

LOAN AND SECURITY DEED

(and Disclosure Statement)

Date:

Contract Number:

IMPORTANT

If this Deed is a consumer credit contract under the Credit Contracts and Consumer Finance Act 2003 (CCCFA), we are required to provide you with an initial disclosure statement under section 17 of the CCCFA. This Deed (being the disclosure statement) sets out key information about your consumer credit contract. This Deed, inclusive of the Loansmart Terms and Conditions, any Securities and Fees Schedule, forms your consumer credit contract with us. You should read it all thoroughly. If there is anything that you do not understand you should seek independent legal advice. You should keep all your consumer credit contract documentation in a safe place. Please read the below Advice to the Borrower which details your rights to cancel. Note strict time limits apply.

We agree to lend money to the Borrower(s) as set out below and the Guarantor(s) agree to guarantee the obligations of the Borrower(s) to us on the terms set out in the Loansmart Terms and Conditions, the Fees Schedule (as amended from time to time), any Securities and the following terms. A reference to you includes each and every Borrower and Guarantor.

The Borrower(s)

The Guarantor(s)

Named Person:

Only applies if you have elected, been approved for and have paid for a repayment waiver.

The Lender (we or us)

(this is the person providing you with the credit).

Loansmart Limited

33 Broadway, Newmarket, Auckland 1023.
PO Box: 28 231, Remuera, Auckland 1546.
Phone: 09 950 7420 or 0800 255 155
Email: enquiries@loansmart.co.nz

Registration on Financial Service Provider Register

Our Registration name:

Loansmart Limited

Registration number:

FSP7461

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Finance Details

Initial Unpaid Balance :

This is the amount that you owe as at the date of this Deed including any fees charged by us, made up as follows.

[Opening Transactions]

(The initial unpaid balance also represents the Total Credit, Total Advances made or to be made and the Credit Limit.)

Subsequent Advances :

(It is not intended that any further advances be made to you under this Deed).

\$NIL

Total Interest Charges :

(This is the total amount of interest charges payable under the Deed)

Total Amount of Payments :

Annual Interest Rate :

The annual interest rate is . This annual interest rate is fixed for the whole term of the Loan, being .

Method of Interest Calculation :

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 is charged to your account monthly.

Payments :

You are required to make the following payments on account of the initial balance and interest charges by the time specified:

Total Amount of Payments :

What could happen if you fail to meet your commitments? :

Security Interest(s)

This is secured credit. If you fail to meet your commitments under this Deed (including granting a security interest in this property to any other person), then to the extent that of the security interest we may be entitled to repossess and sell this property. If we exercise our rights under our security interest and sell this property and the proceeds received from the sale are insufficient to repay the amount outstanding under the Loan, then you will remain liable for the amount outstanding under the Loan after the proceeds of sale are applied.

Description of security interest(s)

A security interest as defined in section 16 of the Personal Property Securities Act 1999, securing payment of all monies and performance of all obligations under this Deed.

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Motor Vehicle Security

Land Subject to Agreement to

Acknowledgment

In signing this Deed, you jointly and severally acknowledge and agree that we have agreed to lend to you the amount shown below as Initial Unpaid Balance, and that:

1. if you ask and we agree any future amount (shown as a "further advance" in any Amendment Deed) will be recorded by this Deed;
2. you have read and understood this Deed (including the below Advice to the Borrower), the Loansmart Terms and Conditions, the Fees Schedule and any Securities;
3. you have received copies of all such documents;
4. you have signed this Deed and as applicable, the attached Securities relying on your judgment;
5. you will notify us two (2) days in advance if any change of name, address, email-address, (mobile) phone number;
6. if you have applied for a repayment waiver (the terms of which are set out in the Loansmart Terms and Conditions), you declare that all statements made are true and correct and that all material information has been disclosed. You acknowledge that certain exclusions apply and that no repayment waiver will be payable if it arises from any condition which existed prior to date of this Deed; and
7. you are liable and undertake to pay, perform and comply with all payments, covenants and agreements on your part to be paid, performed or complied with under this Deed, the Loansmart Terms and Conditions, the Fees Schedule and any Securities.

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Advice to Borrower

RIGHT TO CANCEL

You are entitled to cancel this Deed by giving notice to us.

Time Limits for Cancellation

You must give notice that you intend to cancel this Deed within five working days of the date of this Deed (as shown on the front page) if the disclosure documents (e.g. a copy of this Deed, the Loansmart Terms and Conditions and the Fees Schedule) are handed to you directly.

You must give notice that you intend to cancel within five working days after the electronic communication is sent if the disclosure documents are sent to you by fax or e-mail.

You must give the notice within seven working days after they were posted if the disclosure documents are mailed to you.

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

How to cancel

To cancel, you must give us written notice that you intend to cancel this Deed by:

- (a) Giving notice to us or our agent; or
 - (b) posting the notice to us or our agent; or
 - (c) emailing the notice to our email address; or
 - (d) sending the notice to our fax number.
- You must also, within the same time, return to us any advance and any other property received by you under this Deed.

What you have to pay if you cancel

If you cancel this Deed we can charge you:

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

WHAT TO DO IF YOU SUFFER UNFORESEEN HARDSHIP

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 (including as a result of death of your spouse or de facto partner), or other reasonable cause, you may be able to apply to us for a hardship variation.

To apply for a hardship variation you need to:

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

DISPUTE RESOLUTION

Name of dispute resolution scheme:

Financial Services Complaints Limited

It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with us.

Contact details of dispute resolution scheme:

Level 4, Sybase House, 101 Lambton Quay, Wellington 6011
www.fscl.org.nz Ph 04 472 3725 or 0800 347 257

CREDITS FEES & CHARGES (excluding Interest)

The following fees and charges (which are not included in the initial unpaid balance) are payable in accordance with the terms of this Deed: Monthly administration fee (as long as there is an unpaid balance). \$15.00

Other fees and charges that may become payable are set out in the Fees Schedule. The Fees Schedule is available on our website www.loansmart.co.nz and may be amended by us from time to time.

Default Interest Charges and Rate

In the event of a default in payment and while the default continues, you must pay default interest charges at the Default Interest Rate on the amount unpaid only. The Default Interest Rate is the rate which is 20% per annum higher than the Annual Interest Rate as per clause 5.1 of the Loansmart Terms and Conditions.

Default Fees and Collections

In the event of a breach of contract or on the enforcement of the contract, the following fees may be payable in accordance with the terms of this Deed:

Default Fee:

If your Loan is in arrears we will charge you as follows:

if the arrears are less than \$500:	-	\$5.00 per week
if the arrears are between \$500 - \$999:	-	\$10.00 per week
if the arrears are \$1,000 or more:	-	\$15.00 per week

Repossession Warning Notice: Debited to the Loan when a Repossession Warning notice is issued. \$25.00

Repossession Fee: Debited to the Loan after we issue an account to a Collection Agent. \$50.00

Property Law Act Notice: Debited to the Loan if we have to issue a Property Law Act default notice in accordance with the Property Law Act 2007. \$400.00

Issue Court Proceedings: Debited to the Loan when we issue court proceedings. \$200.00

Recovery Costs: We will charge you any costs by third parties relating to your Loan (e.g. repossession agent, property valuations, court fees). Copies of invoices are available on request.

The Fees Schedule is available on our website www.loansmart.co.nz and may be amended by us from time to time.

Full Prepayment:

If you pay the unpaid balance in full before the final payment is due (which you are entitled to do at any time), you may be required to pay (in addition to the Loan and any interest due or costs owing under this Deed) in order to compensate us for any loss resulting from the full prepayment. We may have suffered a loss if our current interest rate is lower than the interest rate applying to this Deed. The amount you may have to pay to compensate us for any loss is calculated using the formula prescribed in regulation 9 of the Credit Contracts and Consumer Finance Regulations 2004 as follows:

$$CP = \frac{UB \times AR - COF \times 90}{1000000}$$

Where:

CP = Compensation Payable / **UB** = Unpaid Balance

AR = Annual Interest Rate detailed in the Finance details section of this Deed / **COF** = our Cost of Funds

NOTE: Should the period remaining on the contract be less than 90 days then the maximum compensation will be adjusted accordingly.

Administrative Costs/fees are \$50 (for our staff's work associated in receiving and processing the full prepayment and in discharging or releasing any security).

Continuing Disclosure : We are required to provide you with six monthly statements during the term of the Loan. These statements will give you information about your Loan including all payments made and charges incurred.

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INTERNAL COMPLAINTS PROCEDURE

Our complaints procedure may be initiated by telephone, email, via our website or in writing. Our Contact details are as follows:

Loansmart Limited
PO Box 28231
Remuera
Auckland 1050
Phone (09) 529 4566 or 0800 255 155
Email enquires@loansmart.co.nz
Website Loansmart.co.nz

If we can't resolve your issue immediately here is how it will be dealt with:

1. If you have made your complaint verbally or via our website, we will acknowledge your complaint immediately. If you have made your complaint in writing we will acknowledge it within 5 working days of receiving it.
2. We aim to have your complaint resolved within 5 days and will email or write to you outlining the resolution. If we are unable to resolve your complaint within 5 working days we aim to resolve it within 20 working days.
3. In the event that we can't resolve your complaint within 20 working days, we will write to you advising you why we require more time to resolve your complaint.

We are a member of an approved dispute resolution scheme. If you are not satisfied by the Lender's response, you may refer the matter to –

Financial Services Complaints Limited ('FSCL') Contact details for FSCL are:

FSCL
PO Box 5967
Wellington 6145
Phone (04) 472 3725 or 0800 347 257
Email info@fscl.org.nz

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Schedule of Standard Fees and Charges applied to Consumer Contracts

Establishment / Approval / Account Maintenance

Establishment Fee

This is a fee for receiving and processing the loan application together with acceptance and establishment of the loan and is added to the loan contract when the loan is drawn.

Establishment Fees applied to new loans are as follows:

\$1,000 - \$2,499	No more than \$395
\$2,500 - \$4,999	No more than \$495
\$5,000 - \$9,999	No more than \$695
\$10,000 - \$14,999	No more than \$795
\$15,000 - \$19,999	No more than \$995
\$20,000 or greater	No more than \$1,295

Account Maintenance Fee \$15 per month

This fee is part of the loan instalment and is for the maintenance service provided per month. The fee is charged is no more than \$15.00 per month.

PPSR \$10

This fee is charged to the loan contract when drawn for the cost of lodging security and releasing security when the contract has been completed.

Caveat Fee \$460 maximum fee

Where a loan is secured by a caveat / agreement to mortgage we will register a caveat over the property, caveat registration costs will be charged on the Loan Agreement and release costs will be charged to the loan at settlement. The maximum amount charged will be \$300.00 for each property.

Mortgage Fee

For any loan where we register a mortgage over a property, mortgage registration costs will be charged to the loan on invoice from the solicitor. NB: Upon settlement, costs may be incurred for the release of the mortgage.

Early Repayment Fee \$50

Administration fee charged to the loan account when the account is settled early.

Loss Compensation Due To Early Repayment

You may be required to pay a fee or charge to compensate the lender for any loss resulting from the full prepayment. Please refer to the FULL PREPAYMENT clause on page 4.

Modifications

Contract Variation (Security) \$100

Fee is charged when the goods/security on the loan contract are to be changed or varied.

Default Fee:

If your Loan is in arrears we will charge you as follows:

if the arrears are less than \$500:	-	\$5.00 per week
if the arrears are between \$500 - \$999:	-	\$10.00 per week
if the arrears are \$1,000 or more:	-	\$15.00 per week

Dishonoured Payment Fee \$5

Fee is charged to the loan account in the event of a payment tendered to the account is dishonoured by the Debtor's bank.

Repossession Warning Notice \$25

Fee is charged to a loan account when a Repossession Warning Notice is issued.

Repossession Warrant \$50.00

Fee is charged to the loan account when it is necessary to issue a Repossession Warrant as a result of a serious default (e.g. overdue instalments). This amount along with the arrears and any agent costs are due and payable immediately to avoid repossessions.

Recovery Costs

Costs incurred by a third party (e.g. repossession agent, legal provider, repairer) will be charged to a loan account for the invoiced amount, copies of which are available upon request.

Formal Demand (Mortgage) \$100

Fee is charged to a loan account for a Demand issued when the loan account has a serious breach of agreement. Formal demand is issued prior to a Property Law Notice.

Property Law Notice (Mortgage)

Fee is charged to the loan account when a serious breach of agreement has occurred (e.g. overdue instalments). This amount will be the amount of the invoice from our solicitor.

Insurance

The cost of insurance / waiver cover for Loan Repayments, Motor Vehicle Insurance, Mechanical Breakdown Insurance and Accidental Death Insurance may be included in the loan. The premium financed will be paid to the relevant company and provide cover for the period stated in each policy.

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