

## Everything you need to know about the terms and conditions of your ANZ loan

Thank you for choosing an ANZ loan. When you take out a loan, both you and ANZ have certain rights, responsibilities and obligations. This booklet explains some\* of the terms and conditions that define these rights, responsibilities and obligations. It applies to:

- › ANZ Home Loans
- › ANZ Residential Investment Loans
- › ANZ Student Banking Loans
- › ANZ Graduate Banking Loans
- › ANZ Debt Consolidation Loans
- › ANZ Personal Loans

unless you have a written agreement with ANZ that states otherwise.

You may need to refer to this booklet in the future, so please file it with your other loan documents. If you need help understanding any of the terms and conditions of your loan, please talk to your solicitor or the helpful staff at any ANZ branch. If you need help understanding any ANZ security document, please talk to your solicitor.

This booklet does not contain our current interest rates or our fees. This information is available from any branch of ANZ.

\* Please note: This booklet only contains some of the terms and conditions of your loan. Other terms and conditions relating to your loan are contained in your Loan Agreement and ANZ security documents (such as the Memorandum of Mortgage, Mortgage of Securities, Motor Vehicle Mortgage, Guarantee and Indemnity). Further terms and conditions may be implied by law, or may have been agreed to by you in writing.

We recommend that you read this booklet in conjunction with your Loan Agreement. In this booklet, 'this agreement' means the terms and conditions set out in your Loan Agreement and in this booklet. If any of the terms and conditions in this agreement are different to the terms and conditions in any security document you receive from ANZ, then the terms and conditions of this agreement will apply.

## 1. Explanation of terms

This is an explanation of some of the terms that appear in your Loan Agreement.

### ANZ Group

ANZ Group means ANZ National Bank Limited and its related companies (as defined by the Companies Act 1993), including Australia and New Zealand Banking Group Limited in Australia.

### Draw down date

When your loan, or part of it, is to be paid to you, or to your solicitor on your behalf.

### Fixed Rate Period

The length of time that your loan interest rate is to remain the same. This only applies to Fixed Rate Loans. ANZ may alter your loan interest rate during a Fixed Rate Period if additional interest becomes payable as a result of any failure on your part to make a loan repayment when it is due to be paid.

### Funding Account

The ANZ account that you nominate as being the account from which your loan repayments are to be automatically deducted.

### Interest rate

The current per annum interest rate charged for your type of loan. Interest is calculated on the basis of a 365-day year. The rate may be changed from time to time by ANZ unless your loan is a Fixed Rate Loan. If this is the case the interest rate will normally only be altered at the end of the Fixed Rate Period (there are some minor exceptions – refer to the section of this booklet entitled 'Fixed Rate Loans'). ANZ will advise you of any change in the interest rate by public notice, notice in ANZ branches, or by personal letter to you.

### Loan Account

The ANZ account that will record the balance of your loan outstanding at any one time.

### Loan security ratio

The maximum amount that ANZ will make available to you under the loan at any one time, measured as a percentage of ANZ's assessment of the then current value of the security of your loan.

### Outstanding balance

If this is a new loan, the initial unpaid balance on your loan account is nil. If you had an existing facility on this account, the initial unpaid balance will be shown as the 'outstanding balance' in your Loan Agreement.

### Payment of loan

What amounts of your loan will be paid to you, or your solicitor, and what amounts of your loan will be paid on your behalf in respect of other services (full details of which are available from any ANZ branch) supplied to you in connection with your loan.

### Repayment schedule

This shows how much your loan repayments will be, the number of your loan repayments, how often your loan repayments are to be made, and when your loan repayments are to be made. ANZ may require you to increase your loan repayments if the interest rate for your loan increases, or if you miss any loan repayments. The interest rate applicable to your loan, and your repayment amount, will be confirmed to you shortly after the (first) draw down date and again on final draw down if you have a Progressive Draw Down Loan.

### Security

The security for your loan. ANZ may hold the security until your loan, and any other amounts you owe or any liability you may have to ANZ, is fully and finally repaid or discharged.

### **Subsidy scheme**

This shows who is paying your interest rate subsidy and the amount of the subsidy (if any) (refer to the section of this booklet entitled 'Subsidised Loans').

### **Term of loan**

How long your loan is for. Your loan must be fully repaid by the end of this time (unless otherwise agreed in writing by ANZ). The term of your loan begins once your loan or any part of it is drawn down. The term of your loan may be shortened if you are in default of the loan and ANZ exercises its rights of early repayment of the loan (refer to the section of this booklet entitled 'ANZ's right of early repayment').

### **Total advances**

The principal amount of your loan plus any other amounts financed under your loan.

### **Type of loan**

This shows whether your loan is a Standard Variable Rate Home Loan, Fixed Rate Home Loan, Standard Variable Rate Residential Investment Loan, Fixed Rate Residential Investment Loan, FlexiPlus Home Loan, ANZ Personal Loan, ANZ Student Banking Loan or ANZ Graduate Banking Loan.

## **1.1 Acknowledgments**

### **Borrower**

For you to sign once you have read and understood your Loan Agreement, this booklet and any security documents, and agreed with the Acknowledgments.

### **Guarantor**

For your Guarantor (if you have one) to sign after receiving copies of your Loan Agreement, this booklet and any security documents.

### **Mortgagor**

For your Mortgagor (if you have one) to sign after receiving a copy of your Loan Agreement, this booklet and any security documents.

Note: Your Loan Agreement has been completed from the information supplied by you. It is ANZ's best estimate of the cost of the loan to you. It does not take into account any possible changes to your loan interest rate, any drawing of the whole or part of the loan on dates different from those specified in the Loan Agreement as the draw down date(s), any early repayment or recovery of the whole or part of the loan, any change in your subsidy arrangements (if you have this) or any other alterations to the terms and conditions of your loan that ANZ is entitled to make.

## **2. Repayments**

All the repayments that you make to your loan will be deducted automatically from your Funding Account unless some other arrangement is agreed to in writing. If there are insufficient funds in your Funding Account to meet the loan repayment on the agreed date, ANZ may attempt to debit your Funding Account for a further three consecutive business days. After the fourth unsuccessful attempt to debit your Funding Account, ANZ may charge a missed payment fee.

ANZ may deduct any overdue repayments from any of your ANZ accounts. Any overdue repayments must be made on demand. If you become unable to meet your loan repayments, please contact your local ANZ branch immediately.

Repayments will be of principal and interest (unless otherwise specified in your Loan Agreement). Interest on your loan will be calculated on the outstanding balance of your loan at the end of each day based on a 365-day year. The end of the day will be the time of day as determined by ANZ from time to time.

Interest shall be charged monthly (unless otherwise specified in your Loan Agreement) to either your Funding Account or your Loan Account.

On the final repayment date and/or when the loan is to be fully repaid, you will be required to pay the balance of the loan outstanding and all other sums then owing to ANZ in connection with your loan.

All repayments made to your loan must be made in cleared funds without any deduction.

## **2.1 Interest only**

Please note that if you have an interest-only loan (whether partially drawn or fully drawn), any interest will be debited to your Funding Account and not your Loan Account.

If there are insufficient funds in your Funding Account to meet the monthly interest charge, ANZ may attempt to debit your Funding Account for a further two consecutive business days. After the third unsuccessful attempt to debit your Funding Account, ANZ may instead debit your Loan Account with the interest charge.

In the event that your loan is not being conducted to the satisfaction of ANZ, ANZ may cancel any interest redirection on your Loan Account and debit the interest to your Loan Account instead.

## **2.2 Early repayment**

You may repay all or part of your loan at any time before its due date, but if you do, you may be liable to pay an early repayment fee plus the early repayment administration fee. ANZ is not obligated to pay early repayment benefits.

However, you may make a regular repayment, or make a number of repayments which in total equal your regular payment amount, on your Fixed Rate Home Loan at any time between the date of your last scheduled repayment up to the date of your current scheduled repayment, without incurring an early repayment fee.

## **2.3 ANZ Fixed Rate Home Loans, ANZ Fixed Rate Residential Investment Loans**

### **Early repayment cost**

ANZ may, according to its policy at the time of early repayment, waive the early repayment fee when you make an early or additional partial repayment during a Fixed Rate Period. ANZ current policy is to waive the early repayment fee if the total additional repayment(s) in any year are less than the 'tolerance amount'. Refer to the section on 'Prepayment calculation' for information on how the 'tolerance amount' is calculated.

### **Cost of the early repayment**

An early repayment cost is a reasonable estimate of the loss that may be incurred by ANZ on your early repayment because it reduces the outstanding principal of the loan and thereby reduces the future interest payments that ANZ will receive. This is known as the 'cost of interest foregone'.

The early repayment cost calculation (refer below to the 'Prepayment calculation' section) is used to calculate the 'cost of interest foregone'. It compares the net present value of the scheduled cash flows assuming you did not make the early repayment, with the net present value of cash flows calculated following the early repayment.

The size of any early repayment cost that is calculated will vary according to the size of the early repayment, the term remaining on the current Fixed Rate Period of your ANZ Fixed Rate Loan, and the amount that market interest rates have moved since the start of the current Fixed Rate Period on your ANZ Fixed Rate Loan.

## 2.4 Prepayment calculation

### When a calculation will be performed

A prepayment calculation will be performed whenever you make a payment that exceeds the combined value of your next scheduled payment (if it has not already been paid) and the available 'tolerance amount'.

### How the tolerance amount is calculated

#### ANZ Fixed Rate Loans

Current policy is that ANZ will waive the early repayment fee if the total additional repayment(s) in any year (based on the anniversary of the start of the current Fixed Rate Period) does not exceed the 'tolerance amount', which is 5% of the loan balance at the start of the current Fixed Rate Period, or \$10,000, whichever is lesser.

However, please note that if your current Fixed Rate Period is less than 12 months, the 'tolerance amount' will be adjusted proportionately. For example, for a six-month term, the waiver will apply where the repayment(s) during the fixed interest rate period does not exceed the lesser of 2.5% of the loan balance at the start of the current Fixed Rate Period, or \$5,000.

## 2.5 Calculation of the cost of interest foregone

The 'cost of interest foregone' is calculated by following the steps outlined below. The terms in bold are defined at the end of this section.

- › Two **amortisation** calculations are made using the **market rate at the start of the Fixed Rate Period** based on all of the scheduled **cash flow events** and **cash flow dates** for the period between the date of your early repayment and the scheduled end of the Fixed Rate Period.
- › The first amortisation calculation is based on the balance of the loan immediately before the early repayment less any portion of your next scheduled repayment that you have not already paid and the available 'tolerance amount'.
- › The second amortisation calculation is based on the balance of the loan immediately after the early repayment.
- › For each amortisation, a **present value** is calculated of every cash flow event, using the **market rates at the date of repayment** to derive **discount factors**, and these calculations are added to give a total present value.
- › The total present value of the second amortisation calculation, along with the early repayment amount, is subtracted from the total present value of the first amortisation calculation.
- › The early repayment cost is the amount by which the total present value of the first amortisation calculation exceeds the total present value of the second amortisation calculation.
- › This is the amount you will be required to pay ANZ as the early repayment fee.

While the early repayment fee is not calculated using the formula provided in the Credit Contracts and Consumer Finance Act 2003, the early repayment recovery is intended to compensate the Bank only for its cost and risk in providing a Fixed Rate Loan which is repaid early.

## 2.6 Definitions

- › **Amortisation** means loan repayment by instalments to pay off the debt (principal and accrued interest) by the end of a fixed period.
- › **Cash flow events** are all transactions that will alter the loan balance, such as expected repayments, fees, charges and interest (if capitalised to the loan).

- › **Cash flow dates** are the dates on which cash flow events occur.
- › **Discount factors** are used to give present value. The interest rate used in discount factors is the relevant market fixed interest rate which would apply to the loan if the loan were advanced on the early repayment date for a term equal or closest to the remaining Fixed Rate Period of the loan.
- › **Market rate at the start of the Fixed Rate Period** means the wholesale interest swap rate, as quoted by ANZ, on the date of the start of your current Fixed Rate Period for a term equal to your Fixed Rate Period. The applicable wholesale interest swap rate is available from ANZ or, alternatively, a close approximation is currently published daily in The New Zealand Herald and other newspapers.
- › **Market rate at the date of repayment** means the wholesale interest rate swap, as quoted by ANZ, on the date of your early repayment, for a term up to the unexpired part of your Fixed Rate Period (as at the date of your early repayment) but note that for terms of less than 12 months, the relevant bank bill yield will be used instead of the wholesale interest swap rate; and where no wholesale interest swap rate is quoted or available for the relevant term, the rate will be a weighted average of the closest longer and shorter quoted terms either side of the relevant term.
- › **Present value** is the value of receiving a lump sum today instead of receiving an income stream in the future. Income received now has a greater value than later because sums can be reinvested to generate more income. The future income stream is discounted to determine what amount received today would have the same value as a sum received in the future.

ANZ may alter the method of calculation of the early repayment fee from time to time.

## 2.7 Early repayment administration fee

An early repayment administration fee (as set by ANZ from time to time) may also be charged if you fully repay your loan or switch to a new Fixed Rate Period or another type of loan, before the end of a Fixed Rate Period.

ANZ may alter the amount of the early repayment administration fee from time to time.

## 2.8 Additional interest

If you do not pay any loan repayment on the day it is due, ANZ may charge additional interest on the overdue amount calculated on a daily basis from the due date to actual payment (both before and after the date of any court judgment made against you).

Such additional interest will be at the rates and capitalised at such intervals as determined by ANZ. This additional interest may be deducted from any of your ANZ accounts and must be paid on demand.

## 2.9 Progressive draw down

Where you are able to draw down your loan progressively under your Loan Agreement, only interest payments (based on the amount of your loan that has been drawn down) will be charged until your loan is fully drawn down. Interest will be calculated on the outstanding balance of your Loan Account at the end of each day and debited monthly (unless otherwise specified in your Loan Agreement) to your Funding Account and not your Loan Account.

Additional payments of principal over and above your interest payments may be made without penalty.

If you have an ANZ Fixed Rate Loan you may not draw down your loan progressively.

## 3. Loan types

### 3.1 Fixed Rate Loans

From time to time, ANZ offers loans where the interest rate is fixed for a specific period.

If you have chosen this type of loan, the period during which the interest rate stays the same is noted on the Loan Agreement that accompanies this booklet (this is the Fixed Rate Period). The Fixed Rate Period begins once your loan or any part of it is drawn down.

The following additional conditions apply to this type of loan:

- › The interest rate prevailing when you (first) draw down your loan will not be altered during the Fixed Rate Period unless you fail to pay any loan payment when it is due to be repaid, in which case additional interest shall be payable.
- › For interest-only lending, the Fixed Rate Period must be the same as the interest-only period.
- › At the end of the Fixed Rate Period, we will contact you to obtain your further instructions in relation to the loan. If you do not make alternative arrangements with us, your loan interest rate will be reviewed and, depending on the terms of your loan agreement, may be changed to ANZ's then prevailing variable interest rate (which may be higher than the loan interest rate applicable during the Fixed Rate Period).
- › If you have an ANZ Fixed Rate Loan with a term of less than one year, your loan interest rate may only be changed to ANZ's prevailing variable interest rate at the end of the Fixed Rate Period.
- › You may make repayments over and above your regular loan repayments within the Fixed Rate Period. However, an early repayment fee may be payable (refer to the earlier section entitled "Early repayment" for further details). An early repayment administration fee may also be charged if you fully repay your loan, or switch to a new Fixed Rate Period or another type of loan, before the end of the Fixed Rate Period.
- › If you have a Fixed Rate Loan, you may request, prior to the end of the Fixed Rate Period (such request to be in writing), to make an additional repayment over and above your regular loan repayments on the expiry date of the Fixed Rate Period. Such an additional repayment will not incur an early repayment fee or an early repayment administration fee.
- › The interest rate applicable to your ANZ Fixed Rate Loan, and your repayment amounts, will be confirmed to you shortly after your draw down date.

### 3.2 Debt Consolidation Loans

The following additional terms apply to ANZ Debt Consolidation Loans:

- › The interest rate on the loan will be fixed for the term of the loan.
- › The interest rate prevailing when you first draw down your loan will not be altered over the term of your loan, unless you fail to pay any loan payment when it is due to be paid, in which case additional interest will be payable on the overdue amount.
- › You may make repayments over and above your regular loan repayments. However, an early repayment fee may be payable (refer to the earlier section entitled "Early repayment" for further details. The fixed rate period on your ANZ Debt Consolidation Loan is the full term of your loan). An early repayment administration fee may also be charged if you fully repay your loan, or switch to another type of loan before the end of the term of your loan.
- › The interest rate applicable to your ANZ Debt Consolidation Loan and your repayment amounts will be confirmed to you shortly after your draw down date.
- › To be eligible for the ANZ Debt Consolidation Loan you must be a ANZ customer and held an ANZ product for 6 months or more at the time of application.
- › You may not use an ANZ Debt Consolidation Loan to repay lending from family or friends or another ANZ Personal Loan.
- › If you are an existing ANZ customer (ie you have held accounts or other facilities with us for the last 6 months) you may be required to close any banking or other facilities that you are repaying using your ANZ Debt Consolidation Loan depending on your circumstances.

### 3.3 Variable Rate Loans including Personal Loans

If you have a Variable Rate Loan and ANZ's prevailing interest rate increases, ANZ will automatically increase the amount of your loan repayments in order to keep the term of your loan the same. However, if you have a Variable Rate Loan and ANZ's prevailing interest rate decreases, the amount of your loan repayments will not be decreased and the term of your loan will reduce. If you wish to reduce the amount of your loan repayments you must contact ANZ.

If you have a Variable Rate Home Loan you may apply to ANZ to change it to any of ANZ's other home loan types. ANZ may charge a redocumentation fee if you choose to change from one type of loan to another. ANZ may alter the amount of redocumentation fees from time to time.

### 3.4 Loan Repayment Holiday

The Loan Repayment Holiday facility allows for repayments to your loan to be suspended for up to three months.

#### Eligibility

The Loan Repayment Holiday facility applies only to ANZ Home and Residential Investment Loans, excluding ANZ FlexiPlus, interest-only loans, partially drawn down loans, Government Staff Housing Loan Schemes, and Special Housing Loan Schemes such as former Housing Corporation and National Mutual loans.

The facility is not available on Personal Loans, Student Banking Loans or Graduate Banking Loans.

#### Conditions

The following conditions apply to the ANZ Loan Repayment Holiday:

- › An application to take a Loan Repayment Holiday may be in writing via an ANZ branch, via ANZ Phone Direct, or via ANZ Internet Banking.
- › Approval of a Loan Repayment Holiday application is at the discretion of ANZ.
- › A maximum of one Loan Repayment Holiday may be applied for every two years starting from the end date of your last Loan Repayment Holiday. If this is your first Loan Repayment Holiday, you may apply at any time during your loan term.
- › There are some locations within New Zealand that will not qualify for a Loan Repayment Holiday within two years of draw down.
- › Interest on your loan will continue to accrue during the period of your Loan Repayment Holiday.
- › A Loan Repayment Holiday application will not be approved if it would result in the term of your loan exceeding 30 years from the first draw down date.
- › If you apply to take a Loan Repayment Holiday at the start of your loan, your regular repayment amount will be increased so that your loan will be repaid within its original term.
- › If you apply to take a Loan Repayment Holiday during the term of your loan you will be required to select one of the following options:
  - Increase your loan repayment amount from the date your regular repayments recommence so that your loan is repaid within its original term; or
  - Extend the term of your loan by the length of your Loan Repayment Holiday up to a maximum of three months. You will also be required to increase your repayment amount from the date of the next interest rate change after your regular repayments recommence to cover the extra interest accrued; or
  - Keep the original term of your loan by making a lump sum catch-up payment, equal to the total amount of your suspended loan repayment instalments on the date that your regular repayments are due to recommence. You will also be required to increase your repayment amount from the date of the next interest rate change after your regular repayments recommence to cover the extra interest accrued.
- › Your ANZ Flexidraw facility may not be available during your Loan Repayment Holiday.

### 3.5 ANZ Flexidraw

The ANZ Flexidraw facility allows you to reduce the amount of interest payable on your loan by making additional repayments over and above the repayment amounts specified in your Loan Agreement. The additional repayments may subsequently be redrawn from your Loan Account at any time as long as you continue to adhere to the repayment arrangements specified in your Loan Agreement.

The ANZ Flexidraw facility is available, on application, on ANZ Standard Variable Rate Home Loans, ANZ Standard Variable Rate Residential Investment Loans, ANZ Equity Loans, ANZ Personal Loans and ANZ Graduate Banking Loans. The Flexidraw facility is not available on ANZ Fixed Rate Loans or partially drawn down loans.

The following conditions apply to the ANZ Flexidraw facility:

- › Approval of an ANZ Flexidraw application is at the sole discretion of ANZ.
- › To be eligible to apply for ANZ Flexidraw, you must have made repayment amounts over and above those specified in your Loan Agreement.
- › Provided you continue to make all repayments due under your Loan Agreement, you may redraw the amount by which your loan is in advance, subject to a minimum redraw amount of \$1,000 at any one time (with the exception of ANZ Personal Loans and ANZ Graduate Banking Loans, which are subject to a minimum redraw amount of \$500).
- › You may be charged an ANZ Flexidraw facility event fee for each redraw made. ANZ may alter the amount of the ANZ Flexidraw fee from time to time.
- › The ANZ Flexidraw facility is not available on fully repaid loans.

### 3.6 Loans for building

The following additional conditions apply when your loan is to finance building work:

- › The loan will only be made available when you provide:
  - A registered valuer's report (in a form satisfactory to ANZ) from a registered valuer acceptable to ANZ. Loan funds will only be made available at each draw down to the extent that the funds drawn down to date do not exceed the Loan to Security Ratio allowed by ANZ for that property type.
  - Builders' and contractors' invoices at each draw down.
  - A Code of Compliance Certificate before final draw down.
- › You must use your own money towards completing the building before ANZ will make any of the loan funds available. ANZ may require evidence that your own money has been used.
- › Interest on your loan will be calculated on the outstanding balance of your loan at the end of each day. The end of day will be the time of day determined by ANZ from time to time. Please refer to the section in this booklet regarding 'Progressive draw down'.
- › ANZ may cancel any undrawn portion of your loan and/or require repayments of principal and interest to be commenced immediately if, in ANZ's opinion, there has been unreasonable delay in the building work or in drawing down the loan.

### 3.7 Subsidised Loans

In some cases, employers provide a housing subsidy to their employees. If this applies to you and if ANZ agrees that your loan will be a Subsidised Loan, your employer will give you a certificate of eligibility which you must provide to ANZ. The details of the subsidy will be noted on the Loan Agreement that accompanies this booklet.

The following additional conditions apply to Subsidised Loans:

- › If the payer of the subsidy (your employer) fails to pay all or part of the subsidy when it is due or the level of subsidy is reduced, ANZ may debit any of your ANZ accounts with additional interest charges to cover the unpaid or reduced subsidy.

- › If the payer of the subsidy ceases to pay all or part of the subsidy, or if you cease to work for the payer of the subsidy, or if ANZ is advised that you no longer qualify to be paid a subsidy, the interest rate charged by ANZ on your loan will alter to the then current non-subsidised rate for the type of loan you have taken out and you must pay ANZ on demand all outstanding interest that has not been paid for by the subsidy.

**Note:** A Subsidised Loan must be an ANZ Standard Variable Rate Loan.

### 3.8 ANZ Student Banking Loans

ANZ provides loans at the prevailing ANZ Student Loan variable interest rate to students undertaking full or part-time study for a minimum duration of one year at a government recognised tertiary institution and/or in a New Zealand Qualifications Authority (NZQA) approved course and/or for a NZQA qualification relating to your job.

Student Banking Loans are available for the duration of study and a term of up to 4 years.

The following conditions apply to ANZ Student Banking Loans. These are in addition to the conditions that apply to ANZ's Variable Rate Loans.

- › You must have an ANZ account and all income you receive (including, where applicable, student allowances and funds from the Government Student Loan Scheme) must be direct credited to this account.
- › If you have an ANZ Student Banking Loan you are not permitted to arrange any loan, overdraft or other banking facility with any financial institution other than ANZ, with the exception being loans provided by the Government Student Loan Scheme.
- › If you cease to be in study (without completing your degree or course) or if you fail to meet any of the conditions listed above ANZ may:
  - Increase your loan interest rate to ANZ's then prevailing variable interest rate for personal loans, which is subject to change at ANZ's discretion from time to time.
  - Require you to repay your loan early.

Remember: In addition to the above conditions, you must comply with the conditions applying to ANZ Variable Rate Loans set out in this booklet.

### 3.9 ANZ Graduate Banking Loans

The following conditions apply to ANZ Graduate Banking Loans. These are in addition to the conditions that apply to ANZ's Variable Rate Loans.

- › You must have graduated within the last 12 months from a full or part-time course with a minimum duration of one year at a government recognised tertiary institution and/or in a NZ Qualifications Authority (NZQA) approved course and/or for a NZQA qualification relating to your job. Evidence of graduation must be provided to ANZ.
- › You must be in full-time employment or about to begin full-time employment. Evidence of this must be provided to ANZ.
- › Any loan approved must include the refinancing of any outstanding ANZ Student Banking Loans (if any). ANZ's Graduate Loan variable interest rate will apply to your ANZ Graduate Banking Loan for two years following draw down. At the conclusion of this period your loan interest rate will increase to ANZ's prevailing Standard Variable Personal Loan interest rate.

All variable loan rates are subject to change at ANZ's discretion. Please remember that, in addition to the above conditions, you must comply with the conditions applying to ANZ Variable Rate Loans set out in this booklet.

## 4. Terms and Conditions

### ANZ's right of early repayment

ANZ may require you to repay immediately the whole of your loan and may cancel the loan or any undrawn portion of the loan, if any of the following situations occur:

- › If you fail to pay, when due, any amount required to be paid to ANZ in connection with this loan.
- › If you fail to comply with any of the terms of your loan or you or your Guarantor or your Mortgagor fail to perform any obligation assumed under this agreement, or any other loan, or under any guarantee or security document with ANZ (either present or future).
- › If you, your Guarantor or your Mortgagor are adjudicated bankrupt, or are placed in receivership or voluntary administration or liquidation, or any event occurs which is preliminary or similar to your, your Guarantor's or your Mortgagor's bankruptcy, receivership, administration or liquidation.
- › If you, your Guarantor or your Mortgagor are unable to pay, or do not pay, your or their (as applicable) debts as they become due and payable, or become insolvent, or take steps to benefit any of your or their (as applicable) creditors, or your, your Guarantor's or your Mortgagor's financial position, or the value of any securities held by ANZ, changes adversely to a material extent.
- › If any other event occurs, whether through your action or otherwise, that:
  - Results in ANZ forming the opinion that you should not be allowed to continue to operate your Loan Account; or
  - Results in ANZ forming the opinion that it may affect your or your Guarantor's or your Mortgagor's:
    - (i) financial condition or business operation; or
    - (ii) willingness or ability to perform any obligations under this agreement, or under any other loan, or under any guarantee or security document with ANZ (either present or future).
- › You will also be required to repay immediately any outstanding interest and fees, including all ANZ's costs and expenses (including legal costs and expenses and any applicable early repayment fee) incurred in exercising, protecting or recovering the loan, and any other amount payable in connection with the loan on a full indemnity basis.
- › ANZ may also have the right (amongst other things) to require you to repay immediately your loan in other circumstances, in terms of the security document(s) relating to your loan.

### General conditions

The dates for repayment, interest charge dates, repayment instalments, fees and other payments, loan term and all other terms of this agreement (other than the interest rate for your loan) are subject to amendment from time to time by ANZ at its absolute discretion.

The interest rate for your loan is subject to amendment under the terms of the Interest Rate section of your Loan Agreement and as detailed in these terms and conditions.

You authorise ANZ to amend the amount of repayments debited by automatic payment authority to any of your accounts, as a result of ANZ amending the term of this agreement. ANZ will advise you of any amendment by public notice, branch notice or by personal letter to you.

If this loan is made available to more than one person, each person named in the Loan Agreement as Borrower is responsible for the repayment of the whole of the loan and all interest and fees payable in respect of the loan.

Where the Funding Account is held by the same persons as named in the Loan Agreement, any of those persons may individually authorise any amendments to any repayments debited from the Funding Account by automatic payment authority; providing that:

- › such amendments do not reduce the repayments to an amount that is lower than any minimum repayment amount required by the Loan Agreement; and

- › the signing authority executed by the account holders for the Funding Account authorises that account to be operated by any one of the account holders; and
- › the account holder who requests the change is available to sign such authorising documentation as may be requested by ANZ.

All payments of fees and reimbursements of costs incurred by ANZ relating to this loan and/or security may be deducted from any of your ANZ accounts without prior notice to you. If ANZ makes any such deduction, ANZ will give you written notice that it has done so. However, if there are legal charges, you will be advised of the amount due before we pay the account.

ANZ may, without prior notice to you, transfer the credit balance of any of your ANZ accounts in or towards repayment of any unpaid amount you may owe to ANZ under your loan. If ANZ makes any such transfer of a credit balance, ANZ will give you written notice that it has done so.

Without prejudice to the terms and conditions of any security document given by you to ANZ, you must pay on demand all costs and expenses (including taxes and professional fees) incurred by ANZ as a result of the exercise of or in protecting or enforcing or otherwise in connection with any of its rights, powers or discretions under the terms and conditions to which your loan is subject.

Should you die or be otherwise incapable of continuing to manage your own affairs, your executor, administrator or successor (as the case may be) will be required to meet your obligations under this loan.

ANZ may delay taking action within its rights under this agreement, or may choose not to take action at all. Any delay or inaction by ANZ does not mean that ANZ is unable to rely on those rights at a later date and does not prevent ANZ from taking action within its rights under this agreement in the future. No undertaking from ANZ that it will not exercise a right will be binding on ANZ, unless that undertaking is made in writing.

ANZ may, without notice to you, transfer the credit balance of any of your ANZ accounts in or towards repayment of any unpaid amount you may owe to ANZ under your loan, or under any security documents. If any amount is contingently due or cannot be measured, ANZ may withhold repayment of the credit balance of any of your ANZ accounts until the amount owing becomes due or can be measured, up to the maximum amount for which you may become liable. This is in addition to any other right of set-off, combination, lien or other right that ANZ may have.

A certificate by ANZ as to any rate of interest or any amount payable under the terms and conditions to which your loan is subject shall be conclusive evidence for all purposes including legal proceedings.

Any information that you provide to ANZ will be kept strictly confidential, and will be held securely by ANZ and/or the companies in the ANZ Group. You are entitled to access and correct this information by enquiring at any branch of ANZ, although you may have to pay a fee for this service.

To ensure your information is accurate, please let ANZ know of any changes to your personal details, such as your address.

ANZ may use this information to:

- › Consider your application for facilities, products or services;
- › Administer, manage and monitor any facilities, products or services provided to you;
- › Conduct market research, data processing and statistical analysis; and
- › Unless you disagree, provide you with information about other facilities, products or services including select third party products or services.

ANZ may disclose information about you (including your Guarantor and Mortgagor) to other companies within the ANZ Group, agents or contractors for the above purposes.

ANZ may disclose information about you (including your Guarantor and Mortgagor) to credit reference agencies for the purpose of obtaining credit reports on you. Those credit reference agencies may retain that information and provide it to their customers who use their credit reporting services.

If you default in any obligations to ANZ, then ANZ may disclose information about you (including your Guarantor and Mortgagor) to credit reference or debt recovery agencies and it may be retained by them. Those agencies may provide that information to their customers who use their credit reporting services. ANZ may also disclose account information to any authorised signatory to your accounts.

ANZ may obtain information and make such enquiries about you as ANZ may consider warranted from any source including the ANZ Group of companies and credit reference agencies for the above purpose.

Unless you disagree, ANZ may also disclose information about you (including your Guarantor and Mortgage) to reputable advertising organisations for marketing purposes and to reputable market research organisations so that they can obtain your views on products and services. Under these terms and conditions, you (and your Guarantor and Mortgage) authorise ANZ to:

- › Contact the source of any information you provide to ANZ to check the accuracy of the information.
- › Obtain information and make any enquiries about you that we consider justified from any source, including credit reference agencies and other companies in the ANZ Group, for any of the above purposes.

You also authorise anyone that ANZ approaches to provide this information to ANZ.

If ANZ appoints agents to provide selected banking services to its customers, these terms and conditions will apply to those agents and their services.

Some New Zealand and overseas laws require organisations to disclose confidential customer information to government authorities and third parties. ANZ and the companies in the ANZ Group will comply with these laws where they apply. ANZ may let you know about the disclosure, unless it is prohibited by law.

You acknowledge that your personal and other information may be held and processed by other companies in the ANZ Group, including Australia and New Zealand Banking Group Limited in Australia ('ANZ Australia'). ANZ Australia is subject to anti-money laundering laws in force in Australia and certain other countries which may prohibit ANZ in New Zealand from entering or concluding transactions involving certain persons or entities. You agree that ANZ in New Zealand and any other ANZ Group company may:

- › Delay or block any transaction, or refuse to pay any money; or
- › disclose any information concerning you or the transaction to the New Zealand Police or Australian Federal Police or equivalent authority in any other country in order to ascertain whether such laws apply to any transaction or otherwise in compliance with laws directed to the prevention and detection of terrorist financing, in the reasonable belief that a transaction may contravene any such law and that ANZ in New Zealand and any other ANZ Group company will not incur any liability to you as a result of such actions.

In this clause, 'money laundering' includes any dealing with the proceeds of criminal activity and any dealing with funds or assets of any person or entity suspected of involvement in terrorism or any terrorist act.

Where you are a business (or hold yourself out as acquiring goods and services for the purposes of business) any rights or remedies under the Consumer Guarantees Act 1993 shall not apply in respect of goods or services supplied pursuant to any agreement (including this agreement) between you and ANZ.

ANZ may assign its rights under this agreement or any security document to any other party without notice and may for that purpose disclose personal information about you to any potential assignee. You are not permitted to assign your rights or transfer your obligations under this agreement unless ANZ agrees to this in writing.

Other than disclosures required to be made under the Credit Contracts and Consumer Finance Act 2003, the time of receipt of which will be governed by that Act, any notices sent by ANZ under the terms and conditions of your loan shall be deemed to have been received by you on the second business day after the date of posting (if sent by letter) or on the date of actual dispatch if that day is a business day (in the case of telex, facsimile or e-mail transmission) to your address and/or telex or facsimile number and/or email address that is the last known to ANZ. If the telex, facsimile or e-mail is dispatched after 5:00pm on a business day (in the place of receipt) or on a non-business day, or the next business day (in the place of receipt) it will be deemed to have been received on the following business day.

## ***Right to cancel***

If this agreement is a consumer credit contract (as defined under the Credit Contracts and Consumer Finance Act 2003) then you have the right to cancel this agreement provided the following terms are met.

## ***Statement of right to cancel***

The Credit Contracts and Consumer Finance Act 2003 gives you a right, for a short term after the terms of this agreement have been disclosed to you, to cancel the agreement.

## ***How to cancel***

If you want to cancel this agreement you must give written notice to ANZ. You must also return to ANZ any advance and any other property received by you under this agreement.

## ***Time limits for cancellation***

If the disclosure documents are handed to you directly you must give notice that you intend to cancel within three working days after you receive the documents.

If the disclosure documents are sent to you electronically (for example by e-mail) you must give notice that you intend to cancel within five working days after the electronic communication is sent.

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

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

## ***What you may have to pay if you cancel***

If you cancel this agreement ANZ can charge you:

- › The amount of any reasonable expenses ANZ has had to pay in connection with this agreement and its cancellation (including legal fees and fees for credit reports etc).
- › Interest for the period from the day you received the advance until the day you repay the advance.

This statement only contains a summary of your rights and obligations in connection with the right to cancel. If there is anything about your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that you do not understand, if there is a dispute about your rights, or if you think that ANZ is being unreasonable in any way, you should seek legal advice immediately.