

Disclosure date: *Date of loan agreement*

Name and address of each borrower

Dear *Name of each borrower*

Your NZHL-arranged Deposit Loan with Kiwibank

Kiwibank (referred to as “we”, “us” and “our”) are pleased to confirm that your **Application** for a **Deposit Loan** of up to \$*Amount* has been approved.

This is your **Deposit Loan Confirmation Letter**, which sets out your **Deposit Loan** details and other important information about your **Deposit Loan**. This letter, together with our **Deposit Loan Terms and Conditions** (enclosed) make up your **Deposit Loan Agreement** with us. In addition, your relationship with us is governed by our **General Terms** (also enclosed).

Please read this letter carefully as it is your disclosure statement and contains key information about the **Deposit Loan**. We have disclosed this key information in accordance with the Credit Contracts and Consumer Finance Act 2003 as at the **Disclosure Date** set out at the top of this letter.

Your Deposit Loan details

Borrower	<i>Name and address of each borrower</i>
Lender	<p>Kiwibank Limited is the lender under your Deposit Loan Agreement. When we talk about “we”, “us”, “our”, we mean Kiwibank as described in the shaded box above section 2 in our Deposit Loan Terms and Conditions.</p> <p>Our address is 20 Customhouse Quay, Wellington.</p>
Adviser	<p>NZHL is your home loan adviser.</p> <p>Your Deposit Loan has been arranged by NZHL and they will continue to communicate with you and provide you with advice in relation to your Deposit Loan.</p> <p>Although NZHL have arranged your Deposit Loan, your Deposit Loan Agreement is with Kiwibank, not NZHL.</p> <p>You may see NZHL’s and/or Kiwibank’s name or logo on your Deposit Loan documents or communications relating to your Deposit Loan to reflect NZHL’s role as your adviser, and Kiwibank’s role as your lender, but this does not affect your Deposit Loan Agreement with Kiwibank.</p>
Deposit Loan Amount / Total advances:	Up to \$ <i>Amount</i>

Subsequent advances:	The Deposit Loan Amount is to be borrowed in one lump sum on the Advance Date .
Interest Rate:	Our NZHL variable rate for home loans will apply to your loan. Our current NZHL variable rate for home loans is <i>Sample%</i> p.a. Our NZHL variable rate for home loans can change at any time (including before you borrow).
Deposit Loan limit:	The maximum amount you are allowed to owe us on your Deposit Loan at any time (including interest, fees and costs).
Initial unpaid balance:	Zero
Total interest costs*:	<i>\$Amount</i>
Total amount of payments*:	<i>\$Amount</i>
Conditions precedent	The conditions set out in clause 6 of the Deposit Loan Terms and Conditions and <i>sample additional conditions</i>

* Your total interest and total payments above are an estimate only. They are based on the Interest Rate specified above, which may be different at the time you borrow your Deposit Loan and may change over the term of your Deposit Loan so the actual amounts you pay are likely to be different to these totals. They are also based on certain assumptions, including that you:

- a. borrow the full **Deposit Loan** on the date for payment of the deposit under the **New Property Sales Contract**; and
- b. repay the **Deposit Loan** on the **Settlement Date**.

The actual amount you must repay on the **Payment Date** may be different.

You will not have direct access to the **Deposit Loan**.

Important information about your Deposit Loan

Meaning of the words in bold

In this letter, the words in bold have specific meanings which can be found in our **Deposit Loan Terms and Conditions** under "What do the words in bold mean?".

Your agreement with us

This **Deposit Loan Confirmation Letter**, together with the **Deposit Loan Terms and Conditions**, make up your **Deposit Loan Agreement** with us. In addition, your relationship with us is governed by our **General Terms**. A copy of these documents is enclosed and you can also **contact NZHL** for a copy.

To drawdown the **Deposit Loan** you must provide us with a **Deposit Loan Drawdown Request**. By making a **Deposit Loan Drawdown Request**, you agree to accept and comply with all the terms of your **Deposit Loan Agreement**. You also agree that your relationship with us is governed by our General Terms.

You are only entitled to the **Deposit Loan** if we believe you also intend to borrow your **Home Loan** from us. If we believe that you will not obtain your **Home Loan** from us we may refuse to advance the **Deposit Loan**, or immediately require you to repay the **Deposit Loan Outstanding Amount**.

Key time limits

If you do not drawdown the **Deposit Loan** within 60 days of the **Disclosure Date**, then we do not have to lend any amount to you under your **Deposit Loan**.

Security

Any security we hold at any time, now or in the future, will secure all amounts owing and your other obligations under your **Deposit Loan**. It will also secure any other amounts you owe to us under any other agreements. However, we may agree with you that certain types of debt are not secured by a particular security. If we do so, that security will not secure that debt.

Listed below is the security that we currently hold or that must be provided before you can borrow your Deposit Loan.

Address:	<i>The address of the property will be notified here</i>
Record of Title:	<i>Unique number</i>
Owner	<i>Name(s) of mortgagors</i>

All property that you provide to us as security for your obligations under your **Deposit Loan** must have a clear title. Unless we have agreed in writing, or our **Deposit Loan Terms and Conditions** allow it, or the law requires it, there must not be any mortgages, charges or other encumbrances over any property.

If we sell property that is subject to security and the sales proceeds we receive are less than the amount you owe us, you will still be liable to pay us the shortfall. If you give security over any of the property to any other person without our prior written consent, you may default under your **Deposit Loan** and we could ask you to repay all amounts owing. If you did not pay us the amounts you owe us, we could sell any property that is subject to a security.

How we charge interest

You must pay interest on the **Deposit Loan** to us on the **Payment Date**. You authorise us to deduct interest from your deposit loan account at the end of your **Deposit Loan**.

We calculate interest on the **Deposit Loan** on a daily basis by applying the daily interest rate to the daily balance of the **Deposit Loan** at the end of each day. Interest will be charged on and from the **Advance Date** until your **Deposit Loan Outstanding Amount** is repaid in full. Interest is not charged for the day on which you repay the **Deposit Loan Outstanding Amount** in full. The daily interest rate is calculated by dividing the annual interest rate by 365.

We may change our **Interest Rate** at any time by giving notice before we make the change.

You can **contact NZHL** to find out the current **Interest Rate**.

Payments required

You must repay the **Deposit Loan Outstanding Amount** in full on the **Payment Date**.

We may by written notice at any time require you to immediately repay the **Deposit Loan Outstanding Amount** in the circumstances set out in clause 12 of the **Deposit Loan Terms and Conditions**.

You can repay your **Deposit Loan** at any time. Please **Contact NZHL** to arrange this.

Default interest

If you do not pay an amount when it is due, you must pay interest on that overdue amount at the **Default Rate**. That interest will be:

- calculated on a daily basis. We will apply the daily default rate to that overdue amount each day from the date it was due until the date we receive it in full. The daily default rate is calculated by dividing the annual **Default Rate** by 365;

- deducted from your deposit loan account on the last day of each month; and
- added to the **Deposit Loan** if you do not pay that interest on the last day of each month (so it will also accrue interest).

Interest at the **Default Rate** will apply before and after any judgment we get against you.

If we ask you to repay any part of the **Deposit Loan** early, we will only charge default interest on the amounts that are unpaid after their original due date.

Fees and charges

We can charge you a demand fee of \$12 per demand when we demand payment of all amounts outstanding under your **Deposit Loan** under clause 12 of the **Deposit Loan Terms and Conditions**. No other fees or charges apply to your **Deposit Loan**, other than interest and the costs set out in clause 10 of the **Deposit Loan Terms and Conditions**.

We may deduct any fees or costs described above from your deposit loan account.

We may change our fees at any time, but we must give at least 14 days' notice before the change applies to you.

Regular Statements

We will send you a statement for your **Deposit Loan** at least every six months, as required by the Credit Contracts and Consumer Finance Act 2003.

Your right to cancel

You are entitled to cancel your **Deposit Loan** for a short period after your **Deposit Loan** disclosure documents are given to you.

You can cancel your **Deposit loan** for any reason, but you must act quickly and in writing.

If you want to cancel your **Deposit loan**, you (or your NZHL adviser on your behalf) must give us notice within 10 **Business Days** after the documents were sent or given to you. You must also repay any money you've borrowed under the **Deposit Loan**. We can also require you to pay:

- the amount of any reasonable expenses we had to pay in connection with your **Deposit Loan** and its cancellation; and
- interest from the date you borrowed the money until the day you've repaid it.

Financial service provider

We're registered under the name Kiwibank Limited as a financial service provider under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Our registration number is 19941.

Complaints

If you feel your expectations haven't been met, please contact your NZHL adviser in the first instance.

If your NZHL adviser hasn't been able to resolve your complaint with us, you might want to get help from the Banking Ombudsman Scheme.

The Banking Ombudsman Scheme is our dispute resolution scheme. They provide free independent help to resolve disagreements between banks and their customers.

You can contact the Banking Ombudsman at:

Website: <http://www.bankomb.org.nz>.
Email: help@bankomb.org.nz
Freephone: 0800 805 950
Postal Address: Freepost 218002, PO Box 25327, Wellington 6146

If you think you'll have trouble paying your Deposit Loan

If you experience financial difficulties, please contact your NZHL adviser as soon as possible. Your NZHL adviser can discuss this with us on your behalf, and in some cases, your NZHL adviser may be able to arrange for us to amend the terms of your **Deposit Loan Agreement** to help you.

If something unexpected happens, like an illness, injury or loss of employment, the end of a relationship, or other reasonable cause, you may be able to apply to us for a hardship variation. There are limits on when and how often you can apply for a hardship variation.

To find out more about applying for a hardship variation, please contact your NZHL adviser or call us on 0800 222 224. You'll need to complete a written application explaining what has happened and why you think you can't meet your obligations under your **Deposit Loan Agreement**.

You'll also need to let us know what changes to your **Deposit Loan Agreement** you think could help you meet those obligations. For example, you could ask us to:

- extend the term of your **Deposit Loan**;
- postpone your **Payment Date** for a period of time; or
- do both.

Once you've completed the application, you (or your NZHL adviser on your behalf) will need to provide this to us for review.

If you have any questions about anything in this letter, or anything about your **Deposit Loan** or your **Deposit Loan Agreement** isn't clear, please **contact NZHL**.

Kind regards,

Kiwibank

Deposit Loan Terms and Conditions

1. What do shaded areas mean?

It's important for you to read all of **these terms**, but we have shaded the parts we think are particularly important for you to be aware of.

2. What are these terms about?

This is an important document that sets out terms that apply to your **Deposit Loan**.

Your **Deposit Loan Agreement** is made up of:

- **these terms**; and
- **your Deposit Loan Confirmation Letter**.

If **these terms** conflict with any specific terms and conditions set out in your **Deposit Loan Confirmation Letter** or any document we give you changing the terms and conditions of your **Deposit Loan**, then **these terms** will not apply to the extent of that conflict.

In addition, your relationship with us is governed by our **General Terms**. If there is any conflict between your **Deposit Loan Agreement** and our **General Terms**, your **Deposit Loan Agreement** will take priority.

Please ensure you read **these terms** and the **General Terms**, as they contain important information about your and our responsibilities and liabilities. By making a **Deposit Loan Drawdown Request**, you agree to accept and comply with all the terms of your Deposit Loan Agreement. You also agree that your relationship with us is governed by our General Terms.

3. References to “you” and “us”

In your **Deposit Loan Agreement**:

- “you” means each person named as the “Borrower” in the **Deposit Loan Confirmation Letter**. If there are more than one of you, it means each of you jointly and individually, unless the context requires otherwise. “Your” has a corresponding meaning.
- “Kiwibank”, or “we”, “us” and “our” means Kiwibank Limited and our successors, assignees, transferees and authorised agents, unless the context requires otherwise.
- “NZHL” means The New Zealand Home Loan Company Limited and its network of advisers who arranged your Deposit Loan.

4. What do the words in bold mean?

Word	Definition
Advance Date	means the date we advance the Deposit Loan to your solicitor in accordance with these terms .
Application	means the home loan application you provided to us where you applied for a Deposit Loan .
Business Day	Any day other than a Saturday, Sunday, national public holidays and the days from 25 December to 2 January (inclusive).
Contact NZHL	means you can contact NZHL in one of the following ways: <ul style="list-style-type: none">• contacting your adviser;• calling 0800 333 238; or• going to kiwibank.co.nz/nzhl.
Daily Default Rate	means the Default Rate divided by 365.
Default Rate	means the Interest Rate applicable to your Deposit Loan at the time that interest at the default rate is charged plus 5% per annum.
Deposit Loan	means the loan from us under these terms in the Deposit Loan Amount or, as the context requires, the amount advanced by us for the Deposit Loan plus all fees and other costs incurred under it.
Deposit Loan Agreement	means your Deposit Loan Confirmation Letter and these terms together.
Deposit Loan Amount	means the amount you ask to borrow in your Deposit Loan Drawdown Request .
Deposit Loan Confirmation Letter	means the letter that we send to you confirming approval of the Deposit Loan , the specific details of your Deposit Loan , and any other conditions you must satisfy before we will lend you the Deposit Loan .
Deposit Loan Drawdown Request	means a request confirming that you wish to proceed with the Deposit Loan and advising us of the Deposit Loan Amount . This request must be satisfactory to us and, if we agree, it can be made by email.
Deposit Loan Outstanding Amount	means the Deposit Loan and all interest and other amounts outstanding in relation to the Deposit Loan .
Deposit Loan Terms and Conditions	means these terms and conditions for NZHL-arranged deposit loans, also referred to as " these terms ".
General Terms	means our General Terms and Conditions for NZHL-arranged loans (as changed, updated or replaced).

Home Loan	means the home loan you have applied for in the Application .
Interest Rate	means the interest rate set out in the Deposit Loan Confirmation Letter .
New Property Sales Contract	means the agreement for sale and purchase for the new property you wish to purchase.
Payment Date	means the earlier of: <ul style="list-style-type: none"> (a) the Settlement Date; (b) the date six weeks after the Advance Date; (c) the date we require you to repay the Deposit Loan Outstanding Amount under clause 12.
Settlement Date	means the settlement date set out in the New Property Sales Contract .
Solicitor's Trust Account	means the trust account referred to in the Solicitor's Undertaking .
Solicitor's Undertaking	means the solicitor's undertaking in the form we provided to your solicitor or in a form agreed between us and your solicitor in writing.

5. How do we communicate with you?

We've set out the ways in which we'll give you notice in our **General Terms**. Unless we're required by law to give you notice in a particular way, we can give you notices about your **Deposit Loan Agreement** in one or more of these ways.

There are certain laws that require us to give you information in writing. For example, under the Credit Contracts and Consumer Finance Act 2003, we're required to disclose information about your **Deposit Loan** to you at certain times, such as when we send you your regular statements or when we tell you about certain changes to your **Deposit Loan**.

You agree that we may give you information relating to your Deposit Loan with us electronically including:

- sending that information to you by email or another electronic messaging system, such as a text message; or
- sending you an email or other electronic message letting you know where you can access that information.

You agree that we can use the email address or mobile phone number you (or NZHL on your behalf) have given us for that purpose. You may update either of these at any time.

You are required to tell us if there are any changes to your contact details, including your email address. You will be taken to have received any notice that we send to the most recent contact address that we have on file for you.

6. When can we change our terms?

We may change any of **these terms** by giving notice at least 14 days before we make a change (or in the case of an interest rate change, by giving notice at any time permitted by law).

7. What conditions apply before you borrow?

We will not lend you the **Deposit Loan** until the following have been met to our satisfaction:

- we've received a **Deposit Loan Drawdown Request**;
- we've received a signed and completed **Solicitor's Undertaking** from your solicitor, together with the relevant attachments; and
- any other condition set out in the **Deposit Loan Confirmation Letter**.

We do not have to give you the **Deposit Loan** if we believe that you will not obtain your **Home Loan** from us.

You cannot ask for your **Deposit Loan** to be more than:

- the loan amount set out in the **Deposit Loan Confirmation Letter**; or
- the amount of the deposit set out in the **New Property Sales Contract**,

whichever amount is lower. For example, if your **Deposit Loan Confirmation Letter** states that you can borrow up to \$100,000 but your **New Property Sales Contract** states that your deposit is \$95,000, you can only borrow \$95,000 as your **Deposit Loan**.

8. When is your Deposit Loan advanced?

If you have met all of the conditions outlined at clause 6 above, we will pay the **Deposit Loan** into the **Solicitor's Trust Account** on the **Advance Date**.

If the **Deposit Loan Amount** is less than what we have approved in the **Deposit Loan Confirmation Letter**, you cannot drawdown the balance and any approval we have given in respect of that balance is immediately cancelled.

9. What interest is payable?

You must pay interest on the **Deposit Loan** to us on the **Payment Date**. You authorise us to deduct interest from your deposit loan account at the end of your **Deposit Loan**.

We calculate interest on the **Deposit Loan** on a daily basis by applying the daily interest rate to the daily balance of the **Deposit Loan** at the end of each day. Interest will be charged on and from the **Advance Date** until your **Deposit Loan Outstanding Amount** is repaid in full. Interest is not charged for the day on which you repay the **Deposit Loan Outstanding Amount** in full. The daily interest rate is calculated by dividing the annual interest rate by 365.

We may change our Interest Rate at any time by giving notice before we make the change.

You can **contact NZHL** to find out the current **Interest Rate**.

10. What default interest may be payable?

If you do not pay an amount when it is due, you must pay interest on that overdue amount at the **Default Rate**. That interest will be:

- calculated on a daily basis. We will apply the daily default rate to that overdue amount each day from the date it was due until the date we receive it in full. The daily default rate is calculated by dividing the annual **Default Rate** by 365;
- deducted from your deposit loan account on the last day of each month; and
- added to the **Deposit Loan** if you do not pay that interest on the last day of each month (so it will also accrue interest).

Interest at the **Default Rate** will apply before and after any judgment we get against you.

If we ask you to repay any part of the **Deposit Loan** early, we will only charge default interest on the amounts that are unpaid after their original due date.

11. What fees and costs are payable?

Except to the extent the law requires otherwise, and in addition to any other liability you may have, you agree to indemnify (i.e. pay) us when we ask you to for:

- all costs (including enforcement, collection, court and legal costs) that we reasonably incur in responding to, or dealing with the effects of, your failure to pay amounts that you owe to us, your breach of **these terms**, or your fraud or other wrongdoing;
- all liabilities arising from third party claims that we incur because of your breach of **these terms**, or because of your fraud or other wrongdoing, and all costs that we reasonably incur in defending or settling those claims (including court costs and legal costs);
- all liabilities arising from third party claims that we incur because of following your instructions, and all costs that we reasonably incur in defending or settling those claims (including court costs and legal costs); and
- all losses suffered by us, by our other account holders or customers and/or by any other third party, through unauthorised transactions that were caused or contributed to by your breach of **these terms**, or by your fraud or other wrongdoing.

However, you will not be liable under this clause for losses or liabilities that result directly from fraudulent or negligent conduct by us (or by our employees, agents or suppliers involved in the provision of our accounts, products or services).

Also, if we incur any costs specifically for the purpose of carrying out a request from you, then you must pay us the amount of those costs. However, before we proceed with your request, we will let you know if these costs might apply, unless they are already mentioned in our list of fees.

In addition, we may charge you a demand fee of \$12 per demand when we demand payment of all amounts outstanding under your **Deposit Loan** under clause 12.

No other fees or charges currently apply to your **Deposit Loan** (other than interest).

We may change our fees at any time, but we must give at least 14 days' notice before the change applies to you.

We may deduct any such fees and costs from your deposit loan account.

12. What payments do you need to make and when?

You must repay the **Deposit Loan Outstanding Amount** on the **Payment Date**. Without limiting this obligation you will do everything necessary to enable your solicitor to comply with the **Solicitor's Undertaking**.

You can repay your **Deposit Loan** at any time. Please **Contact NZHL** to arrange this.

13. When can we require you to repay early?

We may by written notice at any time require you to immediately repay the **Deposit Loan**

Outstanding Amount if:

- we believe that you will not obtain your **Home Loan** from us;
- you do not pay an amount when due under your **Deposit Loan** or any other agreement with us;
- you give security over any of the property set out in the **Deposit Loan Confirmation Letter** to any other person without our prior written consent;
- something happens (whether by your actions or not) that we think impacts adversely and meaningfully on your ability to continue meeting your **Deposit Loan** obligations; or
- something happens (whether by your actions or not) that we think impacts adversely and meaningfully on the value of the property set out in the **Deposit Loan Confirmation Letter** or any security for your **Home Loan**.

14. What undertakings do you give to us?

If you drawdown the **Deposit Loan** but the deposit paid under the **New Property Sales Contract** is to be refunded (either fully or partially), you undertake to us that you will:

- immediately tell us if all or part of the deposit is to be refunded and, if so, in what amount;
- tell the payer to pay that refund into the **Solicitor's Trust Account**;
- if the refund is made directly to you for any reason, immediately pay that amount in cleared funds to the **Solicitor's Trust Account**.

15. What representations do you give to us?

You represent to us that:

- you are the purchaser named in the **New Property Sales Contract**; and
- the obligations of each party under the **New Property Sales Contract** are legal, valid, binding and enforceable (subject to principles of equity and insolvency laws that apply generally) and will be at all times.

16. How must payments be made?

You agree that all amounts you pay under **these terms** shall be made:

- in cleared funds (i.e. so it can be immediately used and will not be reversed for any reason); and
- in full; and
- except to the extent required by law, without any set-off, deduction or withholding (including on account of any tax).

If by law you or we must make any withholding or deduction of or on account of any tax in respect of a payment under **these terms**, the amount of the payment that you must pay will be increased so that we retain (free from liability) the amount we would have received if that withholding or deduction had not been made.

17. What further assurances do you need to give us?

You agree that you will promptly sign and deliver any documents, and do all things we reasonably require to give full effect to the provisions of **these terms**. You must do this at your own expense.

18. What else do you need to know?

These terms are governed by New Zealand law and the courts of New Zealand have exclusive jurisdiction.