FEE SCHEDULE

Below is a Schedule of Credit Fees and Charges (this table only includes any fees not fully set out elsewhere in this Agreement) which may be applied to the Loan. It does not include default fees or fees for optional services. See also our Fees and Charges on our website NBS.co.nz

Fee:	Description:	Amount:
Motor Vehicle Security Variation/ Security Swap Fee	If we hold a Security Interest which is registered on the Personal Property Security Register, and you have asked us to vary the Security, or change the names of any Obligors to the Loan Agreement, we may charge the Motor Vehicle Security Variation/ Security Swap Fee.	\$30.00
Early Repayment Administration Fee	If you have a Fixed Interest Rate and you pay the unpaid balance in full before the final payment is due, we may charge an Administration Fee. It compensates us for the costs incurred in connection with working out the Early Repayment Recovery amount. Charged at the time the Loan is repaid.	\$50.00
Default Administration Fee (plus Recovery Costs	This may be charged for any breach by you under this Agreement or if we enforce this Agreement. It compensates us for the costs incurred by us in connection with enforcement or the remedy of a breach under this Agreement. Such costs could include debt collection and repossession fees charged by a third party (Repossession Agent, Legal Provider) which will be debited to the loan for the invoiced amount. Copies of which are available upon request	\$45.00

Note: Fees current as at dd/mm/yyyy. We may alter the amount of these fees and charges at any time. See Clause 5.3 of the General Lending Terms.

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