

# Your home loan

Bank of New Zealand Facility Master Agreement





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This document includes certain key information that is required to be set out in a Disclosure Statement by the Credit Contracts and Consumer Finance Act 2003.

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## Introduction

1.1 The terms of any *facility* are set out in:

- (a) this *agreement*;
- (b) any *Letter of Advice*;
- (c) any *confirmation*;
- (d) any relevant *security* documents;
- (e) any other *facility document*; and
- (f) the Facility Fees section of the Personal Account, Service and Facility Fees Brochure (as amended by *us* from time to time).

The terms of any *facility*, the terms and conditions of any *specified account*, and any other agreements between *you* and *us* are separate contracts unless *we* specify otherwise.

Additional terms and conditions may be implied by law.

- 1.2 If there is any conflict between this *agreement* and a *Letter of Advice* then the relevant part of that *Letter of Advice* takes precedence over the relevant part of this *agreement*.
- 1.3 This *agreement* contains some terms and conditions which relate to all *facilities*, and some provisions which relate only to each of the Housing Term Loan, GlobalPlus, Fly Buys, Rapid Repay Home Loan, Premium Rapid Repay Home Loan, Revolving Credit and Mortgage One *facilities*. The relevant *Letter of Advice* specifies which *facility* *you* have.
- 1.4 The meaning of words printed in *italics* is explained at the end of this *agreement*.
- 1.5 This *agreement* does not comprise all the terms of *your facility* or all the key information *we* are required by law (including the Credit Contracts and Consumer Finance Act 2003) to give *you*. Further terms and conditions and key information are contained in the items referred to in clause 1.1.

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## 2. Agreeing a facility

2.1 We are always happy to discuss *your* financing needs and options with *you*. If *you* are considering applying for a *facility*, some of the things *we* may need to discuss with *you* include:

- (a) the type of *facility* *you* want;
- (b) the amount *you* want to borrow;
- (c) how long *you* wish to borrow the money or have a *facility* available for; and
- (d) how *you* wish to repay *us*.

We may agree to make a *facility* available to *you* after those discussions. If *we* do, *we* will disclose to *you*:

- (a) if that *facility* is the first *facility* under this *agreement*, a copy of this *agreement* together with a *Letter of Advice* and any other relevant items listed in clause 1.1; and
- (b) for all other *facilities* after the first *facility*, a *Letter of Advice* and any other relevant items listed in clause 1.1 that *you* have not previously been sent.

A *Letter of Advice* is an offer by *us* to provide *you* with the *facility* specified in that *Letter of Advice*.

2.2 Where *you* have consented to *us* satisfying *our* disclosure requirements or *our* providing *you* with continuing disclosure information under the Credit Contracts and Consumer Finance Act 2003 in electronic form *you* acknowledge that this may include communication via *our* website, email or electronic communication to an email address specified by *you* for that purpose. Please note that emails are transmitted over the Internet which is an insecure public domain and subject to the risk of unlawful interception, corruption, non-delivery or mis-delivery.

## 3. Changes to facilities

3.1 *You* and *we* may need to agree terms which are specified in a *Letter of Advice* as terms that are to be agreed after the date of that *Letter of Advice*. *You* and *we* will be bound from the effective date specified in the *confirmation* by those terms. *We* will send *you* a *confirmation* of those terms.

3.2 *We* will give *you* notice of any change in any *agreed annual interest rate*, fee, rebate, charge or premium payable under the terms of any *facility* (including the application of any new fee or charge to a *facility*) by way of public notice, press release or as otherwise authorised by law.

3.3 *We* may also amend the terms of this *agreement* or a *Letter of Advice* without having to obtain *your* further agreement. Other than in the case of *agreed annual interest rates*, fees, rebates, charges or premiums, *we* will send *you* a *confirmation* of any change at least 14 days before the relevant change takes effect.

## 4. Insurance

- 4.1 We may, or we may require you to, take out lender's mortgage insurance cover for an amount equivalent to 20% of your credit limit or the loan amount on any terms we approve if, when a facility is made available to you under this agreement (or if we grant an application to redraw some of the loan amount or increase your credit limit), your credit limit or the loan amount will exceed what would be acceptable to us based on our normal lending criteria. Any benefit from that insurance is ours. You will pay any premium on that insurance. The policy may require you to pay any amount outstanding under the relevant facility to the insurer if we make a claim under that policy. We will tell you whether we require this insurance cover, and how much it will cost you when we offer or consent to the facility, redraw or credit limit increase.
- 4.2 If you default under any facility or any security resulting in a need to sell the mortgaged property and the sale proceeds are insufficient to fully repay each facility, we may incur a loss. We may recover this loss under the lender's mortgage insurance. However, you become legally responsible for repaying to the insurer any amount outstanding under the relevant facility or any security because you are not protected by the insurance. Thus the only advantage you receive from paying the premium is the ability to borrow more than we would permit if we did not have that insurance.

## 5. Pre-conditions

- 5.1 We are not obliged to do anything under a facility if you have not:
- (a) provided the securities in a form acceptable to us; or
  - (b) met any conditions we have specified, or have otherwise not complied with a term of this agreement or the relevant Letter of Advice.

## 6. Procedure for borrowing

- 6.1 Any amount to be borrowed under a facility must not, when added to all amounts outstanding under that facility, exceed your credit limit or the loan amount.
- 6.2 Unless otherwise specified in this agreement or the relevant Letter of Advice, you may borrow money under a facility on the dates and in the amounts you request, so long as the amount outstanding does not exceed your credit limit or the loan amount and you have not breached any term of the facility or the terms and conditions of any specified account (if that account is with us) or we have not made demand.

## 7. Interest and credit limit

- 7.1 Interest will accrue daily on the amount outstanding under each facility at the agreed annual interest rate. We may vary the agreed annual interest rate as set out in the facility documents.
- 7.2 Unless otherwise provided in this agreement, interest will be debited from the specified account on the agreed dates for payment of interest specified in the Letter of Advice.
- 7.3 If the agreed annual interest rate is variable, we may change that interest rate at any time. We will give you notice on or before the date of any interest rate change.
- 7.4 If the agreed annual interest rate includes reference to a customer margin, we may make any changes to the customer margin as we see fit. We will give you at least 14 days' notice of any change to a customer margin.

- 7.5 If the amount of interest payable by *you* cannot be determined because a rate which is used to fix that amount ceases to exist or for any other reason, *we* (or any person appointed by *us* for this purpose) may then fix a rate for the purpose of calculating the amount of interest payable.
- 7.6 If *you* fail to pay any amount to *us* when it falls due, *we* may charge *you* interest at the default rate (if one is specified in a *Letter of Advice*) on a daily basis on the overdue amount, calculated from the date that amount became due until the date it is actually paid.
- 7.7 *We* may also from time to time (at *our* discretion) add any interest due but unpaid to the principal.
- 7.8 The *amount outstanding* under a *facility* at any time must not exceed *your credit limit* or the *loan amount*.

## 8. Payment and repayment

### Method

- 8.1 *You* will make minimum payments on the *agreed dates* by direct debit from the *specified account* (or by other means acceptable to *us*), with the first *minimum payment* to be made on the first *agreed date*.
- 8.2 *You* may make a payment greater than the *minimum payment* (whether by lump sum or by increasing the *minimum payment*) at any time provided that any greater payment is made in accordance with this *agreement*.
- 8.3 All payments will go towards payment of, first, outstanding fees payable under the terms of any *facility* and, if the payment is credited to any *specified account*, the terms and conditions of that account, second, interest, and then towards repayment of other *amounts outstanding*.
- 8.4 *You* must pay *us* any *amount outstanding* on the *end date* or otherwise when *we*, in accordance with this *agreement*, demand repayment.
- 8.5 *We* will credit payments to the any *facility* as soon as practicable after *we* receive them. This is not necessarily the same day as *you* pay. *We* may subsequently adjust debits and credits so as to accurately reflect the legal obligations of *you* and *us* (for example, because of an error, or because a cheque is dishonoured). If *we* do this, *we* may make consequential changes (including to interest charges). Where a *Letter of Advice* provides that payments are to be made in accordance with a specified schedule of payments, *we* may credit a payment that is accepted in accordance with that schedule notwithstanding that the payment may be received by *us* before the due date for payment.

### Early Repayment at Your Option\*

**\*clauses 8.6-8.10 below contain key information required by the Credit Contracts and Consumer Finance Act 2003**

- 8.6 *We* will reduce *your credit limit* if *you* ask *us* in writing to do so. *You* can also repay in full or any part of any *facility* at any time. After any early repayment of part of a *facility*, *you* can either:
- (a) continue to make the same *minimum payment* until that *facility* is fully repaid; or
  - (b) reduce the *minimum payment* so that the *end date* stays the same.
- 8.7 If a *Letter of Advice* provides that a *facility* has a *fixed rate period*, and any extra repayments *you* make in any consecutive 12 month period within that *fixed rate period* (with the first such 12 month period starting on the date the *fixed rate period* commences) together exceed 5% of the original *loan amount* (excluding any contractual increase in the *minimum payment* if that *facility* is specified in the relevant *Letter of Advice* as a Tailored Home Loan), *we* may, in addition to any other charges payable by *you* under that *Letter of Advice*, charge *you* an early repayment amount ("*early repayment charge*") for all amounts over the 5% threshold and any other applicable fee comprising the administrative costs incurred by *us* from the early repayment. The *early repayment charge* and any other applicable administration fee will be payable on the date when either a lump sum repayment is made, or the *minimum payment* is increased.

8.8 Should you change the *agreed annual interest rate* from a fixed interest rate to a variable interest rate or another fixed interest rate during a *fixed rate period*, we may charge you on the same basis as an *early repayment charge*.

8.9 The *early repayment charge* will be the amount determined by us to reflect the cost to us of the early repayment by reference to:

- (a) the number of months remaining in the *fixed rate period*, as at the date of early repayment;
- (b) the amount of principal (in excess of the 5% threshold) being repaid early;
- (c) the amount of principal that would otherwise be repaid during the *fixed rate period*;
- (d) the *agreed annual interest rate* applying to a *facility* as at the date of early repayment; and
- (e) our fixed interest rate which would apply for a *facility* made available on the date of early repayment for the number of months remaining in the *fixed rate period*, that fixed interest rate being determined by us by reference to the rate applying on that date that we would charge for a *facility* similar to the relevant *facility* made available to a customer similar to you ("applicable interest rate").

The procedure we use for calculation of loss under the *early repayment charge* is as follows:

The value of the loss is the amount of interest we expected to be earned on the original *loan amount* during the remaining *term* of the *facility* less the interest we expect to be earned on the *facility / loan amount* during the remaining *term* at the applicable interest rate.

#### The loss can be calculated by:

If the applicable interest rate is not lower than when the *fixed rate period* started the loss is "0".

Otherwise the loss equals the value of the payments that will not be received by us (VFP or value of forgone payment) minus the unpaid balance of the *facility*.

Where:

$$\text{VFP} = \frac{(\text{our current interest factor}) \times \text{original loan amount} - \text{repayment amount} \times (\text{our current interest factor}) + \text{repayment amount} \times (\text{our applicable interest factor})}{(\text{our applicable interest rate factor})}$$

8.10 You should discuss with us any plans to repay early any part of a *facility*. We will give you details of any *early repayment charge* that you may have to pay. An example table is set out below to show the levels of charges which can arise. Since these are only examples, you cannot assume that they accurately show the amount of any *early repayment charge* that you may have to pay. This amount will depend on the details of the relevant *facility* and the circumstances at the date of early repayment.



**Example 1 - 25 Year Amortisation** (All charges are \$ per \$1,000 of principal repaid)

		Months before <i>fixed rate period</i> expires																				
		0	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120
% Current Fixed Rate has fallen below the agreed <i>annual interest rate</i>	1%	0	5	10	14	18	22	26	30	33	37	40	43	46	49	52	54	57	59	62	64	66
	2%	0	10	19	28	37	45	53	61	68	75	82	88	95	101	107	112	118	123	128	133	138
	3%	0	15	29	42	56	68	81	92	104	115	126	136	146	156	165	175	184	192	201	209	217
	4%	0	20	39	57	75	92	109	125	141	157	172	186	200	214	228	241	254	266	279	291	302
	5%	0	25	49	72	95	117	138	159	180	200	220	239	258	276	294	312	329	346	363	379	395
	6%	0	30	59	87	115	142	169	195	220	246	270	295	319	342	365	388	410	433	454	476	497

**Example 2 - 10 Year Amortisation** (All charges are \$ per \$1,000 of principal repaid)

		Months before <i>fixed rate period</i> expires																				
		0	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120
% Current Fixed Rate has fallen below the agreed <i>annual interest rate</i>	1%	0	5	9	13	17	20	23	26	29	32	34	37	39	42	44	46	48	50	52	54	56
	2%	0	10	18	26	33	40	47	53	59	65	70	76	81	86	90	95	100	104	108	113	117
	3%	0	14	27	39	51	61	71	81	90	99	108	116	124	132	140	147	155	162	169	176	182
	4%	0	19	37	53	68	83	96	110	123	135	147	159	170	181	192	203	213	223	234	243	253
	5%	0	24	46	67	86	105	122	139	156	172	188	203	218	233	247	262	276	290	303	317	330
	6%	0	29	56	81	104	127	149	170	191	211	230	250	269	288	306	324	342	360	378	396	413

## Early Repayment and Reduction in Credit Limit at Our Option

- 8.11 If, in relation to a particular *facility*, this *agreement* allows *us* to, *we* can demand repayment of any *amount outstanding* and/or reduce *your credit limit* at any time for any reason. Otherwise, *we* can only demand repayment of any *amount outstanding* or reduce *your credit limit* if:
- (a) *you* breach any of the terms and conditions of any *facility document*, any *specified account* (if that account is with *us*) or any other *agreement* *you* have with *us*;
  - (b) *you* default in paying money due to *us*, whether under this *agreement* or otherwise;
  - (c) *you*, or any *Guarantor*, is adjudicated bankrupt or becomes insolvent, is to be removed from the Companies Register, has a receiver, administrator or liquidator appointed in respect of *your* or any *Guarantor's* assets, dies or makes any arrangement with *your* or any *Guarantor's* creditors;
  - (d) *we* think that the securities *we* hold have significantly devalued;
  - (e) *your*, or any *Guarantor's*, circumstances have changed to the extent that, in *our* opinion, warrants *us* demanding repayment of any of the *amount outstanding* and/or the reduction of *your credit limit*;
  - (f) *we* reasonably believe *you* or another person has acted fraudulently in connection with a *facility document* or any other agreements *you* have with *us*; or
  - (g) circumstances exist which, in *our* opinion, impact adversely on *our* ability to continue making the relevant *facility* available to *you*.
- 8.12 If *we* demand repayment of any of the *amount outstanding*, then *you* must pay *us* at *our* address as noted in a *Letter of Advice* all money owing to *us*, and all money that will become owing to *us*, by *you* under the terms of any *facility* including:
- (a) all principal and interest;
  - (b) any service, facility or other fees, charges and premiums that *we* think are applicable under the terms of any *facility*;
  - (c) any *costs* that *we* incur in recovering the money owing;
  - (d) a fee to compensate *us* for a reasonable estimate of any loss incurred by *us* as a result of *your* default; and
  - (e) interest at the *agreed annual interest rate*, or (if applicable) at the default rate specified in the relevant *Letter of Advice*, on all money owing until *you* pay *us*.
- 8.13 *We* can rely on *our* assumption that *you* will receive any demand for repayment of any of the *amount outstanding* if that demand is left at or sent to *your* address as specified in the most recent *Letter of Advice*.

## 9. Fees and charges

- 9.1 *You* agree to pay *us* on demand (or on the date specified by *us*) the fees, charges and premiums specified in a *Letter of Advice*. Charges for keeping accounts, activity fees, base fees, honour/dishonour fees and other fees may be payable under the terms and conditions of any *specified account* (if that account is with *us*).
- 9.2 *You* may be eligible for fee rebates as specified in a *Letter of Advice*.
- 9.3 *We* may increase, decrease or change the terms of payment of any rebate, fee, charge or premium payable under the terms of any *facility* by giving *you* notice on or before the date of any of these changes. *We* may also apply new fees, charges or premiums to a *facility* by giving *you* notice on or before the date of their introduction. Rebates, fees, charges or premiums payable under the terms and conditions of any *specified account* (if that account is with *us*) may be increased, decreased or changed in accordance with those terms and conditions.

## 10. Housing term loan – special conditions

- 10.1 We will credit *your specified account* with either the full *loan amount* on the date *you* request, or, if the relevant *Letter of Advice* allows *you* to receive progressive payments of the *loan amount*, with progressive payments on the dates and in the amounts *you* request (up to the *loan amount*). However, *you* may not borrow any amount more than 5 months after the date of the relevant *Letter of Advice*.
- 10.2 The *agreed annual interest rate* for a *facility* may be variable, capped, or fixed for a period, and it may be determined by reference to a *customer margin*.
- 10.3 If a *facility* has a *fixed rate period* then the *agreed annual interest rate* will not change until the end of that period and *you* will not receive the benefit of any decrease in variable rates during that period. Should *you* change the *agreed annual interest rate* from a fixed interest rate to a variable interest rate or another fixed interest rate during such period, *we* may charge *you* on the same basis as an *early repayment charge*.

### Redraw

- 10.4 Before *you* repay this *facility* in full (but not before the end of any *fixed rate period* specified in the relevant *Letter of Advice*), *you* may pay a redrawing fee (advised to *you* at the time of *your* request) and apply to *us* to redraw an amount more than \$3,000 and less than the difference between the *amount outstanding* when *you* made *your* request and the amount that would have been outstanding if *you* had made only *your* required *minimum payments*.
- 10.5 If *we* grant *your* redrawing application (which *we* will determine at *our* sole discretion), *we* may require *you* to change *your minimum payments* so that the *end date* stays the same.

### Tailored Home Loan

- 10.6 If the relevant *Letter of Advice* specifies that *you* have a Tailored Home Loan, then the *minimum payment* will increase on each anniversary of the date *you* borrowed the full *loan amount* under this *facility* in accordance with the following

formula:  $A \times [1 + (B\% - C\%)]$ .

where:  $A$  = *your* existing *minimum payment*; and

$B$  = the *agreed annual interest rate* (expressed as a decimal) on the relevant anniversary; and

$C$  = the Repayment Index Base (a percentage figure expressed as a decimal) prevailing on the relevant anniversary (the relevant *Letter of Advice* sets out what the relevant Repayment Index Base is at the time when *you* sign that *Letter of Advice*)

Example: where  $A$  (the existing *minimum payment*) is \$300.00,  $B$  = 10% per annum and  $C$  = 8.5% per annum, then:

$$\begin{aligned} & A \times [1 + (B\% - C\%)] \\ &= 300 \times [1 + (0.10 - 0.085)] \\ &= 300 \times 1.015 \\ &= \$304.50 \text{ (the new } \textit{minimum payment}) \end{aligned}$$

The following year's adjustment would be based on  $A = \$304.50$

#### PROVIDED THAT:

- Where the Repayment Index Base is greater than the *agreed annual interest rate*, the *minimum payment* will remain the same.
- Where the increased *minimum payment* calculated in accordance with the above formula is not sufficient (as at the date of increase) to pay interest on the *amount outstanding*, the *minimum payment* will be further increased to the extent necessary to pay such interest.
- *You* and *we* may agree to vary the Repayment Index Base applicable to this *facility* at any time.
- The *minimum payment* may be changed by an amount agreed between *you* and *us* at any time provided the *amount outstanding* and any accrued but unpaid interest on such an amount will be repaid within the *Term* from the date *you* borrow the full *loan amount* under this *facility*.

## 11. GlobalPlus – special conditions

- 11.1 This part of this *agreement* must be read together with the terms and conditions of the Airpoints™, Air New Zealand frequent flyer programme. *Your* GlobalPlus *facility* has the same special conditions as the Housing Term Loan *facility*. These conditions are set out in clause 10.1 - 10.6 of this *agreement*. There are also some extra conditions that apply to a GlobalPlus *facility*:
- (a) *You* may nominate one Airpoints member to earn Airpoints Dollars™, Air New Zealand frequent flyer currency, under this *agreement* in the relevant *Letter of Advice* or *Confirmation*. *We* will use the method set out in the *Letter of Advice* or *Confirmation*, as the case may be, to calculate how many Airpoints Dollars that nominated person is entitled to each month from the *facility*.
  - (b) *We* may change the method for calculating the earning of Airpoints Dollars, or any component of that method, at any time, as a result of changes which Air New Zealand may make to its Airpoints programme, or for any other reason whatsoever, provided that *we* tell *you* about such change by giving *you* notice at least 14 days before such change takes effect.
  - (c) *We* reserve the right to cancel the earning of Airpoints Dollars on GlobalPlus *facilities* generally, at any time, provided that *we* tell *you* that Airpoints Dollars will no longer be earned from GlobalPlus *facilities*, by giving *you* notice at least 14 days before Airpoints Dollars cease to be allocated.
  - (d) *We* may suspend or terminate the allocation of Airpoints Dollars to a nominated person at any time without notice.
  - (e) No Airpoints Dollars will be earned under the *facility* if a *facility document* is breached by *you* for more than 30 days.
  - (f) No Airpoints Dollars will be earned under the *facility* (and all Airpoints Dollars earned under the *facility* will be cancelled) if *we* have not been provided with a valid Airpoints membership number within 90 days of the GlobalPlus *facility* being taken out by *you*. If, subsequent to that time *you* provide *us* with a valid Airpoints membership number, the earning of Airpoints Dollars on the GlobalPlus *facility* will commence from the date *you* provided *us* with such membership number.
  - (g) *We* will tell Air New Zealand how many, if any, Airpoints Dollars the nominated person earns within ten *business days* of the end of each month. Air New Zealand will apply any earned Airpoints Dollars to the nominated person's Airpoints account within its normal processing periods, and those Airpoints Dollars will be shown on the relevant Air New Zealand Airpoints statement.
  - (h) The terms and conditions of the Air New Zealand Airpoints programme will determine the use and value of those Airpoints Dollars. *We* do not guarantee the use or redemption of Airpoints Dollars earned under *your* GlobalPlus *facility*.
  - (i) *You* authorise the *GlobalPlus Partners* to obtain, use, and disclose any information about *you* in relation to this *facility* at any time for the purpose of establishing and maintaining the relationships between *you* and the *GlobalPlus Partners*, including advising *you* about any products and services not related to this *facility*. This may involve, amongst other things, contacting *you* via email, text message or an online facility (without an unsubscribe facility), or by telephone or post.

## 12. Fly Buys – Special Conditions

- 12.1 This part of this *agreement* must be read together with the terms and conditions of the Fly Buys points programme. *Your* Fly Buys *facility* has the same special conditions as the Housing Term Loan *facility*. These conditions are set out in clause 10.1 - 10.6 of this *agreement*. There are also some extra conditions that apply to a Fly Buys *facility*:
- (a) *You* may nominate one Fly Buys member to earn Fly Buys points under this *agreement* in the relevant *Letter of Advice* or *Confirmation*. *We* will use the method set out in the *Letter of Advice* or *Confirmation*, as the case may be, to calculate how many Fly Buys points that nominated person is entitled to each month from the *facility*.
  - (b) *We* may change the method for calculating the earning of Fly Buys points, or any component of that method, at any time, as a result of changes which Loyalty New Zealand Limited may make to its Fly Buys programme, or for any other reason whatsoever, provided that *we* tell *you* about such change by giving *you* notice at least 14 days before such change takes effect.

- (c) We reserve the right to cancel the earning of Fly Buys points on Fly Buys *facilities* generally, at any time, provided that we tell you that Fly Buys points will no longer be earned from Fly Buys *facilities*, by giving you notice at least 14 days before Fly Buys points cease to be allocated.
- (d) We may suspend or terminate the allocation of Fly Buys points to a nominated person at any time without notice.
- (e) No Fly Buys points will be earned under the *facility* if a *facility document* is breached by you for more than 30 days.
- (f) No Fly Buys points will be earned under the *facility* (and all Fly Buys points earned under the *facility* will be cancelled) if we have not been provided with a valid Fly Buys membership number within 90 days of the Fly Buys *facility* being taken out by you. If, subsequent to that time you provide us with a valid Fly Buys membership number, the earning of Fly Buys points on the Fly Buys *facility* will commence from the date you provided us with such membership number.
- (g) We will tell Loyalty New Zealand Limited how many, if any, Fly Buys points the nominated person earns within ten *business days* of the end of each month. Loyalty New Zealand Limited will apply any earned Fly Buys points to the nominated person's Fly Buys account within its normal processing periods, and those Fly Buys points will be shown on the relevant Fly Buys points summary.
- (h) The terms and conditions of the Fly Buys points programme will determine the use and value of those Fly Buys points. We do not guarantee the use or redemption of Fly Buys points earned under your Fly Buys *facility*.
- (i) You authorise Loyalty New Zealand Limited to obtain, use, and disclose any information about you in relation to this *facility* at any time for the purpose of establishing and maintaining the relationships between you and Loyalty New Zealand Limited, including advising you about any products and services not related to this *facility*. This may involve, amongst other things, contacting you via email, text message or an online facility (without an unsubscribe facility), or by telephone or post.

### 13. Rapid repay home loan – special conditions

- 13.1 The *agreed annual interest rate* for this *facility* is variable, and may be determined by reference to a *customer margin*. Interest will be debited from the *specified account* on the last *business day* of each month.
- 13.2 You will make payments as appropriate to ensure that the *amount outstanding* under this *facility* does not exceed your *credit limit*.

#### Credit Limit

- 13.3 We will reduce your *credit limit* by the relevant *reduction amount* on the last *business day* of each month. The first reduction will occur in the month after the month in which this *facility* becomes available under this *agreement*.
- 13.4 Unless you ask us to do otherwise, we will give you at least 14 days' notice of our estimate of the next *reduction amount* and our estimate of your corresponding reduced *credit limit*. We can only give you estimates for these amounts because the *agreed annual interest rate* may change.
- 13.5 We will reduce your *credit limit* if you ask us in writing to do so. If we reduce your *credit limit* in response to your written request, then you can either:
  - (a) continue to have your *credit limit* reduced monthly by the relevant *reduction amount* as though no extra reduction has been made, so that the *end date* will fall sooner; or
  - (b) change the relevant *reduction amount* to take account of the extra reduction, so that the *end date* will stay the same.

#### Ready Money Account

- 13.6 Once the *term* of a Rapid Repay Home Loan *facility* has expired, and so long as you have fully repaid this *facility* and all interest and charges relating to it, only the Ready Money Account terms and conditions will apply to your *specified account* and this *agreement* will cease to apply.

## 14. Premium rapid repay home loan – special conditions

- 14.1 Your Premium Rapid Repay Home Loan *facility* has the same special conditions as those set out in clauses 13.1 to 13.5 that apply to the Rapid Repay Home Loan *facility*. Your *facility* also has the following special conditions:

### Credit Balances

- 14.2 Despite what is said in the terms and conditions of your Premium Account, credit interest will accrue daily on the credit balance in a *specified account* at the rate we advise from time to time for account balances of \$5,000 or more.

### Premium Account

- 14.3 Once the *term* of a Premium Rapid Repay Home Loan *facility* has expired, and so long as you have fully repaid this *facility* and all interest and charges relating to it, only the terms and conditions of your Premium Account will apply to your *specified account* and this *agreement* will cease to apply.

## 15. Mortgage one – special conditions

- 15.1 The *agreed annual interest rate* for a Mortgage One *facility* will be variable. We may at any time vary the balances between which the relevant interest rates apply by giving you notice at least 14 days before the change takes effect.
- 15.2 We can review this *facility* when, and how, we think appropriate. We can determine the extent of the scope of a review when we carry out that review.

## 16. Revolving credit facility – special conditions

- 16.1 The *agreed annual interest rate* for a Revolving Credit *facility* will be variable. Interest will be debited from the *specified account* on the last *business day* of each month.
- 16.2 You will make payments as appropriate to ensure that the *amount outstanding* under this *facility* does not exceed your *credit limit*.
- 16.3 We can demand repayment of any of the *amount outstanding* under this *facility* at any time for any reason. We can also cancel or reduce your *credit limit* at any time for any reason.
- 16.4 We can review this *facility* when, and how, we think appropriate. We can determine the extent of the scope of a review when we carry out that review.

## 17. Use of information

- 17.1 You authorise us to use information about you at any time held by our group for the purpose of establishing and maintaining the relationships between you and our group.
- 17.2 You authorise us to disclose information about you:
- (a) to National Australia Bank Limited and any of our other related companies for the purpose of credit, risk and prudential assessment ;
  - (b) to any insurer of a *facility* or any property which is, or is to be, subject to a *security*;
  - (c) to any person performing services in connection with any such property;
  - (d) to any assignee or prospective assignee of ours; and
  - (e) in the event of default in payment, to any credit agency.

We will confine any disclosure to that reasonably required for use by these people.

- 17.3 *You* authorise *us* to make credit and other inquiries about *you* within *our* normal procedures and to obtain information about *you* from:
- (a) any holder of a *security* over any property of *yours* which is also secured, or is to be secured, to *us*;
  - (b) any insurer of any property which is, or is to be, subject to a *security*;
  - (c) any government, local or other authority having jurisdiction in respect of any such property; and
  - (d) any person performing services in connection with any such property, provided that the information obtained is confined to that reasonably required by *us*.
- 17.4 If *we* assign or transfer any *facility document* or all or any of *our* rights, title and interest under that document to any person:
- (a) *you* authorise such assignee or transferee to use information about *you*, disclose information about *you* and make credit and other enquiries about *you* to the same extent provided above as if such assignee or transferee was *us*; and
  - (b) *you* authorise *us* (in addition to any assignee or transferee) to continue to use information about *you* at any time held by *us* for the purpose of continuing to maintain the relationship between *you* and *us* regardless of the assignment or transfer.
- 17.5 *Your* acceptance of this *agreement* will be sufficient authority to the people or companies referred to in this part of the *agreement* to provide the relevant information to *us*.
- 17.6 This information may be used by *our group* to advise *you* of products, services, promotions or other information that may or may not be related to *your* account; and/or develop or begin a relationship with *you*. This may involve, amongst other things, contacting *you* via email, text message or an online facility (without an unsubscribe facility), or by telephone or post.

## 18. General

- 18.1 All existing and future *securities* held by *us* in respect of *your* obligations will secure the *facilities*. *You* will provide or procure the provision of the *securities*. *You* have consented to each *Guarantor*/third party referred to in the "Security" section of the relevant *Letter of Advice*, receiving a copy of this *agreement*, the relevant *Letter of Advice* and any information about *your* financial position that is in *our* possession.
- 18.2 Any account *you* have with *us*, including any *specified account*, is subject to *our* usual terms and conditions relating to the operation of accounts.
- 18.3 Any payments required to be made under the terms of any *facility* by direct debit will be credited to *us* at *our* address as noted in a *Letter of Advice*. *You* must make any other payments to *us* at that address.
- 18.4 *We* can debit a *specified account*, or any other account *you* have with *us*, at any time with any money owing under the terms of any *facility*, including any money owing as a result of fees, charges or premiums payable by *you* under the terms of any *facility*.
- 18.5 If for any reason there are insufficient funds available to meet debits to a *specified account*, debits may be paid, or not paid, at *our* discretion.
- 18.6 *You* will make all payments under each *facility* in full without deduction. However, if *you* are legally obliged to deduct or withhold an amount from any payment due under a *facility*, then that payment will be increased so that *we* receive and retain (free from liability) a net sum equal to the payment *we* would have received if no deduction or withholding had been required.
- 18.7 All the information, including financial information, provided by *you*, or any other person on behalf of *you*, to *us* in connection with the *facility documents* is true, complete and accurate in all material respects. *You* are not aware of any material facts or circumstances which have not been disclosed to *us* and which could affect *our* decision to provide financial accommodation to *you*.

- 18.8 *You* will have complied and will continue to comply with all laws and constitutional requirements applicable to *you*, *your* business or *your* property.
- 18.9 The illegality, invalidity or unenforceability of any provision of any *facility document* will not affect the legality, validity or enforceability of any other provision of that *facility document*.
- 18.10 Where more than one person is named in a *Letter of Advice* as a customer, references to *you* are to each named person and the liability of each named person is joint and several with each other named person.
- 18.11 *Our* certificate as to any amount or fact relating to any of the *facilities* will, in the absence of manifest error, be conclusive evidence of that amount or fact.
- 18.12 *You* may not assign or transfer all or any of *your* rights, benefits or obligations under a *facility document*. *We* may at any time assign or transfer all or any of *our* rights, benefits and obligations under the *facility documents* to any person. In the event of any assignment or transfer by *us*, references to *us* in the relevant *facility document* and all or any securities provided in respect of that *facility document* are deemed to be references to the relevant assignee or transferee. However, references to *our* prevailing interest rates in clauses relating to the calculation of interest or an *early repayment charge* payable by *you* continue to be references to Bank of New Zealand's prevailing rates and not those of the relevant assignee or transferee and, if *we* do not assign or transfer all of *our* rights, benefits and obligations under the relevant *facility document*, references to *us* in that *facility document* in relation to any rights, benefits and obligations not so assigned or transferred continue to be references to Bank of New Zealand and not to the relevant assignee or transferee.
- 18.13 No failure to exercise or delay in exercising any right or remedy available to *us* under any *facility document* or at law will waive that right or remedy, nor will a partial exercise of any right or remedy preclude any further exercise of that right or remedy or any other right or remedy. The rights and remedies conferred by each *facility document* are additional to any of the rights and remedies available to *us* at law or under any other *agreement* with *you*.
- 18.14 If *you* are borrowing this money for the purposes of *your* business then nothing in the Consumer Guarantees Act 1993 shall apply to the provision by *us* of the *facilities* (and associated services) to *you*.
- 18.15 If *you* are a partner, a *facility document* will continue to bind *you* despite:
- (a) any changes which may from time to time take place in the partners, whether by death, incapacity, or retirement of any partner or the admission of any new partner or otherwise;
  - (b) the fact that the partnership no longer carries on business; and
  - (c) the fact that *you* or any of *your* partners is no longer a member of the partnership.
- 18.16 If a *Letter of Advice* specifies that *you* are a trustee acting in an independent capacity without any interest in any of the assets of the relevant trust (other than *your* interest as trustee), then *you* are only liable under the *facility documents* to the extent of the value of the assets of that trust that are available from time to time to meet *your* liability, plus any amount by which the value of those assets has been diminished by any breach of trust caused by *your* wilful default or dishonesty. *You* will not be acting independently without any interest in any of the assets of that trust (other than *your* interest as trustee) if *you* are a beneficiary, discretionary beneficiary, or appointor under that trust.
- 18.17 The provisions of each *facility document* will be governed by and construed in accordance with New Zealand law.



## 19. Meaning of words

### 19.1 In this *agreement* -

- (a) *Agreed annual interest rate* means, under each *facility*, the applicable annual interest rate or rates specified in the relevant *Letter of Advice*.
- (b) *Agreed date* means a date for the making of payments of principal, interest or both (as appropriate) as specified in the relevant *Letter of Advice*.
- (c) *Agreement* means this Home Loan - Facility Master Agreement.
- (d) *Amount outstanding* means all the moneys owing under a *facility*. When this amount is to be calculated for the end of a day, it includes all debits and credits assigned to that day.
- (e) *Business day* means any day other than a Saturday or Sunday on which banks are open for normal banking business in Auckland or Wellington.
- (f) *Confirmation* means any written *confirmation* by *us* to *you* of the terms (as agreed or as amended) of a *facility*.
- (g) *Credit limit* means the maximum amount of money specified as such in the relevant *Letter of Advice* or subsequently notified by *us* in writing (which may be set out in a statement of a *specified account*, if that account is with *us*), that may from time to time be borrowed by *you* under a Rapid Repay Home Loan, Premium Rapid Repay Home Loan, Revolving Credit Facility or Mortgage One *facility*, and is sometimes referred to by *us* as the "safety limit".
- (h) *Customer margin* means the percentage per annum specified as such in the relevant *Letter of Advice*.
- (i) *Costs* includes costs, charges and expenses, including in connection with legal and other advisers.
- (j) *Early repayment charge* has the meaning given to it in clause 8.7 of this *agreement*. "Early repayment" is to be read and construed as 'prepayment' (in whole or in part) of a *facility* (as the term 'prepayment' is used in the Credit Contracts and Consumer Finance Act 2003).
- (k) *End date* means, as applicable, the last day of the *term* of a *facility* or the last day that *we* make a *facility* available to *you*.
- (l) *Facility* means a facility provided to *you* by *us* specified in the relevant *Letter of Advice*.
- (m) *Facility document* means this *agreement*, each *Letter of Advice*, any document evidencing a *security*, and any other document specified by *us* as a "*facility document*".
- (n) *Fixed rate period* means the period specified as such in the relevant *Letter of Advice* during which the *agreed annual interest rate* is fixed.
- (o) *GlobalPlus Partners* means *us*, Air New Zealand Limited and any future *GlobalPlus Partners*.
- (p) *Guarantor* means any person or entity who has guaranteed to *us* that *you* will meet any of *your* obligations to *us* under a *facility*.
- (q) *Letter of Advice* means a letter from *us* to *you* that incorporates by cross reference the applicable terms of this *agreement*, and provides details of a *facility* *we* are prepared to make available to *you*, and any *confirmation*.
- (r) *Loan amount* means, under a Housing Term Loan or GlobalPlus *facility*, the amount of money specified as such in the relevant *Letter of Advice*.
- (s) *Minimum payment* means, in relation to a *facility*, the minimum amount of principal and/or interest payable, specified as such in the relevant *Letter of Advice*.
- (t) *Our group* means *us* and/or any of *our* related companies.
- (u) *Reduction amount* means, for any month, an amount equal to the amount of principal that would be repayable that month (on the basis of a fully amortising table loan), if *you* had borrowed a *loan amount* equivalent to *your credit limit* with the same *end date* as the relevant *facility* (based on the *agreed annual interest rate* for that month).

- (v) *Security* means each *security interest* described in the “Security” section of the relevant *Letter of Advice* and any substitute or additional *security interest* given in connection with the *facility documents* and any personal guarantee given by any third party in connection with a *facility* or *facilities* and any *security interest* given in respect of such guarantee.
- (w) *Security Interest* means any mortgage, debenture, general security agreement, specific security agreement, trust, pledge, lien, or other security interest or encumbrance.
- (x) *Specified account* means any account specified as such in the relevant *Letter of Advice*.
- (y) *Term* means (if applicable) the period specified as such in the relevant *Letter of Advice*.
- (z) *You* means the person or persons named in the relevant *Letter of Advice* as the Customer. If there are more than one, “*you*” means each of them separately and all of them jointly, and includes their successors and permitted assignees. *Your* has a corresponding meaning.
- (aa) *We* or *us* means Bank of New Zealand and *our* successors and assignees. *Our* has a corresponding meaning.
- (bb) “*person*” includes without limitation, any individual, firm, company, corporation or unincorporated body of persons.
- (cc) Under any *facility document* or this *agreement* a day ends at:
  - (i) for transaction purposes, 11.00pm on any day; and
  - (ii) otherwise, 4.30pm on any *business day*.
- (dd) Any Act of Parliament includes any modification or re-enactment of, and any regulations issued under, an Act.
- (ee) Any document includes that document as amended, assigned, supplemented or replaced.

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## Notes

## Further Information

Bank of New Zealand's current Reserve Bank disclosure statement may be obtained from any branch or agency of Bank of New Zealand.

For more information please call us on

**0800 ASK BNZ** 0800 275 269

[www.bnz.co.nz](http://www.bnz.co.nz)

