

First Credit Union- Loan Agreement – Specific Terms

BETWEEN:

The trustees for the timebeing of FIRST CREDIT UNION

(the “Lender” and referred to in these Specific Terms “the Agreement” as “we,” “us” and “our(s)”; and

AND:

(the “**Borrower**” and referred to in this Agreement as “you” and “your(s)”) ; and

-
1. This Agreement, together with the General Terms and any Collateral Documents contain the terms and conditions on which we have agreed to make available Loan Facilities to you. Collateral Documents include the specific and general terms of any Memorandum of Mortgage, General Security or other Security document, by which we take security over your property.
 2. This Agreement, the General Terms and Collateral Documents all contain and describe your obligations under the Loan Facilities and what we can do if you do not fulfil those obligations. The General Terms which apply to this Loan are the General Terms – Version 1.0
 3. You should read all documents thoroughly. If you do not understand anything in the documents, you should seek legal advice. You should keep a copy of this Agreement and any other documents provided to you in a safe place.
 4. The law gives you a limited right to cancel the Agreement. This is described below under the heading “Right to Cancel”. Note that strict time limits apply.
 5. If there is any conflict between this Agreement and the General Terms, the terms contained in this Agreement shall prevail. Where there is any conflict between the Collateral Documents and the General Terms, then where applicable, the provisions of the Collateral Documents shall prevail.

SECURITIES

6. The Loan Facilities are secured over the property(s) listed below and any existing securities previously given by you over your property(s), whether or not listed below. Property includes land, assets or chattels over which security is granted. The granting of the Loan Facilities is conditional upon you granting us a first and only registered security over the property described below.
7. The security interest we hold will secure all of your existing and future indebtedness and performance of any of your obligations to us, whether or not contained in this Agreement. Any future security interest granted to us by you over any of your other property will also secure all of your obligations and indebtedness to us.
8. Unless we specifically agree in writing you are not allowed to grant, nor allow or permit to be granted a security interest, over any property secured to us.
9. If we exercise any of our rights as a result of any default by you, we are entitled to (among other things), to cancel all Loan Facilities and require immediate repayment of all monies lent to you, and exercise our rights under any Collateral Document.

New Securities Required.

WHAT COULD HAPPEN IN THE EVENT OF DEFAULT BY YOU

If you fail to meet any of your obligations to us, we are entitled to-

Default Interest and Default Fees

10. charge you interest at the Default Rate specified in the Loan Schedule, on any amount not paid when due, for any period whilst the amount remains unpaid until such date as we receive payment in full. We may also charge you default fees as set out in the Fees and Charges Schedule and/or

Enforce Security Interests

11. exercise our rights under the Collateral Documents which may include enforcing our rights against any guarantors and/or selling the property secured to us.

EARLY REPAYMENT

12. If during any period where we have agreed to fix your interest rate on a Loan Facility, and you wish to repay a Loan Facility in full before the final payment is due (**Early Repayment**), you may be required to pay an amount to compensate us for any loss resulting from the Early Repayment. We may have suffered a loss if our current interest rate is lower than the interest rate applying to your Loan. We may also charge administrative costs relating to the Early Repayment. The amount you will have to pay will be calculated according to the statutory procedure set out in the Credit Contracts and Consumer Finance Regulations 2004.

RIGHT OF CANCELLATION

13. If the loan(s) recorded in this Agreement are a consumer credit contract under the Credit Contracts and Consumer Finance Act 2003, you have a short time after the terms of this Agreement have been disclosed to you to cancel this Agreement. A credit contract is a consumer credit contract under the Act if you are a natural person and enter into the contract wholly or predominantly for personal, domestic or household purposes.

How to cancel

If you want to cancel this Agreement, you must give written notice to us. You must also return in full any loan or part thereof which has been advanced to you, and any other property received by you under the Agreement.

Time limits for cancellation

If this Agreement is handed to you directly, you must give notice that you intend to cancel within five working days after you have received a copy.

If this Agreement is sent to you by electronic means (e.g. email) you must give notice of intention to cancel within seven working days after electronic communication of a copy has been sent.

If this Agreement is mailed to you, you must give notice of intention to cancel within nine working days after the Agreement was 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, in addition to repayment of the amount advanced to you, we can charge you:

- a) the amount of any reasonable expenses we have had to pay in connection with this Agreement and its cancellation (including legal fees and fees for credit reports, and
- b) interest for the period from the day you received the loan advance or any portion of the loan until the date that the loan is repaid.

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, or if there is a dispute about your rights, or if you think we are being unreasonable in any way, you should seek legal advice immediately.

CHANGES ON GROUNDS OF UNFORESEEN HARDSHIP

14. If the loan(s) recorded in this Agreement are a consumer credit contract under the Credit Contracts and Consumer Finance Act 2003 and you are unable to keep up your payments because of an unexpected event that causes you hardship, for example illness, injury, loss of employment or the end of a relationship, you can apply to us for a hardship variation of your Facility.

To apply for a hardship variation you need to make a request to us in writing which explains your situation and requests one of the following variations:

- a) extending the term of the Loan in order to reduce the amount of each payment due under the Facility accordingly; or
- b) giving you longer to pay by postponing, during a specified period, the dates on which payments are due under the Facility Agreement; or
- c) both of the above – postponing payments for a specified time and reducing the amount of your payments by extending the term.

You should do this or contact us as soon as possible, if you leave it too long, we may not have to consider your application.

CONTINUING DISCLOSURE

15. We may be required to provide you with regular disclosure statements. The statements will give you information about your account. If we are required to provide you with regular statements, those statements will be provided at least every six months, or at least every 45 working days if your Loan is a Revolving Credit Loan (or at such other times required under the Credit Contracts and Consumer Finance Act 2003).

As an alternative, you agree that we may satisfy our obligation to provide regular statements by making the required information available on our website.

ADDRESS FOR NOTICES

16. You may send notices to us by –
- a) Writing to us at First Credit Union, PO Box 585, Hamilton 3240, or
 - b) Sending a fax to us to 07 8395179, or
 - c) Sending an email to us at loans@firstcu.co.nz

DISPUTE RESOLUTION

17. We are a member of the Financial Services Complaints Limited dispute resolution scheme. It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with us.

Contact details of dispute resolution scheme are as follows:

Address: Level 4, Sybase House, 101 Lambton Quay, Wellington 6011
Phone: 0800 347 257
Website: <http://www.fscl.org.nz>

We are registered on the register of financial service providers as First Credit Union (registration number 29785).

ACKNOWLEDGEMENT

By signing this Agreement including any Collateral Documents, the Borrower and Guarantor (if any) each acknowledges-

- a) you have been provided with a complete copy of this Agreement, the General Terms, each of the Collateral Documents and other documentation relating to the Loan before signing the documents; and
- b) confirm that you have read all documents and accept the terms and conditions contained in the documents, fully understand and agree to be bound by the terms and conditions contained in the documents; and
- c) confirm that all information provided to us in connection with your application for financial accommodation under this Agreement is accurate, complete and not misleading; and
- d) consent to receive disclosure, notices and other communications from us in electronic form, whether by means of our website, email or other electronic communication as set out in the General Terms; and
- e) Where you have agreed to sign the documents as a guarantor, you additionally acknowledge
 - i. we have at your request, agreed to make the Loans available to the Borrower on condition that you as the Guarantor enter into the Agreement, and
 - ii. that you as the Guarantor unconditionally guarantees to us the payment by the Borrower of all monies payable by the Borrower under this Agreement and the due performance by the Borrower of all obligations under this Agreement, the General Terms and the Collateral Documents, and
 - iii. that you have been advised to take independent legal advice before entering into this Agreement.

DATED THIS DAY OF 20xx

EXECUTION

BORROWER

BORROWER

SIGNED by

SIGNED by

WITNESS to all of the above signatures (*otherwise specify*)

Witness Signature

Witness Name

Witness Occupation

Witness Address

FEES AND CHARGES

Information on the amounts of fees and charges payable under this Agreement are set out in the Credit Fees section of the Loan Schedule and are added to your Loan on the date on which the Loan is advanced. The fees in this Schedule are payable separately by you in the event of default by you, and do not form part of the Loan. These fees are payable at our option either immediately by you upon demand being made by us, or are added to your Loan.

We may alter the amount of these fees and charges at any time (see Clause 5.3 of the General Terms.)

| Fee: | Description: | Amount |
|---------------------------------|---|---------|
| Equifax Lodgment | Debited to loan account when lodged with Veda Advantage as a payment default when account is more than 30 days overdue. | \$25.00 |
| Notice of Arrears | Debited to loan account when a Notice of Arrears letter is issued. Generally issued between 15 - 30 days of overdue instalments. | \$20.00 |
| First Credit Union Field Visit | Debited to loan account when it is necessary for First Credit Union to visit as a result of breach of terms (overdue instalments). | \$20.00 |
| Pre-possession Notice Fee | Debited to loan account when a Pre-Possession Notice is issued. Generally issued between 30 - 40 days after breach of terms (overdue instalments). | \$30.00 |
| Repossession Fee | Debited to loan account when it is necessary to issue a Repossession warrant as a result of a serious default (overdue instalments). This amount along with arrears and agent costs are payable immediately | \$50.00 |
| Post Possession Notice | Debited to loan account when a Post-Possession Notice has been issued. This is always sent following repossession of consumer goods. | \$25.00 |
| Statement After Sale Fee Notice | Debited to loan account when a Statement of Account after sale has been issued. This is always issued within 10 days after the sale of the repossessed consumer goods. | \$25.00 |
| Final Notice Fee | Debited to loan account when a Final Notice is issued. This is generally sent following a serious breach of overdue instalments and after all other collection efforts have been exhausted. | \$20.00 |

Note: We may alter the amount of these fees and charges at any time. See Clause 5.3 of the General Terms.

LOAN SCHEDULE

| | | | | | | | | | | | | | |
|--|---|---------|-------------------------|--|--------|----------------------|--|--|--|--|---------|-------|--|
| Funding Account No.: | xxxxxx | | | | | | | | | | | | |
| Loan type/Description: | Temporary Overdraft facility | | | | | | | | | | | | |
| Initial unpaid balance: (amount owing at the disclosure date) | <p>\$xx.xx made up of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">\$xx.xx</td> <td style="width: 40%;">Amount of loan advances</td> <td style="width: 30%;"></td> </tr> <tr> <td>\$x.xx</td> <td>Establishment charge</td> <td></td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>\$xx.xx</td> <td>Total</td> <td></td> </tr> </table> | \$xx.xx | Amount of loan advances | | \$x.xx | Establishment charge | | | | | \$xx.xx | Total | |
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| \$x.xx | Establishment charge | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| \$xx.xx | Total | | | | | | | | | | | | |
| Credit Limit: | <p>\$xx.xx</p> <p>This is the maximum amount of credit available to you under the facility. It may be reduced or increased at First Credit Unions discretion at any time.</p> | | | | | | | | | | | | |
| Interest rate: | <p>xx.xx% per annum</p> <p>We may change the interest rate in certain circumstances. See clause 6.4 of the General Terms)</p> | | | | | | | | | | | | |
| Default rate: | The Interest rate being charged to you at the date of any default plus x% per annum | | | | | | | | | | | | |
| Payments required: | The facility is available to be redrawn and to be repaid xxxxx. Interest on the facility is charged at the end of each Calendar Month. | | | | | | | | | | | | |
| Repayment date: | The facility is repayable upon demand, but pending demand, the amount drawdown is to be repaid on each occasion xxxxx following the facility being drawdown by you. | | | | | | | | | | | | |
| Credit fees: (types and amounts) | \$x.xx redraw fee payable on each occasion the facility is drawdown | | | | | | | | | | | | |
| Purpose of Loan | xxxxxxx | | | | | | | | | | | | |