

Letter of Offer - Personal Overdraft

This is a standard form Letter of Offer for informational purposes only. For details of applicable rates, fees and other terms and conditions that may apply, please contact any of our stores or visit bnz.co.nz

<Date>

<Customer name>
<Address1>
<Address2>
<Address3>
<Address4> <Postcode>

Division
T: +64 9123 4567
F: +64 9123 4567
M: 029 123 4567
E: <xxxx_xxxx@bnz.co.nz>
Building name,
Level, street address,
Suburb
PO Box number, City Post Code,
New Zealand

Dear <Customer First Name>,
(**'Borrower'**)

This document includes certain key information that is required by the Credit Contracts and Consumer Finance Act 2003. Please read and consider this document and the Fees Brochure before deciding whether to accept our offer to provide you with this Overdraft. Please keep this document and the Fees Brochure in a safe place.

Your right to cancel

You can cancel your Overdraft for any reason. You have 8 working days after the date on which you receive this Letter of Offer to cancel your Overdraft.

Saturdays, Sundays, national public holidays and the days in the period between 25 December and 2 January (inclusive) are not counted as working days for this purpose.

If we have not provided you with all the information we should have in the timeframe required by law, you may have longer to cancel.

To cancel your Overdraft you:

- can write to us at Bank of New Zealand Level 2, 30 Mahuhu Crescent, Private Bag 92089, Auckland 1142 to tell us you want to cancel your Overdraft. You can also call us on 0800 275 269 or +64 4 931 8209 (from overseas); and
- must repay any money borrowed under your Overdraft.

Introduction

You have asked us to provide you with an overdraft on your <Insert type of Account>s account: <insert account number> (**'Account'**).

In this letter of offer (the **'Letter of Offer'**) we set out the terms and conditions on which we offer you an Overdraft. The terms of your Overdraft are set out in the following documents:

- this Letter of Offer; and
- the 'Overdraft Establishment Fee and Unarranged Overdraft Fee' and 'Security/Loan Documentation Fees' sections of the Fees Brochure,

(the **'Overdraft Terms and Conditions'**).

These Overdraft Terms and Conditions apply, in addition to your Account Terms and Conditions, when you borrow under your Overdraft. These Overdraft Terms and Conditions, your Account Terms and Conditions and any other agreements between you and us are separate contracts unless we tell you otherwise.

Changes to these Overdraft Terms and Conditions

We can change, add to, delete or replace these Overdraft Terms and Conditions at any time.

If we do so, we will tell you about those changes at least 14 days before the change becomes effective. We will tell you about any changes to these Terms and Conditions in one or more of the following ways, by:

- writing to you at the last address you have provided us;
- display in our branches and partners centres;
- notice in the media (including public notices); or
- display on our website bnz.co.nz

CCCFA and other legislation

The Credit Contracts and Consumer Finance Act 2003 ('CCCFA') applies to your Overdraft. Other laws, like the Fair Trading Act 1986 and Consumer Guarantees Act 1993, may apply as well as the CCCFA. If you have any questions about your rights or obligations under your Overdraft, you should get legal advice before accepting our offer to provide you this Overdraft.

What you will pay for the Overdraft is:

- interest on your Overdraft calculated in accordance with *clause 3*;
- any credit fees and charges payable in accordance with *clause 4*; and
- any default interest, default fees and charges which may apply under *clauses 3 or 6*.

1. Definitions

Some capitalised terms in this Letter of Offer have special meanings. They are defined in some of the clauses or as set out below:

'**Account Terms and Conditions**' means the BNZ Standard Terms and Conditions that apply to your Account.

'**Business Day**' means every day except Saturday, Sunday, and national public holidays (but includes provincial anniversary days).

'**Credit Limit**' means the maximum amount you can borrow under the Overdraft, as set out in *clause 2*.

'**Fees Brochure**' means the Personal Account, Service and Facility Fees Brochure (as changed by us from time to time).

'**Initial Unpaid Balance**' means the Outstanding Balance on the date of this letter, as set out in *clause 2*.

'**Outstanding Balance**' means at any time the amount that you have borrowed under your Overdraft and not repaid (including any interest, fees or charges that have been debited from your Account). You only borrow under your Overdraft when your Account does not have a positive balance.

'**Overdraft**' means the overdraft facility described in this Letter of Offer.

'**we**', '**us**' and '**our**' mean Bank of New Zealand and its successors, assigns and transferees.

'**you**' and '**your**' mean the person or persons named in this Letter of Offer as the Borrower. You are the 'Borrower'. If more than one person is named as the Borrower in this Letter of Offer '**you**' means each of those persons separately and all of them jointly.

Terms And Conditions Of Your Overdraft

2. Overdraft facility

You can use your Account to borrow money on overdraft. Your Initial Unpaid Balance and your Credit Limit are set out below.

INITIAL UNPAID BALANCE \$ <UNPAID BALANCE>

CREDIT LIMIT \$ <MAX CREDIT LIMIT>

This is the maximum amount that you can borrow under your Overdraft. We may reduce your Credit Limit at any time in accordance with *clause 5*. You must not borrow more than your Credit Limit.

IF FOR ANY REASON THERE ARE NOT ENOUGH FUNDS AVAILABLE WE MAY, AT OUR SOLE DISCRETION, CHOOSE WHETHER OR NOT TO DEBIT YOUR ACCOUNT. IF WE ALLOW YOU TO BORROW MORE THAN YOUR CREDIT LIMIT, WE WILL CHARGE YOU INTEREST ON ANY AMOUNT YOU BORROW IN EXCESS OF YOUR CREDIT LIMIT AT THE DEFAULT INTEREST RATE (WHICH IS DEFINED BELOW).

Continuing disclosure statements relating to your Overdraft will be sent to you on a monthly basis, unless we rely on your consent to receive information about your Overdraft through BNZ internet banking. The statement will set out the Outstanding Balance and each advance and each payment made by you and any interest or fees charged or debited by us during that period.

3. Annual interest rates

We will charge you interest on the Outstanding Balance of your Overdraft. The annual interest rates that we charge for your Overdraft are variable. This means they change from time to time. The annual interest rates for the purposes of your Overdraft as at the date of this Letter of Offer are:

- (a) on all amounts borrowed up to and including the Credit Limit, an annual interest rate of <XXX.X>% per annum. This is made up of our Personal Overdraft Base Rate (currently <XXX.X>% per annum) plus/less a customer margin (currently <XXX.X>% per annum); and
- (b) on all amounts borrowed in excess of your Credit Limit, an annual interest rate equal to our Personal Overdraft Base Rate (currently <XXX.X>% per annum) plus 10% per annum (together, the **'Default Interest Rate'**).

Interest is calculated by multiplying the Outstanding Balance at the end of each day by the daily interest rate (**'Daily Interest Rate'**) that applies to each part of the Outstanding Balance. The Daily Interest Rate is calculated by dividing the relevant annual interest rate by 365.

Interest will be debited from your Account on the day following the second to last Business Day of each month (but will exclude interest calculated for that day). If your Account is in debit (this means you do not have a positive balance in your Account) when any interest is debited from your Account, then the interest will be added to your Outstanding Balance and we will charge you interest on that amount.

Our **Personal Overdraft Base Rate**, your **customer margin** and our **Default Interest Rate** change from time to time. We will give you notice of any change to our Personal Overdraft Base Rate or our Default Interest Rate. We will give you this notice in accordance with the clause headed **'Changes to these Overdraft Terms and Conditions'** above. We will give you notice of any change to your customer margin by writing to you at the last address that you have provided us. You can find the current **Personal Overdraft Base Rate** and the current **Default Interest Rate** at any time by contacting any of our branches or visiting bnz.co.nz. You can find your current **customer margin** by contacting any of our branches.

If the amount of interest you will pay under this Letter of Offer is not able to be determined because a rate which is used to calculate that amount no longer exists or is not available for any reason, we (or someone we appoint on our behalf) may then determine an appropriate replacement rate which will be used to calculate the amount of interest you owe us.

4. Credit Fees and Charges

Credit fee(s) and charges are, or may become, payable by you under your Overdraft. The credit fees and charges that apply to your Overdraft are set out in the 'Overdraft Establishment Fee and Unarranged Overdraft Fee' and 'Security/Loan Documentation Fees' sections of Fees Brochure. This includes a one off overdraft establishment fee of \$<X,XXX,XXX>.

You may also be required to pay under the terms and conditions of your Account the charges for keeping accounts, activity fees, base fees and charges set out in the 'Account Fees' and 'Service Fees' sections of the Fees Brochure.

Fees and charges will be debited from your Account on the day following the second to last Business Day of each month. If your Account is in debit when any fee or charge is paid, then that fee or charge will be added to your Outstanding Balance and we will charge you interest on that amount.

We may at any time change the rate, amount or terms of payment of each fee or charge or introduce a new fee or charge. We will give you notice of any change before it takes effect. We will give you this notice in accordance with the clause headed 'Changes to these Overdraft Terms and Conditions' above.

5. Repayment on demand and reduction of Credit Limit

You must make enough payments to us to ensure that the Outstanding Balance of your Account does not exceed your Credit Limit. Your Overdraft is repayable on demand. This means you must repay all amounts you owe, or may owe, under your Overdraft if we ask you to. We may also reduce or cancel your Credit Limit by giving you such notice as we think is appropriate in the circumstances. We can do any of these things for any reason.

If we ask you to repay your Overdraft, you must pay to us all amounts, which may now, or in the future, be owing under your Overdraft. This may include:

- (a) any fees or charges that you owe us;
- (b) all legal and other costs, charges and expenses which we may pay or incur in connection with the recovery of any amounts you owe us;
- (c) a fee to compensate us for a reasonable estimate of any loss incurred as a result of your default (if there has been one); and
- (d) all outstanding interest on all the amounts you owe, calculated until the time you pay us.

We will reduce the Credit Limit immediately if you call us or ask us to do so in writing.

6. What amounts do you pay if you don't meet your obligations?

If you do not meet your obligations under these Overdraft Terms and Conditions:

- (a) you may have to pay a default fee to us to compensate us for a reasonable estimate of any loss we incur because of the default; and
- (b) you must pay and reimburse us for all costs (for example, legal costs and our staff costs) we pay or incur in relation to the attempted enforcement and enforcement of our rights under these Overdraft Terms and Conditions.

Any default fee or cost is payable on demand from us. We may also debit it from your Account.

If you fail to pay any amount to us when it is due, we may charge you interest at the Default Interest Rate, calculated on a daily basis on the overdue amount. Default interest will be calculated from the date the overdue amount became due until the date it is actually paid.

The default interest amount and any default fees payable under *clauses 6(a) or (b)* will be immediately due and payable and will be debited from the Account on the day following the second to last Business Day of each month.

7. Securities

The following securities will be, or have been, taken by us. They secure all your obligations to us under your Overdraft and may secure other obligations you owe to us. If following a demand from us you do not pay us the amounts set out in *clause 5*, we can take any action we think appropriate to recover all money you owe to us, and all money that you owe to us in the future. This includes making demand on any guarantors and we may be entitled to repossess and/or sell any property set out below (we call this property, and any other property we have security over in the future 'secured property' in this *clause 7*). If there is a shortfall after the sale of any secured property, you will remain responsible for this shortfall.

- (a) <describe guarantee/security and specifically identify any secured property>;

and

- (b) <describe security and specifically identify secured property>.

You confirm that, since any security in our favour was given by you or any guarantor:

- (a) neither you nor any guarantor has created or given any further security interest over any part of the secured property described in this *clause 7* without our written consent; and
- (b) there have not been any other dealings lodged on any title of any property subject to any security (for instance a caveat) without our written consent.

You agree:

- (a) not to grant any security interest or deal with the title of any property subject to any security in our favour without our prior written consent; and
- (b) that we can demand immediate repayment of all amounts you owe, or may owe, under your Overdraft if there are any security interests granted or dealings lodged (without our prior written consent) on the title of any property subject to any security in our favour provided by you and/or any guarantor. If this occurs, we may be entitled to repossess and/or sell any secured property. This does not change our right to demand repayment of your Overdrafts at any time for any reason.

As at the date of this Letter of Offer we may already hold security from you in relation to your obligations to us that is not listed above. If we do, and such security is not listed above, we will not rely on that existing security in relation to your obligations under your Overdraft.

If you give us new security in the future, that new security will also secure your obligations to us under your Overdraft.

8. Special conditions

Choose an option below as applicable:

No special conditions apply to this facility.

OR

Notwithstanding any other provision of this Letter of Offer and without notice from us, your Credit Limit will automatically and permanently be reduced to <insert revised Credit Limit> on <insert date>. If this date is not a Business Day, the Credit Limit will automatically and permanently be reduced on the next Business Day.

OR

Notwithstanding any other provision of this Letter of Offer and without notice from us, your Credit Limit will automatically and permanently be reduced by <insert reduction amount> per <week/fortnight/month> on each <weekly/fortnightly/monthly> anniversary of the date that your Overdraft is made available to you until your Credit Limit is reduced to <zero> provided that such reductions may be adjusted in order to cover any unpaid interest. If any date scheduled for a Credit Limit reduction is not a Business Day, the Credit Limit will automatically and permanently be reduced on the next Business Day.

OR

Notwithstanding any other provision of this Letter of Offer, your Credit Limit comprises two parts which, without notice from us, will operate as follows:

- (a) A temporary limit of <insert amount> which will automatically and permanently be reduced to zero on <insert date> (If this date is not a Business Day, the Credit Limit will automatically and permanently be reduced on the next Business Day); and
- (b) A reducing limit of <insert amount> which will automatically and permanently be reduced by <insert reduction amount> per <week/fortnight/month> on each <weekly/fortnightly/monthly> anniversary of the date that your Overdraft is made available to you until this part of your Credit Limit is reduced to zero provided that such reductions may be adjusted in order to cover any unpaid interest. If any date scheduled for a Credit Limit reduction is not a Business Day, the Credit Limit will automatically and permanently be reduced on the next Business Day.

9. What to do if you suffer unforeseen hardship

If something unexpected happens and you think you may be unable to meet your obligations under these Overdraft Terms and Conditions we may be able to amend these Overdraft Terms and Conditions to help you.

You may be able to make an application for a change to these Overdraft Terms and Conditions if you suffer hardship. For example, if you are sick or injured, lose your job or your relationship has ended.

You need to apply to us in writing and explain why you think you cannot meet your obligations under these Overdraft Terms and Conditions. You must also explain what changes to these Overdraft Terms and Conditions will help you meet your obligations.

One way to make your application is by sending it to us at Bank of New Zealand, BNZ Care, Private Bag 92089, Auckland 1142. You can also visit any BNZ branch.

If you are experiencing hardship, you should contact us soon as possible. If you leave it for too long you may not be able to apply for a change to these Overdraft Terms and Conditions.

10. Consent to electronic communication

You consent to us:

- (a) meeting our disclosure obligations to you under the CCCFA; and
- (b) sending you other notices and communications in relation to this Letter of Offer,

in electronic form and by electronic communication (if applicable). You agree that this may include:

- (c) us sending you an email, to the most recent email address you have provided to us, that allows a disclosure statement and/or other information, including the terms of these Overdraft Terms and Conditions and any related product (for example, insurance) or service, to be accessed from a website or by means of the internet by commonly used internet browsers (including, but not limited to, Internet Explorer, Safari and Google Chrome). You acknowledge that this may include us sending you an email telling you that a disclosure statement and/or other information is available through BNZ internet banking instead of sending you that information by post;
- (d) us sending you an email, to the most recent email address you have provided to us, with a copy of a disclosure statement and/or other information, including the terms of these Overdraft Terms and Conditions and any related product (for example insurance) or service, attached to the email in PDF form; and/or
- (e) if you have BNZ internet banking, us making available, through BNZ internet banking, ongoing information about the Overdraft; (for example, transactions you have made during a relevant period) instead of sending you paper statements. You acknowledge that this means you may not receive paper statements.

We will tell you before we stop sending you paper continuing disclosure statements.

You agree that any electronic communication is treated as being received by you at the time that it leaves our information system. Please note that emails are transmitted over the internet which is an insecure public domain. There is a risk that emails could become corrupted, may not be delivered or may be delivered to the incorrect email address or intercepted.

11. Set-off and Combination

Whenever you owe us money you must pay the full amount due to us. You may also have to pay to us amounts that may become payable in the future, even if those amounts are not actually due and payable at the relevant time.

If a law requires you to make a deduction or withholding, you must increase the amount you pay to us so that the net amount we receive, after any deduction or withholding, is equal to the full amount we would have received if no deduction or withholding had been made.

You may not argue that amounts we might owe to you (for example, money in any account you have with us) can be or have been used to make a payment to us or that any set-off has occurred. Set-off arises where two people owe each other money and those amounts are applied one against the other to create a single amount due by one person to the other. You waive any rights of set-off that you might have. For example, a right of set-off may arise if you hold money in a bank account with us at the same time as owing us money. In the example, because you have waived your rights of set-off, you are not entitled to claim that amounts you hold in a bank account with us reduce the amount you owe us.

If you owe us money, we can exercise rights of set-off and take money from any account you have with us and use that to pay the money you owe us.

We do not have to give you notice when we exercise rights under this *clause 11*.

12. Dispute resolution

We are registered as a financial service provider under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 under the name Bank of New Zealand and our registration number is FSP25101.

If we have made a mistake, or you are unhappy with our service, we will try to put it right quickly and fairly. You can:

- (a) talk to us at any of our branches or partners centres (please ask to speak to a manager if you would like to make a complaint);
- (b) call us on 0800 275 269 (from New Zealand) or +64 4 931 8209 (from overseas), please visit bnz.co.nz for opening hours; or
- (c) complete the email form on our website at bnz.co.nz/complaints, or contact us by secure messaging via BNZ internet banking. We consent to receiving complaints from you through these electronic communications.

If you are unhappy with how your complaint is being handled, please write to us at BNZ Resolve, PO Box 995, Shortland Street, Auckland 1140. We offer a free complaints review procedure for handling complaints about any of our products or services. You can find further information about our complaints procedure on our website at bnz.co.nz/complaints.

We are also a member of the Banking Ombudsman Scheme which is an approved dispute resolution scheme. If you are unhappy with our investigation into your complaint, and if you want to refer a matter to the Banking Ombudsman, you can call +64 4 915 0400 (or Freephone 0800 805 950), email help@bankomb.org.nz or write to PO Box 25-327, Featherston Street, Wellington 6146.

13. Consumer Guarantees Act 1993

If you borrow money under your Overdraft for the purposes of a business, nothing in the Consumer Guarantees Act 1993 will apply to us providing the Overdraft (and associated services) to you.

14. Assignment of Rights

You may not assign or transfer all or any of your rights, benefits or obligations under this Letter of Offer to any other person.

We may at any time assign or transfer all or any of our rights, benefits and obligations under this Letter of Offer to any person.

If we assign or transfer our rights, references to us in the Letter of Offer and in any securities provided under the Overdraft are deemed to be references to the relevant assignee or transferee. However, references to our current interest rates in clauses relating to the calculation of interest you need to pay shall continue to be references to our current rates and not those of the relevant assignee or transferee. If we only assign or transfer some not all of our rights, benefits and obligations under this Letter of Offer, references to us in relation to any rights, benefits and obligations not assigned or transferred will continue to be references to Bank of New Zealand and not to the relevant assignee or transferee.

15. Miscellaneous

We will comply with the Code of Banking Practice as it applies to these Overdraft Terms and Conditions.
Our current Reserve Bank disclosure statement may be obtained in our branches and on our website.

16. Joint and Several

Where the Overdraft is provided to more than one person, references in this Letter of Offer to you are to each person and the liability of each person under your Overdraft is joint and several with each other person. This means each person will be responsible for all of the amounts owed to us even if the other person does not pay.

17. Governing law

These Overdraft Terms and Conditions are governed by and will be interpreted under New Zealand law.

18. Overriding laws

These Overdraft Terms and Conditions may be affected by other laws that apply regardless of these Overdraft Terms and Conditions.

19. Accepting our offer

I/We confirm by signing below that: (a) I/We certify that I/we are not undischarged bankrupts, have not applied for/ are not subject to any personal insolvency procedure or proceedings under the Insolvency Act 2006 (including but not limited to the No Asset Procedure, a Summary Installment Order or a Proposal), nor are I/we in default with any payment under any credit facility; (b) I/We confirm that I/We have read and understand the Overdraft Terms and Conditions; and (c) I/We accept your offer to provide me/us an Overdraft on these Overdraft Terms and Conditions.

BORROWER(S)

I/We accept the above offer:

Signature: _____ Signature: _____

Name: _____ Name: _____

Date: _____ Date: _____

GUARANTOR(S)

I/We confirm by signing below that: (a) I/We confirm that I/We have received a completed copy of these Overdraft Terms and Conditions; and (b) I/We have read and understand these Overdraft Terms and Conditions.

Signature: _____ Signature: _____

Name: _____ Name: _____

Date: _____ Date: _____

