

CONSUMER LOAN & SECURITY AGREEMENT COMMERCIAL TERMS



Introducer

Approval Number

The **Effective Date** of the Agreement

Under this Agreement, **KIA Finance, provided by Heartland Bank Limited** (who we call the **Lender, we, or us** in this Agreement) agrees to make you a Loan and you grant to the Lender a security interest in the Goods (described below) and all your rights in the Goods, as security for the **Secured Debt (Loan and Secured Debt** are defined in the Dictionary in the General Terms). When we refer to this Agreement we mean these Commercial Terms- including the attached Fee Schedule- and the General Terms.

IMPORTANT – This Agreement contains key information about your Loan and is a disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003. We may also have to give you regular information about your Loan (**continuing disclosure**) - If required, we will give you statements containing the continuing disclosure at least every six months. You should keep a copy of this Agreement in a safe place.

You have the right to cancel this Agreement for a short period - see the **“Your right to cancel”** section in these Commercial Terms for more information.

LENDER (we are the person making the Loan to you)

You can send notices to us under this Agreement by:

- writing to us at this postal address
- sending an email to this email address

Please also see clause 13 of the General Terms.

Name

Address

Email

PRIMARY(S) (this is who we call **you** in this Agreement)

Full legal name (if you are a partnership, limited partnership or trust, please include the full legal name of each partner or trustee)

Role

Name

Date of Birth

Physical address

If this is not where the Goods are ordinarily located, please let us know

Postal address

Email

Unless you otherwise request in writing, you consent to receiving all communications from us, including disclosure information required by law, in electronic form to this email address or another email address later advised by you to us in writing. See under **“Electronic communication”** in the Other Key Information section for more information.

Heartland Bank Limited

Level 3, 277 Broadway, PO Box 9919, Newmarket, Auckland 1149

0508 432 785 | www.heartland.co.nz

LOAN DETAILS

LOAN AMOUNT (this is the amount you owe us on the Effective Date, including any fees we charge you on that date)

made up of:	
Purchase Price (including GST)	_____
Accessories	_____
PPSR Fee	_____
Establishment Fee	_____
Dealer/Broker/Introducer Fee	_____
Other Insurance Premium(s)	_____
TOTAL GROSS COST	_____
LESS DEPOSIT	_____
made up of:	
Cash	_____
Trade-in allowance	_____

SCHEDULE OF PAYMENTS

Your Payment Dates are at weekly intervals.

First Payment Date: _____

Final Payment Date: _____

Total Payments: _____

Total Interest Payable: _____

Payment Number	Each Payment Amount
Payment	_____
Payment	_____

In order to calculate your Payment Amounts, we have assumed that your Loan will be advanced on a certain date. If your Loan is advanced on another date, then your Payment Amounts may vary slightly (and if it does, we will provide you with an updated Schedule of Payments in accordance with clause 12 of the General Terms).

ANNUAL INTEREST RATE

We will charge you interest on the Loan at a rate of % per annum. This is the only rate you will pay **unless** you are in default. The Annual Interest Rate is fixed for the full period of this Loan except as set out in clause 12.2(b)(iii) of the General Terms.

If you have been referred to us by a dealer/broker/introducer (a **Dealer**) the interest rate that we charge may be determined by the Dealer (subject to a maximum rate set by us) and the Dealer may receive commission from us in addition to the Dealer/Broker/Introducer Fee which we charge you. The commission will be based on the interest rate determined by the Dealer.

We calculate interest on the Loan daily by multiplying the unpaid daily balance of the Loan at the end of each day by the daily interest rate (which is calculated by dividing the Annual Interest Rate by 365).

INTEREST FREE PERIOD

There is no interest-free period under this Agreement

GOODS

Make or Manufacturer	_____	Vin Number	_____
Model	_____	Registration No	_____
Year of Manufacture	_____	Chassis/Serial No	_____

PARTICULARS OF INSURANCE

Company _____

Branch/Broker _____ Expiry date _____

C/N or Policy No. _____ Amount \$ _____

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CREDIT FEES AND CHARGES

All credit fees and charges (including default charges) that you might need to pay us under this Agreement (which are not part of the LOAN AMOUNT in these Commercial Terms) are listed in the attached FEE SCHEDULE. If you do not pay an amount when it is due, we will also charge you interest at a **Default Interest Rate**. We give you information about the default interest charges in clause 5.1 of the General Terms.

You should be aware that we can change the credit fees and charges you might have to pay under clause 12.2(b)(ii) of the General Terms.

PREPAYMENT

You can pay the Loan back early by paying us the **Full Prepayment Amount** defined in clause 3.3(a) of the General Terms. The Full Prepayment Amount includes an Early Settlement Fee and an amount equal to our reasonable estimate of our loss arising from full prepayment (if any) – that is, a loss that relates to differences in interest rates. Our reasonable estimate of our loss will not be any more than an amount calculated using the formula set out in regulation 9 or regulation 11 of the Credit Contracts and Consumer Finance Regulations 2004.

A Part Prepayment (including any early or extra payment that does not pay off the Loan in full) will be held and credited according to the SCHEDULE OF PAYMENTS, unless otherwise agreed. That means the Part Prepayment will generally not be credited when received and will not reduce the amount of interest you pay us overall. If instead we agree to credit the Part Prepayment ahead of the SCHEDULE OF PAYMENTS, and change the SCHEDULE OF PAYMENTS or refinance the Loan (either to reduce the term of the Loan or to reduce your future Payment Amounts), we may also charge you a Variation Fee. More information about prepayments is set out at clause 3.3 of the General Terms, and any applicable fees are listed in the attached FEE SCHEDULE.

YOUR RIGHT TO CANCEL

You can cancel this Agreement by giving written notice to us within 5 business days of being handed a completed copy of this Agreement; or within 7 business days of receipt if the completed Agreement is emailed or sent to you electronically; or within 9 business days of the date the completed Agreement was posted to you (if applicable). Saturdays, Sundays and national public holidays are not counted as business days. You can physically give the notice to us or our employee or agent, post the notice to us or our agent or email the notice to our email address listed in these Commercial Terms. **If you cancel this Agreement, you must immediately repay the Loan and any interest accrued for the period starting on the day you get the Loan until the day you repay us in full (if relevant). You must also reimburse us for any reasonable expenses we have to pay in connection with this Agreement and its cancellation, including legal fees and credit report fees.** *This statement is only a summary of your cancellation rights and obligations. If you want more information, or if you think that we are being unreasonable in any way, you should seek legal advice immediately.*

WHAT CAN YOU DO IF YOU SUFFER UNFORESEEN HARDSHIP?

If you are unable reasonably to keep up your payments because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be able to ask us to vary the terms of this Agreement (we call this a **Hardship Variation**). To apply for a Hardship Variation, you need to:

- (a) make an application in writing; and
- (b) explain your reasons for the Hardship Variation; and
- (c) request one of the following:
 - an extension of the term of this Agreement - this means we would reduce the Payment Amount due on each new Payment Date and increase the Number of Payments; or
 - a postponement of certain Payment Dates; or
 - both of the above – that is, postpone some payments and pay smaller amounts over a longer time period; and
- (d) give the application to us - feel free to phone us to discuss on 0800 85 30 30 but we will ask you to follow up in writing in any of the ways listed in these Commercial Terms.

Do this as soon as possible. If you delay for too long in making an application, or do not meet the Hardship Variation criteria, we may not have to consider your request. If we agree to your requests, we may ask you to enter into a new agreement or we may change the amounts and dates in the SCHEDULE OF PAYMENTS in these Commercial Terms to help you meet your obligations. You may have to pay a fee (as set out in the attached FEE SCHEDULE).

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS?

This is a secured loan. If you fail to meet your commitments under this Agreement, we may be able to repossess and sell any Goods (that is, any property listed as Goods in these Commercial Terms and any other property included in the definition of Goods in the Dictionary in the General Terms).

- **Nature of the security interest:** Unless we agree otherwise in writing, our security interest must be a first-ranking exclusive security interest in the Goods. We must be the only person with a security interest in the Goods and you cannot grant security over the Goods to anyone else without our consent.
- **Extent of security interest:** The security interest secures the repayment of all amounts you owe us, and the performance of all of our obligations to us, under this Agreement or any other Relevant Document. However, we are not obliged to exercise our rights under the security interest if you fail to meet your commitments under this Agreement (and, if we choose not to do so, you will still be liable to pay us what you owe). If we exercise our rights under the security interest and the proceeds of sale of the Goods are insufficient to repay the Loan and any other amounts you owe us, you will still be liable to pay us the remaining amounts.
- **What happens if you give someone else a security interest in the Goods?** If you give a security interest over the Goods to anyone else without our prior written consent, you will be in breach of this Agreement and this will be an Event of Default under clause 6.1 of the General Terms. If that happens, we can give you notice declaring all amounts you owe us under this Agreement to be due immediately and we can enforce our rights under the security interest (which could include re-possessing and selling the Goods).

ELECTRONIC COMMUNICATION

By entering into this Agreement and unless you otherwise request in writing, you agree that we can (subject to applicable legal requirements) send you notices and other communications relating to this Agreement electronically, including by email or using any other electronic message address provided by you or (if we choose to) by making the information available by other electronic means such as access to an online platform. This includes any disclosure that we have to make to you under the Credit Contracts and Consumer Finance Act 2003. We agree to receive notices or other communications from you in electronic form.

IF THERE IS A DISPUTE ABOUT THIS AGREEMENT

We are a member of the following dispute resolution scheme:

Banking Ombudsman, Level 5, Huddart Parker Building, 1 Post Office Square, Wellington 6011
<http://www.bankomb.org.nz>, phone: 0800 805 950 and [email: help@bankomb.org.nz](mailto:help@bankomb.org.nz).

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

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REGISTRATION ON FINANCIAL SERVICE PROVIDERS REGISTER

Our Financial Service Providers Register Number is FSP53901 and our registration name is Heartland Bank Limited.

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IMPORTANT: The Credit Contracts and Consumer Finance Act 2003 requires us to give you certain key information relating to this Agreement. We have summarised below where to find key information about your Loan.

Name and address of creditor:	Our details are provided in the LENDER section in these Commercial Terms.	Annual Interest Rate:	This is the interest rate set out in the ANNUAL INTEREST RATE section in these Commercial Terms. This is the interest rate that you will pay unless you are in default. The Annual Interest Rate is fixed for the full period of this Loan <u>except in the circumstances set out in clause 12.2(b)(iii) of the General Terms.</u>
Initial Unpaid Balance:	This is the LOAN AMOUNT set out in the LOAN DETAILS section in these Commercial Terms.	Method of Charging Interest:	We explain this in the ANNUAL INTEREST RATE section in these Commercial Terms and clause 3.1 of the General Terms.
Total Advances:	The Total Advances is the same as the LOAN AMOUNT set out in the LOAN DETAILS section in these Commercial Terms.	Total Interest Charges:	We set out the total interest charges payable under this Agreement in the SCHEDULE OF PAYMENTS section in these Commercial Terms.
Subsequent Advances:	There are no subsequent advances under this Agreement. This means the full loan is paid to you in one lump sum.	Interest Free Period:	Unless specified in these Commercial Terms, there is no interest free period under this Agreement.
Payments Required:	The payments you have to make under this Agreement are set out in the SCHEDULE OF PAYMENTS section in these Commercial Terms. The Payment Amount must be paid on each Payment Date.	Default Interest Charges and Default Fees:	We provide information on default interest charges in clause 5.1 of the General Terms. Default Fees are set out in the attached FEE SCHEDULE.
Full Prepayment:	The Full Prepayment Amount is defined in clause 3.3 of the General Terms. It includes an Early Settlement Fee and an amount equal to our reasonable estimate of our loss arising from full prepayment (if any).	Credit Fees and Charges:	The credit fees and charges that we will or might charge you are set out in the CREDIT FEES AND CHARGES section above and in the attached FEE SCHEDULE.
Security:	The secured property includes any Goods identified in the GOODS section in these Commercial Terms. You should also refer to the section headed WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS? in these Commercial Terms.	Your Right to Cancel:	We have explained your right to cancel this Agreement in the YOUR RIGHT TO CANCEL section in these Commercial Terms.
Electronic communications:	We agree to receive notices or other communications from you in electronic form.	Statements:	We will send you regular statements of account at least every six months if we are required to. You can also request additional statements but we may charge you a fee for this see the attached FEE SCHEDULE.

AGREEMENT

By completing and submitting this Agreement, you request that we provide the Loan to you on the terms of this Agreement. A legally binding agreement is effective only when your request is accepted by us, which will be notified to you. We are under no obligation to accept your request.

You and the Guarantor confirm that:

- you and the Guarantor have received a copy of this Agreement and have read, understood and agree to the terms of this Agreement – **if you or the Guarantor do not understand anything in this Agreement please seek legal advice before entering into this Agreement.**
- all of the information that you and the Guarantor have provided to us in connection with this Agreement is complete, accurate and not misleading.

We will rely on the information that you and the Guarantor have provided to us (whether directly or through any other person who is assisting with this Agreement, such as the retailer who sold the Goods to you), unless we have a good reason to believe the information is not reliable.

PRIMARY'S SIGNATURE

Date

WITNESS SIGNATURE

Signed by each BORROWER in the presence of

Witness

Name

Address

Occupation

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FEE SCHEDULE

SCHEDULE OF STANDARD FEES AND CHARGES APPLIED TO CONSUMER LOANS*

APPLICATION / APPROVAL / ACCOUNT MAINTENANCE		COLLECTIONS	
Establishment Fee (Direct)	\$249.00	Repossession Warning Notice Fee	\$41.00
We will charge you this fee for processing a new loan application made directly to us, including approval and acceptance.		We will charge you this fee if we have to send you a Repossession Warning Notice. We usually do this 12-15 days after you have breached this Agreement (e.g. overdue payments).	
Establishment Fee (Intermediary)	Up to \$136.00	Couriered Letter Fee	\$3.00
We will charge you a fee for processing a new loan application via an intermediary, including approval and acceptance.		We will charge you this fee if a letter is couriered to you. Letters may be couriered to you if your Loan is in arrears and/or we are having difficulty contacting you about your Loan.	
Dealer/Broker/Introducer Fee	Up to \$500.00	Dishonoured payment Fee	\$3.00
We may charge you a fee which we will pay to any dealer/broker/introducer who refers you to us in relation to the Loan.		We will charge you this fee if your bank dishonours a payment you make to us.	
PPSR Fee	\$7.39	Repossession Warrant Fee	\$89.00
We will charge you this fee for registration of our security interest in the Goods.		We will charge you this fee if we have to instruct an agent to repossess the Goods (for example, due to overdue payments).	
Early Settlement Fee	\$7.00	Repossession Fee	\$341.00
Debited to the account when a loan is settled in full before its final payment date.		We will charge you this fee if we have to repossess the Goods.	
Statement Fee	\$3.00	Repossessed Vehicle Sales Fee	
We will charge you this fee if we give you (at your request) an additional statement. We do not charge you this fee for providing any six monthly continuing disclosure statements.		We will charge you this fee if we sell the Goods. We select the method of sale in order to obtain the best price reasonably obtainable for the Goods and the fee will differ depending on how the Goods are sold as follows:	
Caveat Fee	Actual Cost	If we sell the Goods through our outlet, as a registered motor vehicle trader;	\$1460.00
If we register a caveat over any of your property at any time, we will charge you caveat registration and release costs.		OR	
Mortgage Fee	Actual Cost	If we sell the Goods in any other manner.	Actual Cost
If we register a mortgage over your property at any time, we will charge you mortgage registration costs.		Debit card fee	\$0.36c plus 1.63% of the payment amount
MODIFICATIONS		We will charge you this fee when you make a payment on your Loan by debit card. The fee for each payment will be \$0.36c plus 1.63% of the payment amount. This fee will be deducted from your payment when it is made.	
Variation Fee	\$21.00	Recovery Costs	Actual Cost
We may charge you this fee if we agree you can make an unscheduled Part Prepayment of the Loan and we have to change the amounts and/or dates in the SCHEDULE OF PAYMENTS or refinance the Loan as a result, or if we agree to release our security interest in the Goods and substitute it with a security interest over other Goods.		We will charge you any costs charged by third parties relating to your Loan or this Agreement (e.g. repossession agent, legal provider, repairer). We can provide copies of the invoices on request.	

FEES AND COSTS ADDED TO LOAN BALANCE

If we charge you any of the above fees or costs, we will add that amount to the Loan principal. That means we will charge interest on that amount until you pay it.

*Fees may be changed under clause 12.2(b)(ii) of the General Terms.

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