

**CREDIT CONTRACT  
and  
DISCLOSURE STATEMENT**

<b>Effective date of Statement</b>	

<b>Account Name:</b>	
<b>Account Type:</b>	

**IMPORTANT INFORMATION**

**This notice is sent to you as**

We are required to provide you with this disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003. This document sets out the key information about your consumer credit contract. You should read it carefully and thoroughly.

We will help you to make an informed decision about whether to enter into this contract but **we also encourage you to seek independent legal advice and/or budget advice before you sign this contract.**

We believe, based on what you have told us and our own independent research, that you can make the required payments without suffering substantial hardship but, **if you do not think you can meet the repayments set out in this contract, you must not sign this document.**

**We note that your goods may be repossessed if you default on your obligations as set out in this contract.**

This is a consumer credit contract and the law therefore gives you a limited right to cancel this contract. See the Statement of Right to Cancel for more details. **Note that strict time limits apply so if you want to cancel you should do so as soon as possible.**

Please keep this document in a safe place.

**FULL NAME AND ADDRESS OF CREDITOR**

This is the person or company providing you the credit.

You may send notices to the Creditor by:

- Writing to the Creditor at its postal address; or
- Sending a fax to the number specified (if any); or
- Sending an email to the address specified (if any)

**Name:**

**Physical Address:**

**Postal Address:**

**Fax:**

**Email:**

## FULL NAME AND ADDRESS OF DEBTORS

This is the person responsible for making payments to the Creditor.

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## CREDIT DETAILS

### Initial unpaid balance

This is the amount you owe at the date of this statement (including any fees charged by the Creditor).

### Subsequent advance(s)

### Total Advances

This is the total amount of all advances made or to be made to you.

## PAYMENT SCHEDULE

The borrower is required to make each payment in the amount specified and on the date specified.

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### Total amount of Payments

### Additional scheduled payment(s):

### Method of Payment

All payments to be made to Friendly Loans Limited via one of the following, Direct Debit or Wage Deduction or Bank Deposit Book to our nominated ASB Bank Account:

If a Loan payment date falls on a day which is not a Working Day, then the Loan payment date shall be deemed to be the last Working Day before that Loan payment date.

## INTEREST

### Total Interest charges

This is the total amount of the interest charges payable under the contact.

### Method of charging Interest

## STANDARD TRANSACTION(S)

Friendly Loans charges a **Monthly Facility Fee (FACTFEE) of \$8** on the last day of each month. This fee is incorporated in the 'Total Amount of Payments'. It is payable / applicable each month during the term of the facility. This contract allows Friendly Loans to vary this fee.

Friendly Loans charges a **Direct Debit Transaction Fee (DDFEE) of \$1** per direct debit transaction. It is payable / applicable at time of processing of the Direct Debit. This contract allows Friendly Loans to vary this fee.

## CREDIT FEES AND CHARGES

The following credit fee(s) and charge(s) (which are not included in the initial unpaid balance) are, or may become, payable under, or in connection with, the contract. This contract allows Friendly Loans to vary this/these fee(s) and charge(s).

Administration costs and fees payable on full prepayment are disclosed under the full prepayment heading.

## CONTINUING DISCLOSURE

Friendly Loans is required to provide the Borrower with regular statements. The statements will give the borrower information about the Loan.

**Statement frequency:**

## WHAT COULD HAPPENED IF YOU FAIL TO MEET YOUR COMMITMENTS

### Security Interest(s)

Friendly Loans has an interest in the Collateral listed below to secure performance of the Borrowers obligations under the contract, or the payment of money payable under the contract, or both. **If the Borrower fails to meet any of its commitments under the contract, then to the extent of the security interest, Friendly Loans may become entitled to repossess and sell this property.** The extent to which your obligations are secured to the property noted below is the unpaid balance of your account.

### Default Interest charges and Default fees

In the event of a default in payment and while the default continues you must pay the default interest charges. In the event of a breach of the contract or on the enforcement of the contract, the default fees specified below are payable. Your credit contract may allow the Creditor to vary these fees and charges.

Default Interest is charged from the time you fail to make a due payment until the arrears are paid.

Payment reversal fee \$15

Sending of a reminder text in respect to your payment arrears \$0.45

Establishment of a Direct Debit facility during course of current loan \$3.34

PPSR Debtor Person Search Fee \$1.15

Equifax Person Search Fee \$16

Repossession fee of \$230 is payable at time of security seizure with a daily storage charge of \$20 payable for each day of the week the security is held in our possession.

Towing charges relating to the vehicle will be invoiced separately by the relevant Towing Company.

Should the Borrower fail to pay its account to Friendly Loans and it becomes necessary to commence recovery action against the Borrower to recover Friendly Loans loss, Friendly Loans will follow its obligations to notify the Borrower under the CCCFA and will also:

- warn the Borrower (in writing) that Friendly Loans is assigning the Borrowers debt to Friendly Loans recovery agents
- warn the Borrower of the cost of recovery action
- send notification to the Borrowers last known residential address
- assign the debt to a third party for commencement of legal action

By signing this contract the Borrower represents that the Borrower has read, understood and agrees with the recovery action

## FULL PREPAYMENT

If the Borrower pays the unpaid balance in full before the final payment is due (full prepayment), the Borrowers may be required to pay a fee or charge to compensate Friendly Loans for any loss resulting from the full prepayment. Friendly Loans may have suffered a loss if its current interest rate is lower than the interest rate applying to your original consumer credit contract. You may also have to pay Friendly Loans administrative costs relating to the full prepayment.

The amount you may have to pay to compensate Friendly Loans for the loss is calculated using the formula prescribed in regulation 9 or regulation 11 of the Credit Contracts and Consumer Finance Regulations 2004.

**Administrative costs/ fees:**

## PURCHASE MONEY SECURITY INTEREST

The Loan is to be used to assist in the purchase of the Collateral: Yes / No (delete one)

## TERMS OF CONTRACT

This document contains all the terms of the contract (except those implied by the Consumer Guarantees Act 1993 or PPSA and not lawfully excluded by this contract) and Friendly Loans accepts no liability for any representations or statements made by on its behalf, which are not contained in this contract.

Friendly Loans is not bound to provide any credit to the Borrower until both parties have signed this contract and all credit approval conditions are satisfied.

## DISCLOSURE

The Borrower and a Guarantor (if any) acknowledge that they have each received a copy of this contract incorporating initial disclosure required under the CCFA before signing this contract.

The Borrower and a Guarantor (if any) consent to any further disclosure by electronic means including fax and email.

## SECURITY INTEREST

By signing this contract the Borrower grants to Friendly Loans a security interest in the Collateral as security for the payment of the Loan and the due performance of the Borrowers obligations under this contract. The Borrower waives the right to receive a verification statement under the PPSA (refer clause 10 of the Terms and Conditions).

## GUARANTEE

The due and punctual performance of the Borrower's obligations under this contract are hereby guaranteed by the person(s) and/or companies (if any) named as Guarantor in this contract.

The Borrower's covenants contained and implied in this contract shall bind every Guarantor executing this contract together with each Guarantor's executors, administrators or assigns. Each such Guarantor shall be bound as principal borrower and if more than one, Guarantors shall be liable jointly and severally.

This guarantee shall continue until all of the Borrower's obligations are discharged and no waiver, granting time or other indulgence or variation of the contract shall release the Guarantor's liability.

The Guarantor also indemnifies Friendly Loans against any loss arising from the Borrower's default under this contract.

## SMS TEXT

The Borrower authorises Friendly Loans to send text messages to the Borrower's mobile phone number, for marketing purposes or payment reminders from time to time.

## STATEMENT OF RIGHTS

Friendly Loans recommends that the Borrower and its Guarantor(s) (if relevant) obtain independent legal and financial advice before signing this contract.

Please closely review the Statement of Right to Cancel on this contract.

## RIGHT TO CANCEL

### Statement of right to cancel

The CCCFA gives the Borrower a right to cancel this contract within a short time frame after the terms of this contract have been disclosed to the Borrower.

### How to cancel

If the Borrower wants to cancel this contract it must give written notice to Friendly Loans.

The Borrower must also return to Friendly Loans any money the Borrower has received pursuant to this contract.

### Time limits for cancellation

If the disclosure documents were:

- handed to the Borrower directly, the Borrower must give notice that it intends to cancel within **5 Working Days** after the Borrower received the disclosure documents.
- sent to the Borrower by electronic means (for example, email), the Borrower must give notice that it intends to cancel within **7 Working Days** after the electronic communication is sent.
- mailed to the Borrower, the Borrower must give the notice within **9 Working Days** after the disclosure documents were posted.

### What the Borrower may have to pay if it cancels the contract

If the Borrower cancels the contract Friendly Loans can charge the Borrower:

- the amount of any reasonable expenses Friendly Loans has had to pay in connection with the contract and its cancellation (including legal fees and fees for credit reports etc.); and
- interest for the period from the day the Borrower received the first advance until the day the Borrower repays the Loan.

**This statement only contains a summary of the Borrower's rights and obligations in connection with the right to cancel.**

**If there is anything about the rights or obligations under the CCCFA that you do not understand, if there is a dispute about your rights, or if you think Friendly Loans being unreasonable in any way, you should seek legal advice immediately.**

## WHAT TO DO IF YOU SUFFER 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, or other reasonable cause, you may be able to apply to the Creditor 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 of the term of the contract (which will reduce the amount of each payment due under the contract); or
  - A postponement of the dates on which payments are due under the contract (specify the period for which you want this to apply); or
  - Both of the above; and
- Give the application to the Creditor.

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

## **DISPUTE RESOLUTION**

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 the Creditor.

Contact details of dispute resolution scheme:

**Name:**

**Phone:**

**Email:**

**Website:**

**Business Address:**

## **REGISTRATION ON FINANCIAL SERVICE PROVIDER REGISTER**

Financial Service Provider Register details:

**Credit Registration Name:**

**Registration Number:**

## **BORROWERS SIGNATURE**

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## **CREDITOR'S SIGNATURE**

Signed for Friendly Loans Limited:

It is important that you fully understand our **Terms and Conditions** and procedures before signing this document or drawing down any funds.

## DEFINITIONS

"Borrower" means the person(s) named as "Borrower" on the front page of this contract. If there is more than one person so named, "Borrower" means each of them separately and every two or more of them jointly. "Borrower" includes the Borrower's executors, administrators, successors and assigns.

"Collateral" means the Collateral described in this contract, together with all attachments and accessories, which may at any time form part of the Collateral.

"Costs" includes charges and expenses incurred by Friendly Loans Limited on a solicitor and client basis, together with all other (incidental and direct) costs, including recovery costs and default administration fees which Friendly Loans Limited may incur if the Borrower breaches this contract.

"Friendly Loans" means the lender noted on the front page of this contract, Friendly Loans Limited, and its successors, assigns, representatives and agents.

"Guarantor" means each and every person named in this contract as a Guarantor. If there is more than one person named as a Guarantor, they will be jointly liable and each of them will be individually liable. The executors, administrators, successors and assigns of each Guarantor will be liable as if they were named as Guarantors.

"Laws" means the laws of New Zealand, including the Personal Property Securities Act 1999 ("the PPSA"), and the Credit Contracts and Consumer Finance Act 2003, ("the CCCFA") and any consolidations, amendments, re-enactments or replacements of those Acts.

"Loan" means the amounts owing by the Borrower to Friendly Loans from time to time, including the amount recorded as the Loan in the Credit Details section of the Payment Schedule and any subsequent advances made by Friendly Loans to the Borrower in reliance on this contract, as well as any interest and/or charges payable on that amount.

"Prepayment" means the early repayment of all or part of the Loan.

"Working Day" means any day apart from Sunday and any public Holiday (including Auckland Anniversary Day).

### 1. Laws

1.1 This contract is governed by the Laws. The terms of this contract are binding on Friendly Loans and the Borrower except where they may conflict with the Laws.

### 2. Security Interest

2.1 This contract secures the Loan and any money owed by the Borrower to Friendly Loans under any other contract for the provision of finance from Friendly Loans to the Borrower or otherwise. Until all such money has been paid Friendly Loans' security interest in the Collateral will continue and will not be released by Friendly Loans.

### 3. Payment, Default Interest, Early Repayment

3.1 The Borrower must pay each installment specified in the Payment Schedule when it is due.

3.2 All payments must be made to Friendly Loans as specified in the Method of Payment section of the Payment Schedule of this contract or as the Borrower is otherwise notified by Friendly Loans in writing.

3.3 If the Borrower does not pay an installment of the Loan when due, the Borrower must pay interest on the Loan plus default interest on the amount of the Loan that is in default. The default interest will be payable at the Annual Default Interest rate set out in the Default Interest Charges and Default Fees section of the Payment Schedule.

The default interest will accrue on a daily basis from the date of the default through to (and including) the date of actual repayment. Any payment made by the Borrower will be applied firstly in payment of the default interest and secondly in payment of interest accrued on the Loan and thirdly in reduction of the Loan.

3.4 All payments by the Borrower shall be made without any deduction, set off or counter claim.

3.5 The Borrower must make payments in accordance with the Payment Schedule. If any payment is received before a date specified in the Payment Schedule, Friendly Loans may credit that payment in accordance with the Payment Schedule and section 46(3) of the CCCFA.

3.6 If any payment is dishonoured, fees and charges may be incurred as set out in the Default Interest Charges and Default Fees section of the Payment Schedule.

3.7 The Borrower may repay the whole or any part of the Loan on any Working day without notice if the Borrower first pays interest on the

Loan (at the rate set out in the Interest section of the Payment Schedule), through to the date of such repayment. All payments made shall be applied firstly in payment of all interest to the date of payment and secondly in reduction or repayment of the Loan.

3.8 For the purposes of section 36 of the CCCFA, each Working Day shall end at 6.00pm. Any payment made after 6.00pm shall be deemed to have been made on the following Working Day.

3.9 Friendly Loans is entitled to vary default interest rates and charges payable under this contract if it provides notice to the Borrower in accordance with clause 11.1 of these Terms and Conditions.

3.10 Friendly Loans may consent to a refinance of this Loan. If consent is provided a further establishment fee may be charged at time of the refinance.

### 4. Maintenance of Collateral

4.1 The Borrower agrees to keep the Collateral in good order and repair (fair wear and tear excepted).

4.2 If repairs become necessary, the Borrower must have the Collateral repaired by someone nominated or approved by Friendly Loans. If this is not practicable in the circumstances, the repairs shall be carried out in a proper workmanlike manner.

4.3 The Borrower will pay for all repairs carried out to the Collateral (unless these are carried out under any warranty or insurance cover given by the manufacturer of the Collateral or any insurance provider) and will not allow any security to be created over the Collateral for any work done on the Collateral.

4.4 If the Borrower fails to pay for any repairs carried out or work done to the Collateral, Friendly Loans may pay for those repairs and recover the cost from the Borrower.

### 5. The Borrower's Covenants

#### 5.1 The Borrower agrees:

a. not to remove the Collateral from the Borrower's residential address (as specified on the front page of this contract) without first notifying Friendly Loans in writing and shall not remove the Collateral from New Zealand without first obtaining Friendly Loans' written consent;

b. to notify Friendly Loans immediately if the Collateral is taken out of the Borrower's possession for any reason, and to provide full details of the address (if known) to which the Collateral has been removed;

c. not to dispose of, part with possession of, modify or alter the Collateral except with Friendly Loans' prior written consent;

d. to immediately advise Friendly Loans in writing of any change of the Borrower's residential address;

e. to keep the Collateral insured for the maximum insurable value of the Collateral (including replacement value if required by Friendly Loans) against fire, accident, theft and such other risks as Friendly Loans reasonably requires. If required by Friendly Loans, the Borrower must insure the Collateral in the names of the Borrower and Friendly Loans (including Friendly Loans' assignees) for their respective rights and interests with an insurer approved by Friendly Loans. The Borrower will punctually pay all premiums for the insurance and will (if Friendly Loans requires) deliver the insurance policies and the premium receipts to Friendly Loans. Friendly Loans is entitled to receive all money payable under any of such policies or payable by any other person in respect of damage to or loss of the Collateral. For this purpose, the Borrower assigns, by way of security to Friendly Loans, all of the Borrower's rights, title and interests in and all benefits relating to such insurance policies, the proceeds thereof and any money otherwise payable by any person in respect of damage to or loss of the Collateral. All money payable under any such insurance policy shall be paid to Friendly Loans and Friendly Loans may apply that money at its sole option either in repairing the Collateral or towards payment of the Loan (whether or not the Loan is due to be paid);

f. not to do or omit to do anything whereby any right of lien or security on the Collateral shall arise;

g. not to permit the Collateral to become affixed to any land or goods without first obtaining an acknowledgement or waiver in such form as Friendly Loans requires, acknowledging Friendly Loans' interest to the Collateral as separate and paramount;

h. to permit Friendly Loans and anyone authorised by Friendly Loans to have access to the Collateral and all records, insurance policies and other documents relating to the Collateral, and at all reasonable times to test or inspect them;

i. to comply with the provisions of all laws affecting the Collateral or the use or possession of the Collateral and to keep the Collateral registered or licensed as required. The Borrower will indemnify Friendly Loans against any claims resulting from the use or installation of the Collateral causing damage to any property.

### 6. Representations

6.1 The Borrower represents and warrants that:

a. The Borrower has the power to enter into and exercise its rights and perform and comply with its obligations under this contract;

b. this contract constitutes the Borrower's legal, valid and binding obligations;

c. financial information given, or to be given, by the Borrower to Friendly Loans does, and will, fairly and accurately represent the Borrower's financial position at that time;

d. the Borrower is the lawful and sole owner of the Collateral; and

e. except as disclosed to and acknowledged in writing by Friendly Loans, there are no other security interests over or in relation to the Collateral.

7. Default

7.1 The Borrower defaults under this contract if:

a. the Borrower fails to make payment as and when due for payment of any amount payable under this contract;

b. the Borrower:

- 1) commits or suffers an act of bankruptcy;
- 2) is deemed under any relevant legislation to be unable to pay its debts.

c. the Collateral is seized or removed in order to satisfy any other debts;

d. any insurance proposal made by the Borrower in respect of the Collateral is declined or any insurance policy in respect of the Collateral is cancelled;

e. the Borrower fails to observe or perform any of the terms contained or implied in this contract and fails to rectify such default within 15 day (or any lesser period permitted by law) of receipt of written notice from Friendly Loans requiring the Borrower to rectify such default; or

f. the Borrower's actions (or inaction) jeopardises Friendly Loans' rights in respect of the Collateral or under this contract.

8. Enforcement

8.1 If the Borrower defaults under this contract and any notice period Friendly Loans is required by law to give to the Borrower expires without the Borrower rectifying the default then (subject to the provisions of the PPSA and CCCFA):

a. the Loan shall immediately become due and payable (whether or not the due date has arisen); and

b. Friendly Loans may take and keep possession of all or part of the Collateral.

8.2 If Friendly Loans believes on reasonable grounds that the Collateral is at risk of being removed, destroyed or damaged then (subject to the provisions of the PPSA and CCCFA) Friendly Loans may take and keep possession of all or part of the Collateral.

8.3 To enable Friendly Loans to exercise its rights of repossession and enforcement, the Borrower irrevocably permits Friendly Loans (or its agents) to enter and, if reasonable, to break into:

a. any buildings the Borrower occupies; and/or

b. any other premises where the Collateral is held or where Friendly Loans believes on reasonable grounds the Collateral to be held, whether or not the occupier is present, for the purpose of repossessing the Collateral or for any other purpose relating to the Collateral. Although Friendly Loans will take reasonable care not to damage any goods or property during the repossession, the Borrower will not hold Friendly Loans liable in any way to the Borrower or anyone claiming through the Borrower for any such damage, including any claims for consequential loss or damage.

8.4 Friendly Loans' Costs shall be payable by the Borrower and may be recovered by Friendly Loans as part of the Loan.

8.5 The exercise by Friendly Loans of its rights and remedies under clause 8 shall include, and be subject to, the provisions of the PPSA, and the CCCFA, unless lawfully excluded in this contract.

9. Attorney

9.1 The Borrower irrevocably appoints Friendly Loans (and its managers and directors), severally to be the Borrower's attorney (each an "Attorney") to do anything on the Borrower's behalf which the Borrower agrees to do in terms of the provisions of this contract or which, in the Attorney's opinion, is necessary or expedient to give effect to any right, power or remedy conferred on Friendly Loans by:

a. this contract;

b. the laws; or

c. otherwise (including signing deeds, direct debit amendment forms, and instituting, conducting and defending legal proceedings to the extent permitted by law).

9.2 Each Attorney may:

a. delegate its powers (including this power of delegation) to any person for any period, and revoke a delegation; and

b. exercise or concur in exercising its powers even if the Attorney has a conflict of interest in exercising its powers or has a direct or personal interest in the means or result of any exercise of powers.

9.3 The Borrower hereby approves and agrees to approve anything done in accordance with this clause by the Borrower's Attorney or any delegate.

10. Contracting Out

10.1 The Borrower agrees that:

a. nothing in sections 114 (1)(a), 133 and 134 of the PPSA will apply to this contract and the Borrower waives the Borrower's rights:

- 1) to object pursuant to section 121 of the PPSA to any Friendly Loans proposal to retain any personal property;
- 2) to receive a copy of the verification statement confirming registration of a financing statement or a financing change statement relating to the security interest created by this contract;

b. The Borrower will pay the costs of registering a financing statement, financing change statement or discharge of financing statement.

c. The Borrower will pay the costs of a security valuation.

10.2 Nothing contained in this clause shall affect Friendly Loans' rights under clause 7 and 8.

11. General

11.1 Notices under this contract shall be given and served in accordance with Section 184 to 189 (both inclusive) of the PPSA or Section 59A of the CCCFA, as applicable.

11.2 Friendly Loans has the full right of assignment of Friendly Loans' rights, title and interests under this contract, and all of Friendly Loans' rights and powers under this contract may be exercised by any assignee of this contract as fully and effectually as they might have been exercised by Friendly Loans. Friendly Loans will advise the Borrower in writing of any transfer of Friendly Loans' rights under this contract but the terms of the contract will not change (other than the identity of the lender). Subject to the PPSA and the CCCFA, the Borrower may not assign its rights and interests under this contract without the written consent of Friendly Loans.

11.3 Any indulgence or concession by Friendly Loans to the Borrower relating to Friendly Loans' entitlements pursuant to this contract, will not constitute or be deemed to constitute a waiver of Friendly Loans' rights, and shall not operate or be deemed to operate as a variation of this contract. A waiver by Friendly Loans will not be effective unless in writing and signed by a signatory authorised by Friendly Loans.

11.4 If any provision of this contract is or becomes illegal, invalid or unenforceable in any respect, that illegality, invalidity or unenforceability shall not affect Friendly Loans' ability to enforce the provisions (or, as the case may be, the remaining provisions) of this contract.

11.5 The Borrower will pay the costs of completing this contract, and any other fee or charge specified in the Payment Schedule. The Borrower authorises Friendly Loans to pay the fees and charges specified in the Payment Schedule by deduction from the credit provided.