

Property Loan Agreement - Consumer

PARTIES

Lender: **Avanti Finance Limited** (CN 659638) (FSP41821)
(referred to as "we" or "us")

Address: 30 Daldy Street, Auckland Central, Auckland 1010
Private Bag 11917, Ellerslie, Auckland 1542

Phone: 0800 33 33 20 or (09) 571 9594

Fax: (09) 571 2406

Email: info@avantifinance.co.nz

Borrower(s): **[Example Customer]**
(referred to as "you")

Address: [Borrower Full Address]

Phone: [Borrower Phone 1]

Email: [Borrower Email]

Guarantor(s)*: **[Example Guarantor]**

Address: [Guarantor Full Address]

Phone: [Guarantor Phone 1]

Email: [Guarantor Email]

*(referred to as "you" in the Security Details section (as applicable) and in the 'Guarantor's confirmation' in the Acceptance by the Parties section of the *Loan Agreement*. Guarantor is also referred to as "you" in parts of the *General Terms* (please refer to the meaning of "you" in clause 33 of the *General Terms* and to our explanation in the section headed "Finding your way around the small print" in the *General Terms*).

YOUR LOAN

Your loan type is a [Loan Type].

The disclosure date of the information in *this agreement* is date.

Your loan purpose is [Loan Purpose]. You must use the *Loan* for these purposes.

We agree to lend to you \$[Total Loan Amount].

This is the amount shown as "Total Loan Amount" in the *loan details* below. If you have chosen to borrow using more than one *account* then this amount is the total that we will lend on all of your *accounts*.

Before we lend, you must meet all of our pre-settlement requirements (see clause 1 of the *General Terms*). If you don't we can delay making an advance to you or we can cancel our agreement to lend.

The terms and conditions that apply to your loan (other than those implied by law) are set out in the following documents:

1. this document called *Property Loan Agreement - Consumer* (referred to as *Loan Agreement*);
2. the document entitled *Fees Brochure*;
3. the document entitled *General Terms - Property Loans* General Terms - Property version [x.x] (referred to as *General Terms*);
4. any *Loan Variation Statement* that we give you following your request and our agreement to vary your arrangements with us (e.g. if we agree to your request for a further advance or we agree to take *security* over a new *property* and release our *security* in any secured *property*).

Together, these documents make up and are referred to as "*this agreement*".

Words in *italics* indicate a defined term. **The meaning of defined terms** is included at the end of the *General Terms* in clause 33.

The key information for initial disclosure is contained in this *Loan Agreement* and in the *General Terms* under the heading "Key Information and Disclosures", which includes information about your right to cancel, your right to apply for a hardship variation, our registration on the Financial Service Providers Register, our internal complaints procedure and our dispute resolution scheme.

Important Notice: Our recommendations are not financial advice:

You are protected by responsible lending laws. Because of these protections, the recommendations given to you by us, the lender, about this *loan* are not regulated financial advice. This means that the duties and requirements imposed on people who give financial advice do not apply to these recommendations. This includes a duty to comply with a code of conduct and a requirement to be licensed.

Key time limit - If you do not sign and return *this agreement* to us or, if the first advance is not made (in either case) within **21 days** of the *disclosure date*, then we may cancel *this agreement* and we don't have to lend to you.

Our consent to electronic communications - You may send notices to us by writing to us at our postal address; or sending an email to the address as specified on the front page of this *Loan Agreement*.

Electronic disclosure - If an email address is inserted against your name in the Parties section of *this agreement* and if you have initialled the column "electronic disclosure consent" on the signing page, then you consent to any disclosure being made in electronic form by sending an email to your email address (see *General Terms* clause 27.4).

Loan statements - We will provide you a statement for each *account* as set out in clause 8 of the *General Terms*.

Further advances and variations - You can ask us to make a further advance, but we do not have to agree. We can decline your request for a further advance without giving you any reasons.

You may request specific changes to *this agreement* in the event of an unforeseen hardship. Part A - Key Information and Disclosures sets out information about your right to apply for a hardship variation.

If we agree to a further advance or to vary your loan, we will record the further advance or variation in a document entitled *Loan Variation Statement*. If we issue a *Loan Variation Statement* it will change, from the date specified in that statement, some of the terms of *this agreement*.

LOAN DETAILS

Total Loan Amount	[\$Total Loan Amount]
Less Establishment Fee	[\$Establishment Fee]
Less Re-documentation Fee	[\$Re-Doc Fee]
Less Legal and Registration Costs	[\$Legal and Reg Costs]
Less Broker Fee	[\$Broker Fee]
Net balance available on the <i>settlement date</i>	[\$Net Balance]

Key Disclosures: Using the disclosure assumptions set out in Schedule 1 of the Credit Contracts and Consumer Finance Regulations 2004, some key disclosure information for this loan is set out below:

Initial Unpaid Balance	The initial unpaid balance as at the end of the disclosure date is \$0.00. This is because no advances or payments have been made before the date this agreement is prepared.
Total number of payments	[Number payment Payment Frequency]
Total amount of payments	[\$Total Payment amount]
Total amount of interest	[\$Total Interest amount]

The Subsequent and Total Advances to be made under this agreement are equal to the Total Loan Amount above, unless you have a Multi-drawdown loan, in which case we cannot confirm the amount at this time.

Loan Accounts

Your *loan* is comprised of 1 account(s) as set out in the financial table(s) below

You must repay the *loan amount* for each account together with interest at the annual interest rate for that account over the *account term* in accordance with the requirements of that account.

Financial Table for fixed rate account

Loan Amount	[\$Total Loan Amount]
Account Term Number of months from the <i>settlement date</i>	[Number Payments]
Annual Interest Rate	
Fixed rate	[Fixed Rate]% per annum

Provided you settle within 14 days of the disclosure date, this is the rate that will apply for the account term. If you don't settle within 14 days of the disclosure date and the fixed rate for the fixed rate period you have chosen changes, the rate may change. If it does, we will tell you the new fixed rate.

This fixed rate is an interest rate that we determine applies to this account from the range of rates available for this loan type (as set out on this first page of this Loan Agreement) after we consider a range of factors about your personal and financial profile.

Payments

Total number of payments for this account [Number Payments]

Payment frequency [Frequency]

Your first *scheduled payment* is due on [First Payment Date] and thereafter in accordance with the *payment frequency*.

First payment amount 1 payment of \$[First Payment]

Subsequent payment amount(s) (partial interest payments) 6 payments of \$[Subsequent Payment]

8 payments of \$[Subsequent Payment]

8 payments of \$[Subsequent Payment]

These payments represent some of the interest due. The remaining interest charged will be *capitalised* to the loan and is due on the last *payment date* for this *account*. See clause 4.11 of the *General Terms* for further information about partial interest payments.

Final payment amount (balloon) 1 payment of \$[Final Payment] a final

payment due on the last *payment date* for this account

Interest Explanation

How we charge interest: Interest charges are calculated for an *account* by multiplying the *balance owing* on an *account* 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 for an *account* is charged to that *account* each month on the last day of the month.

Security Details

This is secured credit. In this section when we use the term "you" we mean borrowers and we also mean any guarantor who agrees to give us a *security* in a *property* or *asset* they own.

Our security covers all obligations: Each *security* will secure the payment or performance of all moneys and all obligations that you owe us both now and in the future. This includes payments and obligations under *this agreement*, any *Guarantee* and under any other agreement that you have now or, at any time in the future you will have with us.

Don't give anyone else a security interest: Unless you have our consent, you must not give a mortgage in the *property* or a security interest in any *asset* to anyone else. If you do then you will be in default and we will have the right to enforce the *security*, which includes the right to:

- repossess and sell the *asset* (if applicable); and/or
- enter into possession and/or sell the *property*,

If we sell the *asset* or the *property* we will apply the proceeds of sale to help repay the *total amount owing*.

If you don't repay: If you don't repay to us the *total amount owing*, we have the right to sell the *property* and any *asset* (if applicable) and apply the sale proceeds to help repay the *total amount owing*. If the net proceeds we receive from the sale of the *property* and any *asset* (if applicable) do not repay the *total amount owing* then after the net proceeds are applied to the *loan*, you will remain liable to us for the balance outstanding on the *loan*.

You appoint us as your attorney for the purposes set out in clause 14 of the *General Terms*. This power to act as your attorney is irrevocable until the *loan* is repaid in full.

Before we lend, you agree to give us each *security* as set out below.

Property

In relation to *property*, this type of *security* is called an all obligations mortgage. It incorporates the memorandum registered at Land Information New Zealand under No. 2017/4341. The terms and conditions of a *security* are deemed to be incorporated in *this agreement*.

Mortgage First Ranking Mortgage is to be or has been taken from the Mortgagor(s) and over the property set out below.

Address of Property: [Full Address]

Mortgagor(s): [Example Customer]

Record of Title: [Title Number]

Priority Sum: \$[Priority Sum] together with interest - including a specified principal amount of \$[Total Loan Amount] (being the initial advances secured by the mortgage)

Property insurance required: An insured sum sufficient to rebuild all buildings on the *property* with an insurance company with a rating of A or better.

Mortgage Agreement to Mortgage (Caveat) is to be or has been taken from the Mortgagor(s) and over the property set out below.

We may notify our mortgage interest in the *property* by registering a caveat or we may decide to use the power of attorney you give us to register our mortgage on the record of title to the *property*.

Address of Property: [Full Address]

Mortgagor(s): [Example Customer]

[Example Guarantor]

Record of Title: [Title Number]

Priority Sum: \$[Priority Sum] together with interest - including a specified principal amount of \$[Total Loan Amount] (being the initial advances secured by the mortgage)

Property insurance required: An insured sum sufficient to rebuild all buildings on the *property* with an insurance company with a rating of A or better.

Mortgage Second Ranking Mortgage is to be or has been taken from the Mortgagor(s) and over the property set out below.

Address of Property: [Full Address]

Mortgagor(s): [Example Customer]

Record of Title: [Title Number]

Priority Sum: \$[Priority Sum] together with interest - including a specified principal amount of \$[Total Loan Amount] (being the initial advances secured by the mortgage)

Property insurance required: An insured sum sufficient to rebuild all buildings on the *property* with an insurance company with a rating of A or better.

Assets

A security interest securing payment of all the money secured and performance of all the borrower's obligations under the agreement in:

Motor Vehicle

Description: [Vehicle Description]

Registration Number: [Registration Number]

Owner(s): [Example Borrower]

Other Asset

Description: [Asset Description]

Owner(s): [Example Borrower]

Guarantees

A *Guarantee* is to be or has been taken from the person or persons (if any) described below:

- [Example Guarantor]

Each guarantor that is recorded as a Mortgagor and/or an Owner in the Security Details section above agrees to:

- *mortgage that property and/or give us a security interest over that asset on the terms set out in this agreement;*
- appoint us as that party's attorney pursuant to clause 14 of the *General Terms*;
- adhere to the security obligations set out in *this agreement* and any *security*;

to secure all moneys and all obligations they owe to us either alone or together with any other person and whether directly or under a *Guarantee* and whether owing under *this agreement* or any other agreement(s) that party may have with us.

Fees and Default Interest

Our credit and default fees are set out in the *Fees Brochure*, which forms part of *this agreement*. We can change these fees at any time but before we do so we will give you notice of the changes. How we give you this notice is set out in 5.7 of the *General Terms*.

The credit fees and charges that are due on or before the *settlement date* are:

Establishment Fee: \$[Establishment Fee]. This fee represents costs we incur in connection with the application for your *loan*, processing and considering that application and making the *loan*.

Legal and registration Fee: \$[Legal Registration Fee]. This fee represents costs we incur in connection with preparation and registration of a *caveat/mortgage*.

Default Interest: If an amount is not paid when it is due, you must pay us default interest on the amount overdue for the period from its due date until it is paid in full in accordance with clause 6 of the *General Terms*. The default rate equals an interest rate that is **[default interest rate]**% per annum above the annual interest rate for an *account*.

Prepayment

If you pay us all or part of the *loan amount* other than by way of a *scheduled payment*, this is referred to as a "prepayment". You may pay the loan in full before the end of the *loan term* or you may decide to pay part of the *loan* early.

If you make a part prepayment:

- a. you may direct us to credit that part prepayment to a particular *account* or credit it across different *accounts*.
- b. your *scheduled payment* for the applicable *account* does not change (unless we specifically agree to your request for a change).

If you pay the unpaid balance in full before the final payment is due or if the *loan* is repaid early due to the lender's enforcement action taken after you default (**full prepayment**), you will have to pay our Prepayment Fee (see the *Fees Brochure*) to compensate us for the administrative costs relating to the full prepayment. You may also have to pay for the costs we incur to release our *security*.

Special Conditions

- [Special Conditions].

Acceptance by the Parties

Borrower's confirmation:

When you sign *this agreement*, you enter into binding legal obligations to borrow and repay money. It is important that you read and understand *this agreement* before you sign it. If you are unsure about anything contained in *this agreement* or you would like to have it explained to you then we recommend that you obtain legal advice from a solicitor.

By signing *this agreement*, you promise us, and you acknowledge to us that:

1. **You will repay** the *loan* at the time and in the manner set out in the *loan details* - and if we agree to make any further advance, you will repay the further advances at the time and in the manner set out in any *Loan Variation Statement*.
2. **You will comply with all of the terms** and conditions that are set out in *this agreement*, in every *security* that you give us and all terms and conditions that are implied by law.
3. **You have read and understood *this agreement***, including your right to cancel (set out in the key information & disclosure section of the *General Terms*), and you are signing *this agreement* relying on your own judgement and after you have made an informed decision to borrow.
4. **You have each received a copy of *this agreement*.**
5. **If you are a security provider:**
 - **You agree to give security:** You agree to give us the *security* in the *property* or the *asset(s)* that you own that is set out under the heading "Security Details". This means that in the event of default we have the right to sell that *property* and/or *asset* and apply the sale proceeds to the amount owing under the *loan*.
 - **You will comply** with the terms in "Part C - Security Terms" of the *General Terms* as applicable and with all terms and conditions that are implied by law.
 - **You appoint agent for service:** You appoint each other borrower or guarantor to be your agent for service for the purposes of section 355 of the Property Law Act 2007 and for the service of notices under *this agreement* during any period when you are out of New Zealand. If you are not resident in New Zealand, then it is a pre-settlement requirement that you appoint another person resident in New Zealand to be your agent to receive service on your behalf.
 - **You appoint us your attorney:** You appoint us your attorney for the purposes set out in clause 14 of the *General Terms*. This power to act as your attorney is irrevocable until the *loan* is repaid in full.
6. **Consideration:** The *security* and the power of attorney referred to in paragraph 5 above are given in consideration of our agreeing to lend you (and if *security* is given by a guarantor, our agreeing, at the request of the guarantor to lend you) the *loan*.
7. **Privacy Authorisation:** You authorise us to collect, use, share and store your personal information on the terms set out in clause 30 of the *General Terms*.

Signed as a deed
[Example Customer]

I consent to receive electronic disclosure
(initial here)

Date *Signature* *Initial*

In the presence of:

(witness name) (witness signature)

(witness occupation) (witness address)

Guarantor's confirmation:

It is important that you read and understand *this agreement* before you sign it. If you are unsure about anything contained in *this agreement* or you would like to have it explained to you then we recommend that you obtain legal advice from a solicitor.

By signing *this agreement*, you promise us, and you acknowledge to us that:

1. **You will enter into the Deed of Guarantee and Indemnity**
2. **You have read and understood *this agreement*.**
3. **You have each received a copy of *this agreement* and the Deed of Guarantee and Indemnity.**
4. **If you are a security provider:**
 - **You agree to give security:** You agree to give us the *security* in the *property* or the *asset(s)* that you own that is set out under the heading "Security Details". This means that in the event of default we have the right to sell that *property* and/or *asset* and apply the sale proceeds to the amount owing under the *loan*.
 - **You will comply** with the terms in "Part C - Security Terms" of the *General Terms* as applicable and with all terms and conditions that are implied by law.
 - **You appoint agent for service:** You appoint each other borrower or guarantor to be your agent for service for the purposes of section 355 of the Property Law Act 2007 and for the service of notices under *this agreement* during any period when you are out of New Zealand. If you are not resident in New Zealand, then it is a pre-settlement requirement that you appoint another person resident in New Zealand to be your agent to receive service on your behalf.
 - **You appoint us your attorney:** You appoint us your attorney for the purposes set out in clause 14 of the *General Terms*. This power to act as your attorney is irrevocable until the *loan* is repaid in full.
5. **Consideration:** The *security* referred to above and the power of attorney referred to above are given in consideration of our agreeing to lend the borrower the *loan*
6. **Privacy Authorisation:** You authorise us to collect, use, share and store your personal information on the terms set out in clause 30 of the *General Terms*.

Signed as a deed
[Example Guarantor]

I consent to receive electronic disclosure
(initial here)

Date

Signature

Initial

In the presence of:

(witness name)

(witness signature)

(witness occupation)

(witness address)