



Important information about your home loan

Bank of New Zealand Home Loan
Facility Master Agreement

December 2023

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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.

1. Definitions

1.1 In this agreement:

agreed annual interest rate means, in relation to a *facility*, the annual interest rate or rates that apply to that *facility* from time to time. The *agreed annual interest rate* is made up of a *base interest rate* plus or minus a *customer margin* (if any). The relevant *letter of advice* sets out the *agreed annual interest rate* or *rates* and/or how we calculate them.

agreed date means a date for making payments of principal, interest or both (as applicable). The *agreed dates* as at the date of the relevant *letter of advice* are set out in the *letter of advice*.

agreement means this Home Loan Facility Master Agreement.

amount outstanding means, on any day, all the money owing under a *facility* (including interest, fees, charges and costs). When the *amount outstanding* is to be calculated for the end of a day, it includes all debits and credits allocated to that day.

average balance has the meaning set out in the relevant *letter of advice*.

base interest rate means the percentage rate per annum set out and/or described in the relevant *letter of advice*.

BNZ group means Bank of New Zealand and/or any of its *related companies*.

business day means every day except Saturday, Sunday and national public holidays (but includes provincial anniversary days).

confirmation means any written confirmation from us to you of some or all of the terms of a *facility*.

costs includes costs, charges and expenses, including in connection with legal and other advisers.

credit limit means the maximum amount of money that you may from time to time borrow under a Rapid Repay home loan, Premium Rapid Repay home loan or Mortgage One *facility*. The *credit limit* is set out in the relevant *letter of advice*. We sometimes refer to the *credit limit* as the 'safety limit'.

customer margin means the percentage rate per annum set out in the relevant *letter of advice*. We will add or subtract the *customer margin* (if any) from the relevant *base interest rate* in order to calculate the *agreed annual interest rate*.

default means, in relation to any *facility* (including an 'on demand' *facility*), any event or circumstance listed in **clauses 10.2** or **10.3**. In the case of an 'on demand' *facility*, *default* also means you failing to pay any amount to us immediately after we demand repayment of the *amount outstanding* (or any part of it) and/or cancel or reduce your *credit limit*.

early repayment charge is the charge that you may need to pay us if you repay any of the *amount outstanding* early during a *fixed rate period*. We calculate the *early repayment charge* using the formula set out in **clause 9.9**.

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.

expected end date, if applicable to a *facility*, means, on any date, the date by which you will repay the *amount outstanding* in full, assuming that you make the *minimum payments* on the *agreed dates*. The *expected end date* may change from time to time but can never go beyond the last day of the *term* of a *facility*. Rapid Repay home loan, Premium Rapid Repay home loan and Mortgage One *facilities* do not have an *expected end date*.

facility means a loan facility we provide to you as set out in the relevant *letter of advice*.

facility document means the documents referred to in **clause 2.1**, any *security*, and any other document specified by us as a '*facility document*'.

fees brochure means the Personal Account, Service and Facility Fees brochure.

fixed rate period means the period set out in the relevant *letter of advice* during which the *agreed annual interest rate* is fixed.

guarantee means a promise given to us by a person to meet your obligations to us under a *facility* or to make good a *loss* we incur under or in relation to a *facility*.

guarantor means any person who has given a *guarantee*.

insolvent includes insolvent, bankrupt, in voluntary administration, in liquidation, in receivership, in statutory management, wound up, dissolved, removed from the companies register, subject to any arrangement or composition with creditors or unable to pay debts as they fall due.

letter of advice means a letter from us to you that sets out details of a *facility* we are prepared to make available to you, and includes any *confirmation*.

loan amount means, under a Housing Term loan *facility*, the maximum amount of money we agree to lend you, as set out in the relevant *letter of advice*. Where we refer to the '*loan amount outstanding*', we mean the outstanding principal amount.

loss includes any direct or indirect loss of profit, business or opportunity and any related expense or liability.

minimum payment means, in relation to a *facility*, the amount of principal, interest or both (as applicable) payable. The *minimum payments* may change from time to time.

overdue amount includes, where the law allows, the *amount outstanding* (or any part of it), if that amount has become due and payable.

personal information means your personal information (information that identifies you), confidential information, tax related information, transaction information and any related information, and that of your *related persons*.

reduction amount, in relation to a Rapid Repay home loan *facility* or Premium Rapid Repay home loan *facility*, means, for any month, the amount by which we will reduce your *credit limit* on the last *business day* of that month. We calculate your *reduction amount* by working out how much you would have to pay us on the last *business day* of the month if your *facility* was a table loan:

- a. with a *loan amount* that is the same as your *credit limit* (and assuming you had borrowed the full *loan amount*); but
- b. with other terms that are the same as your Rapid Repay home loan *facility* (for example, the same *agreed annual interest rate* and *end date*).

The amount *you* would have to pay *us* under this ‘notional’ table loan is the *reduction amount* under *your* Rapid Repay home loan *facility* for that month. Under a table loan, the *loan amount* is paid off over the *term* of the loan through regular payments of principal and interest, where the interest portion of the payments generally reduces over time.

If *you* do not understand how *we* calculate the *reduction amount*, please talk to *us* and *we* can explain it to *you*.

related company has the same meaning as set out in section 2(3) of the Companies Act 1993, except that references in that section to ‘company’ mean a company or corporation whether incorporated or established in New Zealand or elsewhere.

related person has the meaning set out in **clause 21.3**.

repayment period, if applicable to a *facility*, means, for the purposes of calculating interest, the period from (and including) one *agreed date* to (but excluding) the next *agreed date* (and in the case of the first *minimum payment*, the period from (and including) the date the *term* starts to (but excluding) the first *agreed date*).

security means:

- a. any agreement under which *you* give *us* a *security interest*;
- b. any *guarantee*, and any agreement under which a *security interest* is given to *us* by a *guarantor*,

and includes each agreement described in the ‘*Security*’ section of the relevant *letter of advice*.

security interest means any mortgage, charge, trust, encumbrance, lien or other security interest (however described) and includes any ‘security interest’ under the Personal Property Securities Act 1999. Under a *security interest*, *we* receive rights in relation to property *you* or a *guarantor* owns, which secure the performance of *your* or a *guarantor*’s obligations to *us*, including, for example, *our* right to sell *your* or their property.

specified account means the account identified as the ‘specified account’ in the relevant *letter of advice*.

term, if applicable to a *facility*, means the maximum period of time *we* are prepared to make the *facility* available to *you* (subject to the terms of this *agreement*), as set out in the relevant *letter of advice*. Not all types of *facilities* have a *term*.

you or **your** means the person or persons named in the relevant *letter of advice* as the customer. If more than one person is named as the ‘customer’ in the relevant *letter of advice*, *you* means each of those persons alone and all of them together.

we, us or **our** means Bank of New Zealand.

1.2 Under any *facility document* a day ends at:

- a. for the purposes of calculating interest, 12.00 midnight on any day;
- b. for other transaction purposes (such as a debit or credit to or from *your* account), 7.00pm on any *business day*; and
- c. for all other purposes, 4.30pm on any *business day*.

- 1.3 Headings do not affect the meaning of any clause.
- 1.4 References to a 'person' include individuals, companies, corporations, trusts, partnerships and other entities, and to that person's executors, administrators, successors, permitted assignees and permitted transferees.
- 1.5 A reference to any legislation includes reference to that legislation as amended, re-enacted or substituted and any regulations under that legislation.
- 1.6 A reference to any document includes that document as amended, varied, replaced or substituted from time to time.
- 1.7 The singular includes the plural, and the plural includes the singular.
- 1.8 Examples do not limit what else may be included.

2. Introduction

- 2.1 The terms of a *facility* are set out in:
 - a. any *confirmation* we may send you after the date of the relevant *letter of advice*;
 - b. the relevant *letter of advice*;
 - c. this *agreement*; and
 - d. the sections of the *fees brochure* that we refer to in the relevant *letter of advice*.

The terms of any *facility*, the terms and conditions of *your specified account* (if that account is with us) and any other agreements between you and us are separate contracts unless we specify otherwise.

- 2.2 Sometimes, the terms of the documents that set out the terms of a *facility* may be inconsistent. In that case, they will apply in the order listed in **clause 2.1**. For example, if a term of a *letter of advice* is inconsistent with a term of this *agreement*, the term in that *letter of advice* will apply, and the term of this *agreement* will not. This is because the *letter of advice* is listed before this *agreement* in **clause 2.1**.
- 2.3 This *agreement* contains some terms which apply to all *facilities*, and some special conditions (set out in **clauses 14 to 19**) which apply only to certain types of *facilities* we offer, being:
 - a. Housing Term loan;
 - b. BNZ Advantage;
 - c. Rapid Repay home loan;
 - d. Premium Rapid Repay home loan; and
 - e. Mortgage One.

The relevant *letter of advice* sets out which type of *facility* you have.

- 2.4 This *agreement* does not set out all the terms of a *facility* or all the key information we are required to give you by law (including the Credit Contracts and Consumer Finance Act 2003). Additional terms and key information are contained in the other documents listed in **clause 2.1**.
- 2.5 Some compulsory laws apply to a *facility*, including some which restrict how we can exercise our rights under the *facility documents*. We must comply with those laws. They prevail over the terms of the *facility documents*.

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

3. Agreeing a facility

- 3.1** We are always happy to discuss your financing needs and options with you. If you are thinking about 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 of money you want to borrow;
 - c. how long you want to borrow the money or have a *facility* available for; and
 - d. how you want to repay us.
- 3.2** We may offer to provide you with a *facility* after those discussions. If we do, we will give you a copy of the documents listed in **clause 2.1**. A *letter of advice* is an offer by us to provide you with the *facility* set out in that *letter of advice*.

4. Changes to facilities

- 4.1** If you and we agree to change the terms that apply to a *facility* after the date of a *letter of advice*, we will give you a *confirmation*. You and we will be bound by the change from the effective date set out in the *confirmation*.
- 4.2** We may also change the terms that apply to a *facility* (for example, by changing the terms of this *agreement* or a *letter of advice*) without having to get your further agreement. We will give you notice of the change (by *confirmation* or in any other way we are allowed to by law). Notice may be given to you before, on or after the day the relevant change takes effect.
- 4.3** We will give you notice of any change in any interest rate, fee, rebate, charge or premium payable under the terms of a *facility* (including how any new fee or charge applies to a *facility*). We will give you this notice by displaying it in our stores, advertising it in major daily newspapers, and posting it on our website, or in any other way we are allowed to by law. Depending on the change, notice will be given to you on or before the day the relevant change takes effect.
- 4.4** If you are no longer eligible for a type of *facility*, or that type of *facility* is no longer available, we can choose to transfer you to any other type of *facility*. We will tell you of our intention to transfer you, and will give you information about the nature and cost of the new *facility*. You will be given the opportunity to select a different type of *facility* or you can choose to repay the *amount outstanding* under your current *facility*. If we do not hear from you within the timeframe set out in the relevant notification, you agree to us transferring you to the type of *facility* we have selected. If you choose to repay the *amount outstanding* under your current *facility*, you may have to pay us an *early repayment charge* (see **clause 9**).

5. Pre-conditions

- 5.1** We are not required to do anything under a *facility* if you or (if applicable) a *guarantor* has not:
- a. given us the *securities* in a form acceptable to us;

- b. met any conditions we have set out in the relevant *letter of advice*; or
- c. complied with any other term of a *facility document*.

6. Other conditions for borrowing

- 6.1** You may not borrow any money under a *facility* if that would mean that the *amount outstanding* under the *facility* would be more than *your credit limit* or the *loan amount*.
- 6.2** Unless otherwise set out 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, up to *your credit limit* or *loan amount*, if:
- a. the *amount outstanding* is not more than *your credit limit* or the *loan amount*; and
 - b. a *default* has not occurred or, in the case of an ‘on demand’ *facility*, we have not made demand for repayment.

7. Interest and credit limit

- 7.1** Interest will accrue daily on the *amount outstanding* under a *facility* at the *agreed annual interest rate*. If you have a Housing Term loan *facility*, please read **clause 14.10**.
- 7.2** The *agreed annual interest rate* may change in the ways set out in the relevant *letter of advice*.
- 7.3** Unless otherwise set out in this *agreement* or in the relevant *letter of advice*, interest will be debited from the *specified account* on the *agreed dates* for payment of interest.
- 7.4** If the *agreed annual interest rate* is variable, we may change that interest rate at any time. We sometimes refer to ‘variable’ interest rates as ‘floating’ interest rates (including on our website). We will give you notice on or before the date any interest rate change takes effect. We will give you this notice by displaying it in our stores, advertising it in major daily newspapers, and posting it on our website, or in any other way we are allowed to by law.
- 7.5** Unless the relevant *letter of advice* says otherwise, we can make any changes to a *customer margin* at any time. We will give you notice of any change to a *customer margin* before, on or after the day the change takes effect.
- 7.6** If the amount of interest you must pay cannot be calculated because a rate which is used to calculate that amount no longer exists or for any other reason, we (or any person appointed by us for this purpose) may then determine an alternative rate for the purpose of calculating the amount of interest you must pay.
- 7.7** If you fail to pay any amount to us when it is due, we may charge you interest at the default interest rate (if one is set out in the relevant *letter of advice*) on a daily basis on the *overdue amount*. If we decide to charge you default interest, we will calculate the default interest from the date the *overdue amount* became due until the date it is actually paid. The default interest amount will be immediately due and payable.
- 7.8** We may also from time to time (at our discretion) add any interest that is due but unpaid to the principal amount. We sometimes refer to this as ‘capitalising’ interest.

- 7.9 The *amount outstanding* under a *facility* at any time (including as a result of interest being capitalised) must not be more than *your credit limit* or the *loan amount*.

8. Method of payment and repayment

- 8.1 You must make the *minimum payments* on the *agreed dates* from the *specified account* (or in any other way acceptable to us). You must make the first *minimum payment* on the first *agreed date*.
- 8.2 You may pay more than the *minimum payment* (by lump sum or by increasing the *minimum payments*) at any time, as long as that greater payment is made in a way that complies with this *agreement*. If you have a Housing Term loan and you want to pay more than the *minimum payment* during a *fixed rate period*, please read **clause 9** and **clause 14.6**.
- 8.3 Whenever you owe us money you must pay the full amount due to us. 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.
- 8.4 We will credit any payments to the *facility* as soon as practicable after we receive them. This is not necessarily the same day as you pay. We may adjust debits and credits later to accurately reflect your and our legal obligations (for example, because of an error, or because a payment is dishonoured). If we do this, we may need to make other changes (including to interest charges).
- 8.5 Where a *letter of advice* provides that scheduled payments are to be made in relation to the *facility*, we may credit a payment as if it was made as required by the *letter of advice*, even if the payment was received by us before the due date for payment. If we do this, interest will continue to accrue as if the payment had not been made until the due date for that payment.
- 8.6 All payments you make will go towards:
- a. first, payment of outstanding fees payable:
 - i. under the terms of any *facility*; and
 - ii. under the terms and conditions of any *specified account*, if the payment is credited to that *specified account*;
 - b. second, payment of interest; and then
 - c. repayment of the remainder of the *amount outstanding* (including the principal).
- 8.7 You may not argue that any money we might owe to you (for example money in any account you have with us) can be or has been used to make a payment to us or that any set-off has occurred. You waive any rights of set-off 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 (for example, the *amount outstanding*). In the example, because you have waived your rights of set-off, you are not entitled to claim that the money you hold in a bank account with us reduces the amount you owe us under the *facility* or any other agreement you have with us.
- 8.8 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.

9. Early repayment

Clause 9 sets out important information about what you may have to pay us if you repay early.

Please talk to us if you do not understand this section and we can explain it to you.

9.1 Early repayment allowed

You can repay the *amount outstanding* under a *facility*, or any part of it, at any time.

9.2 Early repayment charge

If you repay early during a *fixed rate period*, we may charge you an *early repayment charge*. We will not charge you an *early repayment charge* if you repay early and the *agreed annual interest rate* of the *facility* is variable.

If you are thinking about making an early repayment, you should speak to us and find out what *your early repayment charge* may be.

9.3 Increased payments during a fixed rate period are also early repayments

For the purposes of **clause 9**, early repayments also include any increase in the *minimum payments* during a *fixed rate period*. This includes:

- a. where you have decreased the *minimum payments* during a *fixed rate period* and then increased them again during that *fixed rate period*; and
- b. where a change to the *agreed dates* under **clause 14.7** results in an increase in the *minimum payments*.

In this case, the date of *your* early repayment will be the date we give effect to the increase.

If the *facility* is a Tailored home loan (see **clauses 14.14** to **14.16**), any automatic increase in the *minimum payment* is not an early repayment.

9.4 Changes to interest rates

You do not have the right to change the *agreed annual interest rate* during a *fixed rate period*. However, if, during a *fixed rate period*, you request and we agree to change the *agreed annual interest rate* from:

- a. a fixed interest rate to a variable interest rate; or
- b. a fixed interest rate to another fixed interest rate,

you may need to repay the *amount outstanding* and re-borrow under the *facility* at the new *agreed annual interest rate*. You may need to pay an *early repayment charge* if you do this.

In this case, the date of *your* early repayment will be the day you repay the *amount outstanding* (or any part of it) and re-borrow at the new *agreed annual interest rate*.

9.5 Repayment during a fixed rate period after a default is also an early repayment

For the purposes of **clause 9**, we will also treat you as having made an early repayment where:

- a. the *amount outstanding* (or any part of it) becomes immediately due and payable under **clause 10.2** (unless *you* have an ‘on demand’ *facility*) or *we* demand repayment of the *amount outstanding* (or any part of it) under **clause 10.3**; and
- b. *we* receive the *amount outstanding* (or any part of it) during a *fixed rate period* (including, for example, where *we* sell property that was subject to a *security*).

In this case, the date of *your* early repayment will be the date *we* receive the *amount outstanding* (or any part of it).

9.6 Why an early repayment charge may be payable

We borrow money from third parties to lend to *our* customers. In **clause 9**, *we* refer to these contracts under which *we* borrow money as ‘BNZ borrowing contracts’. *We* pay interest under *our* BNZ borrowing contracts.

We charge *you* an *early repayment charge* because, when *we* give fixed rate loans to *our* customers, *we* also enter into ‘wholesale hedging contracts’ with other banks and large institutions. These wholesale hedging contracts are meant to protect *us* if the interest *we* receive from *our* customers under fixed rate loans is less than the interest *we* have to pay under *our* BNZ borrowing contracts. This protection is known as ‘hedging’.

The price of *our* wholesale hedging contracts depends, in part, on ‘wholesale interest rates’. *We* refer to these wholesale interest rates as ‘wholesale hedging rates’ in **clause 9**.

When *you* repay all or part of *your* loan early, *we* still need to meet *our* obligations under *our* BNZ borrowing contracts. *We* may also need to adjust *our* wholesale hedging contracts. In doing so, *we* will incur a loss if the relevant wholesale hedging rate at the start of *your fixed rate period* is higher than the relevant wholesale hedging rate that applies to the remainder of *your fixed rate period* on the date of *your* early repayment.

Although *we* enter into *our* BNZ borrowing contracts and wholesale hedging contracts in relation to the total of all *our* fixed rate loans rather than on a loan-by-loan basis, a reasonable way for *us* to estimate *our* loss, if any, arising from *your* early repayment is by calculating the *early repayment charge* as if *we* had hedged *your* individual loan.

9.7 Reasonable estimate of loss

The *early repayment charge* represents a reasonable estimate of *our* loss arising from *your* early repayment. The way *we* calculate the *early repayment charge* is set out at **clause 9.9**. *We* do not use the calculation procedure set out in the Credit Contracts and Consumer Finance Regulations 2004.

9.8 5% threshold

Unless a *letter of advice* says otherwise, *we* will not charge *you* an *early repayment charge* if the effect of **all** early repayments *you* make in any consecutive 12 month period within a *fixed rate period* is less than or equal to the ‘5% threshold’. The first 12 month period starts on the first day of the *fixed rate period*.

In addition, the *early repayment charge* is only payable to the extent that the effect of the early repayments is more than the 5% threshold.

We calculate the 5% threshold on the *loan amount* outstanding at the start of the *fixed rate period*.

9.9 Calculation

We calculate the *early repayment charge* as follows:

Step 1: We determine a. to d. below as at each *agreed date* occurring from the date of *your* early repayment until, and including, the end of the *fixed rate period*:

- a. The difference between what *your* opening *loan amount* outstanding would have been on the *agreed date* if *you* had not made the early repayment ('scheduled loan amount outstanding') and what the opening *loan amount* outstanding will be on the *agreed date* after *you* have made *your* early repayment ('revised scheduled loan amount outstanding');
- b. The amount by which the relevant wholesale hedging rate at the start of the *fixed rate period* ('original wholesale hedging rate') is higher than the wholesale hedging rate that applies to the remainder of the *fixed rate period* on the date of *your* early repayment ('amended wholesale hedging rate'). If the original wholesale hedging rate is lower than the amended wholesale hedging rate, b. will be zero;
- c. The number of days since the previous *agreed date* (or the date of *your* early repayment where this is not an *agreed date*) ('calculation period') divided by 365 (days per year); and
- d. A factor to reduce the *early repayment charge* that would otherwise be payable, which factor reflects the value to *us* of receiving *your* *early repayment charge* now, rather than the *minimum payments* when they were due in the future ('discount factor'). We select the discount factor based on market rates at the time of *your* early repayment.

Step 2: We multiply a, b, c and d. together for each *agreed date*.

The formula that we use for Steps 1 and 2 is:

$$\text{Loss at each } \textit{agreed date} = (\text{scheduled loan amount outstanding} - \text{revised scheduled loan amount outstanding}) \times (\text{original wholesale hedging rate} - \text{amended wholesale hedging rate}) \times (\text{calculation period} / 365) \times \text{discount factor}$$

Step 3: We add up the results of Steps 1 and 2 for each *agreed date* occurring from the date of *your* early repayment until, and including, the end of the *fixed rate period*.

We will not charge *you* an *early repayment charge* if the result of Steps 1 to 3 is zero or negative.

Step 4: If the result is positive, we take into account the 5% threshold referred to in **clause 9.8**, to determine the *early repayment charge*.

Where we refer to '*agreed dates*' in this **clause 9.9**, we mean *agreed dates* for payment of principal, or principal and interest (as applicable), not *agreed dates* for payments of interest.

9.10 Payment date

Any *early repayment charge* we charge *you* is payable on the date *you* make *your* early repayment.

9.11 Charges available on request

You should contact *us* if *you* plan to make an early repayment of part or all of the *amount outstanding* under a *facility* or increase the *minimum payments*, or change from a fixed interest rate to a variable interest rate or another fixed

interest rate during a *fixed rate period*. We will give you an indication of any *early repayment charge* that you may have to pay. If you then decide to make an early repayment, we can, before you make the early repayment, give you a full calculation of the *early repayment charge* on request. If you decide to repay the *amount outstanding* in full, you can also ask us to give you a full settlement statement.

10. Early repayment and reduction in credit limit at our option or after a default

At our option

10.1 If you have an 'on demand' *facility*, we can, at any time for any reason:

- a. cancel or reduce your *credit limit*; and/or
- b. demand repayment of the *amount outstanding* (or any part of it).

You must pay us the *amount outstanding* (or the part of it we demand repayment of) when we demand repayment. A Mortgage One *facility* is an 'on demand' *facility*.

Automatically after a default

10.2 Whether or not you have an 'on demand' *facility*:

- a. any *credit limit* or *loan amount* will be cancelled, without us giving any notice; and
- b. the full *amount outstanding* will be immediately due and payable by you to us following the expiry of any notice we are required to give you by law, without us making any further demand for payment, if:
 - c. you fail to pay any amount to us when it is due under the documents set out in **clause 2.1**. These are the documents that set out the terms of the *facility*;
 - d. you or any other person has acted fraudulently in connection with a *facility document* or any other agreement you have with us; or
 - e. a property which is subject to a *security* becomes subject to:
 - i. a restraining order or a forfeiture order under the Criminal Proceeds (Recovery) Act 2009; or
 - ii. a freezing or a charging order issued by a New Zealand Court.

On demand after a default

10.3 If you do not have an 'on demand' *facility*, we can:

- a. cancel or reduce your *credit limit* or cancel your *loan amount*; and/or
- b. demand repayment of the *amount outstanding* (or any part of it), if:
 - c. you or any *guarantor* breaches any term of a *facility document*, any *specified account* (if that account is with us) or any other agreement you or

- any *guarantor* has with us;
- d. *you* fail to pay any amount to *us* when it is due under any agreement *you* have with *us* (other than the documents set out in **clause 2.1**);
- e. *you* or any *guarantor* is or becomes *insolvent*;
- f. *we* reasonably believe that the value of any property that is subject to a *security* has significantly reduced;
- g. *your* or any *guarantor's* circumstances have changed in a way *we* reasonably believe justifies *us* demanding repayment of the *amount outstanding* (or any part of it), the cancellation or reduction of *your credit limit*, and/or the cancellation of *your loan amount*;
- h. subject to **clause 21.10**, *you* do not give *us* information *we* ask for from *you* or *you* do not consent (or withdraw *your* consent) to *us* collecting, holding, using or sharing *your personal information* as set out in **clause 21**; or
- i. *we* reasonably believe that *our* ability to continue making the *facility* available to *you* has been negatively affected.

Consequences

- 10.4** If *we* demand repayment of any of the *amount outstanding* under **clauses 10.1** or **10.3** or any of the *amount outstanding* becomes immediately due and payable under **clause 10.2**, then *you* must pay *us* all money *you* owe to *us*, and all money that *you* will owe *us* in the future under the terms of the *facility*, including:
- a. all principal and interest;
 - b. any fees, charges and premiums that are payable under the terms of the *facility*. This may include an *early repayment charge* if any part of the *amount outstanding* is paid to *us* during a *fixed rate period* as set out in **clause 9.5**;
 - c. any *costs you* owe *us* under **clause 11.5**;
 - d. a fee to compensate *us* for a reasonable estimate of any *loss* *we* incur because of a *default*; and
 - e. interest at the *agreed annual interest rate* on the *amount outstanding*, and (if applicable) at the default interest rate on any *overdue amount* as set out in **clause 7**, until *you* pay *us* that amount.

11. Fees, charges and costs

- 11.1** *You* must pay *us* the fees, charges and premiums referred to in the relevant *letter of advice* on demand from *us* (or when the terms of the *facility* say that *you* have to). Charges for keeping accounts (including but not limited to activity fees and base fees) may be payable under the terms and conditions of any *specified account* (if that account is with *us*). The terms and conditions of any *specified account* (if that account is with *us*) can be obtained from *your* nearest BNZ store, phoning 0800 275 269 or +64 4 924 4903 and **bnz.co.nz**
- 11.2** *You* may be eligible for fee rebates. If *you* are, this will be set out in the relevant *letter of advice* and/or the relevant *fees brochure*.
- 11.3** *We* may increase, decrease or change the terms of payment of any rebate, fee,

charge or premium payable under the terms of a *facility* by giving *you* notice at least 14 days before the change takes effect.

- 11.4** We may also apply new fees, charges or premiums to a *facility* by giving *you* notice at least 14 days 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.
- 11.5** *You* must pay and reimburse *us* for all costs (for example, legal costs, insurance premiums *we* pay to maintain insurance over *your* property, valuer's costs, real estate agent's costs and *our* staff costs) *we* pay or incur in relation to the attempted enforcement and enforcement of *our* rights under any *facility document*. *You* must pay *us* these costs on demand.

12. Security

- 12.1** Any *security* listed in the 'Security' section of the relevant *letter of advice* will secure *your* obligations to *us* under the *facility*. Any existing *security* *you* have given *us* as at the date of the relevant *letter of advice* that is not listed in the 'Security' section of that *letter of advice* will not secure *your* obligations to *us* under the *facility*.
- 12.2** If *you* give *us* new *security* in the future, that new *security* will also secure *your* obligations to *us* under the *facility*.

13. Lender's mortgage insurance

- 13.1** When a *facility* was made available to *you*, *we* may have, or *we* may have required *you* to have, taken out lender's mortgage insurance. Lender's mortgage insurance is insurance against the risk that *you* will not be able to repay the *amount outstanding*. If *you* have lender's mortgage insurance, any benefit from that insurance is *ours*. *You* must pay any premium on that insurance. The insurance policy may require *you* to pay any of the *amount outstanding* under the relevant *facility* to the insurer if *we* make a claim under that policy.
- 13.2** *We* may incur a *loss* if:
- a *default* occurs;
 - we* sell the property *we* hold a *security interest* over; and
 - the sale proceeds are less than the amount required to fully repay the *amount outstanding* under the *facility*.

We can recover this *loss* under the lender's mortgage insurance. If *we* make a claim under the lender's mortgage insurance policy, *you* are legally responsible for repaying to the insurer any of the *amount outstanding* under the *facility* or any *security* because *you* are not protected by the insurance. This means that the only advantage *you* receive from paying the premium is the ability to borrow more money than *we* would have allowed *you* to if *we* or *you* (as the case may be) did not have that insurance.

14. Housing Term loan: special conditions

Borrowing

14.1 We will either:

- a. credit *your specified account* with the full *loan amount* in one lump sum on the date *you* request. However, that date must not be later than 90 days after the date of the relevant *letter of advice*, or any later date we have confirmed to *you*; or
- b. if the relevant *letter of advice* allows *you* to borrow in multiple instalments, credit *your specified account* with the instalments on the dates and in the amounts *you* request (up to the *loan amount*). However:
 - i. the first date on which *you* borrow under the *facility* must not be later than 90 days after the date of the relevant *letter of advice*, or any later date we have confirmed to *you*; and
 - ii. *you* may not borrow any amount more than 12 months after the date on which *you* first borrow money under the *facility*.

Payments and agreed dates

14.2 Where we refer to ‘*agreed dates*’ and ‘*minimum payments*’ in **clauses 14.3** to **14.6**, we mean *agreed dates* and *minimum payments* of principal, or principal and interest (as applicable), not *agreed dates* or *minimum payments* of interest.

Clauses 14.3 to **14.7** apply except as otherwise set out in this *agreement* or the relevant *letter of advice*.

14.3 There are two payment schedule options available under a *facility*:

- a. Under the ‘**keeping the expected end date the same**’ payment schedule option, the *facility* is set up so that *you* will repay the *amount outstanding* within a set period of time. This means that the *minimum payments* will change from time to time but the *expected end date* will stay the same. For example, the *minimum payments* may change if:
 - i. the *agreed annual interest rate* changes;
 - ii. *you* and we agree an interest only period after the date *you* first borrow money under the *facility*;
 - iii. *you* make an early repayment under **clause 9.1**;
 - iv. *you* change the *agreed dates* under **clause 14.7**; or
 - v. *you* redraw an amount under **clause 14.11**.
- b. Under the ‘**keeping the minimum payments the same**’ payment schedule option, the *facility* is set up so that the *minimum payments* stay the same wherever possible. This means that the *expected end date* will change from time to time but the *minimum payments* will generally stay the same. For example, the *expected end date* may change if:
 - i. the *agreed annual interest rate* changes;
 - ii. *you* and we agree an interest only period after the date *you* first borrow money under the *facility*;

- iii. you make an early repayment under **clause 9.1**;
- iv. you change the *agreed dates* under **clause 14.7**;
- v. you redraw an amount under **clause 14.11**; or
- vi. you have a TotalMoney Housing Term loan and you receive the benefit of an offset, as set out in the relevant *letter of advice*.

However, under this payment schedule option, if the *minimum payments* will not be sufficient to ensure that the *amount outstanding* is still repaid on or before the *end date*, the *minimum payments* will increase.

14.4 You can change the payment schedule option between ‘keeping the *expected end date* the same’ and ‘keeping the *minimum payments* the same’ if:

- a. a *default* has not occurred (or, where a *default* has occurred, it has been remedied to our satisfaction); and
- b. you tell us that you intend to change the payment schedule option at least one *business day* before the next *agreed date*.

Please talk to us at any time if you would like to know your current payment schedule option.

If you change the payment schedule option and you also make certain other changes to a facility at the same time, you may have to pay us an early repayment charge (see clause 9). For example, this may occur if you also increase the *minimum payments* under **clause 14.6** during a *fixed rate period*.

14.5 You can decrease the *minimum payments* if:

- a. the new *minimum payments* will ensure that the *amount outstanding* is still repaid on or before the *end date*;
- b. a *default* has not occurred (or, where a *default* has occurred, it has been remedied to our satisfaction); and
- c. you tell us that you intend to decrease the *minimum payments* at least one *business day* before the next *agreed date*.

Please talk to us at any time if you would like to know the amount to which you can decrease the *minimum payments*.

14.6 You can increase the *minimum payments* if you tell us that you intend to do so at least one *business day* before the next *agreed date*. We will give effect to the increase to the *minimum payments* on that *agreed date*.

If you tell us that you intend to increase the *minimum payments* after this time, we may decline to accept the part prepayment on that *agreed date*. If we do so, we will give effect to the increase to the *minimum payments* on the next *agreed date*.

If you increase the minimum payments during a fixed rate period, you may have to pay us an early repayment charge (see clause 9).

14.7 You can change the *agreed dates* if:

- a. the new *agreed dates* occur on one of our standard payment frequencies for the *facility* (for example, fortnightly or monthly). Please talk to us at any time if you would like to know our current standard payment frequencies;
- b. the *amount outstanding* is still repaid on or before the *end date*;
- c. a *default* has not occurred (or, where a *default* has occurred, it has been

- remedied to *our* satisfaction);
- d. where the *agreed dates* relate to:
 - i. *minimum payments* of principal, *you* have made a *minimum payment* of principal within the last three months;
 - ii. *minimum payments* of interest, *you* have made a *minimum payment* of interest within the last three months; and
 - iii. *minimum payments* of principal and interest, *you* have made a *minimum payment* of principal and interest within the last three months; and
 - e. *you* tell us that *you* intend to change the *agreed dates* at least one *business day* before the next relevant *agreed date*.

If *you* change the *agreed dates*:

- f. the *minimum payments* may change. **If this change means that the *minimum payments* increase during a *fixed rate period*, *you* may have to pay us an early repayment charge (see clause 9);**
- g. the *expected end date* may change; and/or
- h. the method of charging interest may change, as set out in the relevant *letter of advice*.

If the *facility* is a Tailored home loan (see **clauses 14.14 to 14.16**), *you* can only change the *agreed dates* for the *minimum payments* of principal.

Interest

14.8 The *agreed annual interest rate* for a Housing Term loan *facility* may be variable or fixed for a *fixed rate period*, and it may include a *customer margin*.

14.9 If a Housing Term loan *facility* has a *fixed rate period*, this means that the *agreed annual interest rate* will not change during the *fixed rate period*. It also means that *you* will not receive the benefit of any decrease in variable interest rates during the *fixed rate period*. *You* do not have the right to change the *agreed annual interest rate* during a *fixed rate period*. However, if, during a *fixed rate period*, *you* request and *we* agree to change the *agreed annual interest rate* from:

- a. a fixed interest rate to a variable interest rate; or
- b. a fixed interest rate to another fixed interest rate,

you may need to repay the *amount outstanding* and re-borrow under the *facility* at the new *agreed annual interest rate*. *We* may charge *you* an early repayment charge under **clause 9**.

14.10 Except as otherwise set out in the relevant *letter of advice*, there are two methods of charging interest that may apply under a *facility*:

- a. Under the ‘**daily interest charges**’ method of charging interest, interest charges are calculated by multiplying the *amount outstanding* at the end of each day by the daily interest rate. *We* calculate the daily interest rate by dividing the *agreed annual interest rate* that applies at that time by 365.
- b. Under the ‘**periodic interest charges**’ method of charging interest, where possible *we* ‘smooth’ *your* interest charges so that, for example, *you* pay

the same amount of interest regardless of the number of days in a month.

Interest charges are calculated by multiplying:

- i. the average *amount outstanding* at the end of each day in the part of the *repayment period* to which the *agreed annual interest rate* applies; by
- ii. the proportion of the *repayment period* to which the *agreed annual interest rate* applies; and
- iii. a monthly, quarterly or half-yearly interest rate (as applicable).

In this **clause 14.10(b)**, we calculate:

- iv. the proportion of the *repayment period* by dividing the number of days in the *repayment period* to which an *agreed annual interest rate* applies by the total number of days in that *repayment period*; and
- v. the monthly, quarterly, or half-yearly interest rate by dividing the *agreed annual interest rate* that applies to the relevant part of the *repayment period* by 12 (for a monthly *repayment period*), 4 (for a quarterly *repayment period*) or 2 (for a half-yearly *repayment period*).

However, if, at any time, a *repayment period* does not correspond to the payment frequency set out in the relevant *letter of advice*, the method of charging interest under **clause 14.10(a)** will apply to the interest charge for that *repayment period*. For example, this may happen if you change the *agreed dates* under **clause 14.7**.

Redraw

14.11 You may apply to us to redraw an amount under the *facility*. We will approve or decline your redraw application in our sole discretion. Circumstances in which we will decline a redraw application include where the application is made during a *fixed rate period*, or where the *expected end date* for the *facility* is the same as the *end date*.

14.12 Please read **clause 14.3** (or, if applicable, the relevant *letter of advice*) in relation to how a redraw may affect the *minimum payments* under, or the *expected end date* of, a *facility*.

Repayment

14.13 You must pay us the *amount outstanding* on the *expected end date*.

Tailored home loan

14.14 Where we refer to the '*minimum payment*' in **clauses 14.15** and **14.16**, we mean the *minimum payment* of principal.

14.15 If the relevant *letter of advice* states that you have a Tailored home loan, the *minimum payment* will increase on each anniversary of the date you first borrow money under the *facility*. We use the following formula to calculate the increase in the *minimum payment*:

Formula: $A \times [1 + (B - C)]$

Where: A = the existing *minimum payment*;

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) that is current on the relevant anniversary (the relevant *letter of advice* sets out what the relevant Repayment Index Base is at the date of the *letter of advice* and we will notify you of the Repayment Index Base that

applies before the relevant anniversary.)

Example: A = \$300.00 (the existing *minimum payment*)

B = 10% per annum

C = 8.5% per annum

Then: A x [1+(B - C)]

= 300 x [1 + (0.10 - 0.085)]

= 300 x 1.015

= \$304.50 (the new *minimum payment*)

The calculation of the following year's adjustment to the *minimum payment* would be based on 'A' being \$304.50

However:

- If the Repayment Index Base is greater than the *agreed annual interest rate*, the *minimum payment* will remain the same.
- If the increased *minimum payment* calculated using the above formula would not be sufficient to pay interest that will be capitalised, the *minimum payment* will be further increased to the extent necessary to pay that interest.
- You and we may agree to change the Repayment Index Base that applies to the *facility* at any time.
- You and we may agree to decrease the *minimum payment* at any time.

14.16 The payment schedule option under a Tailored home loan is always 'keeping the *minimum payments* the same' (see **clause 14.3**). **Clauses 14.4** and **14.5** do not apply to a Tailored home loan.

15. BNZ Advantage: special conditions

15.1 BNZ Advantage is only available to customers who already have a BNZ Advantage *facility*. We may make BNZ Advantage available to other customers and new customers from a date we advise.

15.2 A BNZ Advantage *facility* has the same special conditions as a Housing Term loan *facility*. These conditions are set out in **clauses 14.1** to **14.16**. There are also some extra conditions that apply to a BNZ Advantage *facility*.

Calculation and allocation of cash back

15.3 In **clause 15**, 'cash back' means a monetary reward credited to *you* monthly based on the *average balance* of the BNZ Advantage *facility* during that month.

15.4 We will calculate *your* cash back as at the last day of each month. The cash back amount will be credited to *your specified account* (or, if *you* request in writing, another account nominated by *you* (located in New Zealand in *your* name)) within the first five *business days* of the next month (or on a later date during the next month as we may determine from time to time). *You* are responsible for providing us with details of the *specified account* (or nominated account) and we are not responsible for any inaccuracy in account details provided by *you*.

15.5 The cash back amount will be calculated using the method set out in the relevant *letter of advice*.

15.6 We will show the amount of cash back credited during the statement period in

the statements for the *facility*.

- 15.7** We may credit bonus cash back amounts to *you* from time to time as part of special promotions.
- 15.8** The cash back will be rounded down to the nearest cent.
- 15.9** On the final repayment of the *facility* you will be entitled to receive cash back (to the extent not already credited to *your* account) for the proportion of the calendar month until the final repayment of the *facility*. This will be credited to *you* as set out in **clause 15.4**.
- 15.10** Our respective rights and obligations in relation to cash back are separate from our respective rights and obligations under the *facility*. We may assign our rights under the *facility* without assigning our rights or affecting our obligations under cash back. You may not set-off any amount owed to *you* under cash back against any of the *amount outstanding*.

General

- 15.11** Until it has been credited to the account referred to in **clause 15.4**, cash back is not *your* property and cannot be transferred or assigned.
- 15.12** You are responsible for any taxes payable in connection with cash back. We provide no advice or representation regarding tax matters.
- 15.13** We may change the method for calculating the earning of cash back, or any part of that method, including the earnings rate, at any time and for any reason. We will tell *you* about a change by giving *you* notice at least 14 days before the change takes effect.
- 15.14** We reserve the right to amend, replace with another reward programme or withdraw the earning of cash back on BNZ Advantage *facilities* generally, at any time. We will tell *you* about an amendment, replacement or withdrawal by giving *you* notice at least 14 days before the amendment, replacement or withdrawal.
- 15.15** We will not be liable for any direct or indirect *loss* you suffer through our amendment to, or withdrawal or replacement of, cash back.
- 15.16** Cash back may not be earned under the *facility* if *you* fail to pay any amount to *us* when it is due under the documents set out in **clause 2.1** for more than 30 days.

16. Fly Buys: special conditions

- 16.1** A Fly Buys *facility* has the same special conditions as a Housing Term loan *facility*. These conditions are set out in **clauses 14.1 to 14.16**.
- 16.2** This part of this *agreement* must be read together with the terms and conditions of the Fly Buys Points programme. The terms and conditions of the Fly Buys Points programme do not form part of this *agreement*.
- 16.3** 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 the *facility*. Your nomination will be set out in the relevant *letter of advice*. We will use the method set out in the *letter of advice* to calculate how many Fly Buys Points that nominated person is entitled to each month.
 - b. We may change the method for calculating the earning of Fly Buys Points, or any part of that method, at any time, as a result of changes which Loyalty New Zealand Limited (who operate the Fly Buys Points programme) may make to its Fly Buys Points programme, or for any other reason. We

- will tell *you* about a change by giving *you* notice at least 14 days before the change takes effect.
- c. We reserve the right to cancel the earning of Fly Buys Points on Fly Buys *facilities* generally at any time. We will 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 stop being allocated.
 - d. We may suspend or terminate Fly Buys Points being earned by a nominated person at any time without notice.
 - e. No Fly Buys Points will be earned under the *facility* if *you* fail to pay any amount to *us* when it is due under the documents set out in **clause 2.1** 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 given a valid Fly Buys membership number within 90 days of *you* first borrowing money under the *facility*. If, after that time, *you* give *us* a valid Fly Buys membership number, Fly Buys Points will start being earned from the date *you* provided *us* with the membership number, and not the date on which *you* first borrowed money under the *facility*.
 - g. We will tell Loyalty New Zealand Limited how many, if any, Fly Buys Points the nominated person earned 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 the *facility*.
 - i. *You* authorise Loyalty New Zealand Limited to obtain, use, and disclose any information about *you* in relation to the *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 the *facility*. This may include contacting *you* via email, text message or an online facility (without an unsubscribe facility), or by telephone or post.

17. Rapid Repay home loan: special conditions

- 17.1** The *agreed annual interest rate* for a Rapid Repay home loan *facility* is variable, and may include a *customer margin*.
- 17.2** *You* must make sufficient payments to make sure that the *amount outstanding* under the *facility* is not more than *your credit limit*.
- 17.3** *You* must pay *us* the *amount outstanding* on the *end date*.

Credit limit

- 17.4** We will reduce *your credit limit* by the relevant *reduction amount* on the last *business day* of each month. We will make the first reduction in the month after the month we make the *facility* available to *you*.
- 17.5** Unless *you* ask *us* not to, 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 between the date we give you notice and the last *business day* of the month.

- 17.6** You can reduce the *credit limit* by telling us at least one *business day* before you want the reduction to take effect. You can then either:
- continue to have your *credit limit* reduced monthly by the relevant *reduction amount* as though no extra reduction had been made, so that the *end date* will occur sooner; or
 - change the relevant *reduction amount* to take account of the extra reduction, so that the *end date* will stay the same.

YouMoney Account

- 17.7** Once the *term* of a Rapid Repay home loan *facility* has expired and the *amount outstanding* has been repaid in full, your *specified account* will change to a YouMoney account. Only our Standard Terms and Conditions will then apply to your *specified account* and this *agreement* will no longer apply.

18. Premium Rapid Repay home loan: special conditions

- 18.1** A Premium Rapid Repay home loan *facility* has the same special conditions as a Rapid Repay home loan *facility*. These conditions are set out in **clauses 17.1 to 17.7**. In addition, and despite what is said in the terms and conditions of your *specified account*, if the balance of your *specified account* is \$5,000 or more, credit interest will accrue daily on that balance at the rate we advise from time to time.

19. Mortgage One: special conditions

- 19.1** A Mortgage One *facility* is an ‘on demand’ *facility*. We can demand repayment of the *amount outstanding* (or any part of it) at any time for any reason. You must pay us the *amount outstanding* (or the part of it we demand repayment of) when we demand repayment. We can also cancel or reduce your *credit limit* at any time for any reason.
- 19.2** The *agreed annual interest rate* for a Mortgage One *facility* is variable, and may include a *customer margin*.
- 19.3** You must make sufficient payments to make sure that the *amount outstanding* under the *facility* is not more than your *credit limit*.
- 19.4** You can reduce the *credit limit* by telling us at least one *business day* before you want the reduction to take effect.
- 19.5** We can review the *facility* when, and how, we think appropriate. We can decide the scope of a review when we carry out that review. We may make changes to

the *facility* following a review.

20. Instructing us and communicating with you

- 20.1** We can, in *our* discretion, accept instructions from *you* (or someone acting on *your* behalf) by:
- post;
 - telephone;
 - facsimile;
 - email;
 - secure messaging through BNZ internet banking; or
 - any other means.
- 20.2** You acknowledge that we will rely on those instructions and authorise us to act on them. We accept communications in electronic form and by means of electronic communication for this purpose.
- 20.3** We can decline to act on *your* instructions where we consider that we have a good reason to do so (for example, where acting on *your* instructions might result in a breach of the law, *your* instructions are unclear or contradictory, or we suspect that the instructions are unauthorised, forged or fraudulent).
- 20.4** We are not required to ask about or confirm any instructions with *you*, but we might choose to do so.
- 20.5** A power of attorney gives someone the right to sign documents or enter into agreements for *you*. We do not have to agree to let a person with a power of attorney enter into *facility documents* or give us instructions in relation to a *facility* on *your* behalf. If a power of attorney is used, *you* or *your* attorney will need to provide us with a copy of the power of attorney and a certificate of non-revocation, and we might ask *you* to confirm any instructions *your* attorney gives.
- 20.6** We will not be liable for any *loss* you incur if:
- we act in accordance with *your* instructions;
 - we act on instructions that are unauthorised, forged or fraudulent, where we could not reasonably have detected that from the instructions; or
 - we do not act on instructions we consider to be unclear, illegible or contradictory.
- 20.7** We can deliver demands and notices to *you* by letter or email to the address *you* have provided to us. *You* will be deemed to receive letters from us on the third *business day* after we post them and emails at the time they leave *our* information system.
- 20.8** If *you* ask us for any consent or approval under a *facility* and we agree to that, *our* consent or approval will only be effective if it is in writing. An email is 'in writing' for this purpose and all other purposes. If we tell *you* we agree to something over the telephone or in person, it will not be effective until we confirm it in writing.

21. Information about you

In this section we obtain your consent to the way we use and share your personal information

- 21.1** In this **clause 21**, ‘we’, ‘us’ or ‘our’ is a reference to Bank of New Zealand and *our related companies* (including each of *our* successors or assignees).
- 21.2** We take *your* privacy seriously and comply with all relevant privacy laws. This clause explains how we use *your personal information* (and that of *your related persons*, as defined in **clause 21.3**). By accepting *our* offer to provide *you* with a *facility*, *you* are permitting us to collect, hold, use and share *your personal information* as set out in this **clause 21**.
- 21.3** When *you*, or someone else on *your* behalf, gives us *personal information* that relates to other people or organisations (*related persons*), and that *personal information* is relevant to *your* relationship with us, *you* confirm that the *related person* consents to us collecting, holding, using and sharing that *personal information* for the purposes set out in **clauses 21.6, 21.7, 21.15** and **21.16**, and any additional purposes for which *you*, or they, gave us the *personal information*. If we intend to collect, hold, use or share their *personal information* for other purposes we will obtain their consent first.
- 21.4** We can contact *you* and any *related persons* via email, text message, an online facility (without an online unsubscribe facility), telephone or post for the purposes described in this **clause 21** (and more specifically **clauses 21.6, 21.7, 21.15** and **21.16** for *related persons*).
- 21.5** We try to make sure that any *personal information* we hold is accurate. To help us do this, please let us know as soon as *you* can about any changes in *your* personal details (including *your* residential or email address, or telephone or facsimile numbers). The Privacy Act 1993 gives individuals a right to access and correct information, so *you* or *your related persons* can ask us to correct information (if *you* are individuals). Please call us on 0800 275 269 or +64 4 924 4903 if *you* or they would like to access or correct information.

Our purposes for collecting, using and sharing your personal information

- 21.6** *Your*, and *your related persons’*, *personal information* can be used to maintain our relationship with *you*, including identifying *you* or *related persons*, approving *your* applications for any BNZ product/service and managing and administering any BNZ product/service (including a *facility*) we provide to *you*. For example, we can use that *personal information* to:
- meet *our* internal operational requirements, such as credit and risk management, *our* funding requirements, system or product development and planning, insurance, audit and administrative purposes (for example, providing credit cards and statements or conducting credit checks on *guarantors*);
 - collect any money owed by *you* (for example, providing credit agencies with information about a *default*);
 - enforce or defend *our* rights; or

- d. as part of *our* investment services, provide *you* with custodial services or register investments in *your* own name with either a registry or fund manager if *you* choose to transfer *your* investments out of custody.
- 21.7** *You* agree to give *us* information we ask for to help *us* comply with laws, rules or regulations in New Zealand or overseas. *We* can use *your personal information* to:
- a. help *us* comply with laws, rules or regulations in New Zealand or overseas, or any New Zealand or overseas governmental or regulatory requests; or
 - b. monitor *your* accounts and any BNZ product/service (including the *facilities*) *you* use for the purpose of preventing misuse or unauthorised use of any BNZ product/service, detecting any fraud or crime, or preventing or detecting money laundering or the financing of terrorism in New Zealand or overseas.
- 21.8** *We* can:
- a. collect, hold, use and share *your personal information* where it is combined with other information and in a form that does not identify *you*, to conduct market research;
 - b. use and share *your* contact information to obtain *your* views of any BNZ product/service and to help *us* to identify how *we* might better address *our* customers' needs, both while *you* are a customer and for a reasonable time afterwards; and
 - c. use third party information and link it to *your personal information* to identify how *we* might better address *our* customers' needs.
- 21.9** *We* can use *your personal information* to contact *you* about, and offer *you*, any BNZ product/service that might be of interest to *you*, both while *you* are a customer and for a reasonable time afterwards. *We* can also use and share *your personal information* to enable information to be provided to *you* which *we* reasonably believe might be of interest to *you* about:
- a. events, fundraising or organisations that *we* support; or
 - b. third party offers, products and services from persons or organisations that *we* have partnered with (*we* only partner with organisations that meet *our* high standards).
- 21.10** *You* have a right to ask *us* not to use *your personal information* to conduct market research (**clause 21.8**) or contact *you* with marketing or promotional messages (whether related to any BNZ product/service or otherwise) (**clause 21.9**). Please call *us* on 0800 275 269 or +64 4 924 4903. *We* will still need to contact *you* with messages relating to the management and maintenance of *your* relationship with *us* and any mandatory messages (for example, those required to be sent to *you* by law).
- 21.11** In respect of applications for and reviews of *facilities*, *you* authorise *us* to make credit reference checks and other enquiries within *our* normal procedures. For this purpose, *we* can seek information about *you* from any source.
- 21.12** *You* also authorise *us* to share all information relevant to *your facilities* with any credit reporting agency. Credit reporting agencies may use information disclosed by *us* to update their credit reporting database, and disclose any information that they hold about *you* to their own customers, as permitted under the Credit Reporting Privacy Code 2004. In addition, *we* may use any service provided by credit reporting agencies to receive updates of the information they hold about *you*.

- 21.13** If a *default* occurs, we can disclose *your personal information* to, and for the use by, credit reporting agencies, debt collection agencies and law firms.
- 21.14** We can monitor, record and retain any telephone calls with *you*, including to:
- make sure we have carried out *your* instructions correctly;
 - help improve *our* service;
 - make sure we comply with *our* regulatory obligations; and
 - help detect or prevent fraud or other crimes.
- 21.15** We can share *your*, and *your related persons'*, *personal information* with:
- any other *related companies*, their employees, agents and contractors;
 - any agents or third parties that provide services to or for us (whether in New Zealand or otherwise), including, banks, law firms, custodians, fund managers, debt collection agencies, credit reporting agencies or credit providers, credit rating agencies, credit card providers, loyalty schemes, market research firms and insurers, who have agreed with us to only collect, hold, use and share *your personal information* for the purposes for which it has been given to them;
 - the police, any governmental body or agency or regulator in New Zealand or overseas (including any tax authorities);
 - other banks (including overseas banks), agents, registrars, contractors or other entities assisting with transactions;
 - any previous or current employer (to verify *your* identity, employment status or income (as applicable)); and
 - any other person or organisation authorised by *you*.
- 21.16** We can also share *your*, and *your related persons'*, *personal information* with any person to whom we are considering assigning or transferring any of *our* rights or obligations under a *facility document*.
- 21.17** *You* accept, and *you* confirm that *your related persons* accept, that overseas governments, banks, agents, contractors or other entities will need to comply with overseas laws and those laws might require them to share *your*, or *your related persons'*, *personal information* for the purposes of complying with those laws.
- 21.18** Subject to **clause 21.10**, if *you* do not give us information we ask for or *you* do not consent (or withdraw *your* consent) to us collecting, holding, using or sharing *your personal information*, we might:
- be unable to provide new, or continue to provide all or part of, any BNZ product or service (including a *facility*) to *you*, demand repayment of the *amount outstanding* (or any part of it), cancel or reduce *your credit limit* and/or cancel *your loan amount* (see **clause 10.3.h**); and
 - take any actions we need to meet *our* legal or regulatory obligations.
- 21.19** *Your personal information* can be held physically or electronically, including in New Zealand or elsewhere, by us or by any third party contracted to store it for us. As required by the Privacy Act 1993, we will use reasonable security safeguards to protect *your personal information* against loss, access, modification, disclosure and other misuse.
- 21.20** We can provide a copy of all *facility documents*, and any information about *your* financial position that we hold, to any *guarantor*.

22. Liability for losses

- 22.1** We will not be liable to *you* for any *loss* you incur:
- arising as a result of us entering into or exercising *our* rights under any *facility document*; or
 - caused by circumstances outside of *our* control.

23. If more than one person is the customer

- 23.1** If more than one person is named as the ‘customer’ in a *letter of advice*:
- each person is responsible to us alone and together. We may ask any of *you* to pay any or all the *amount outstanding*. We do not need to ask all of *you* to pay or contribute to any or all the *amount outstanding*;
 - any one of *you* can give us instructions about the *facility*. Instructions can relate to important changes to the *facility*, including changes to the *agreed annual interest rate*, the *type of facility*, the payment schedule options, and the *minimum payments*. If any one of *you* gives us instructions about the *facility*, *you* must have obtained the agreement of each other person named as the ‘customer’ in the *letter of advice* before doing so. By instructing us, *you* represent to us that *you* have obtained that agreement. We may act on those instructions. We do not need to confirm whether *you* obtained the agreement of each other person named as the ‘customer’ in the *letter of advice* before we do so. We will not be liable for any *loss* any person incurs because *you* did not obtain their agreement, or because we did not confirm *you* had their agreement before we acted on *your* instructions;
 - unless the law says otherwise, if we send a notice to one of *you*, it will count as a notice to all of *you*;
 - we can give information about the *facility* to any one of *you* and can act on any information about any one of *you* that any other of *you* gives us (for example, where *you* die or become bankrupt); and
 - if a dispute occurs between any of *you* in connection with the *facility*, *you* must tell us as soon as *you* can.

24. If you are a trustee

- 24.1** If *you* are party to the *facility documents* as a trustee of a trust:
- you* must comply with the trust deed in connection with the *facility*. We are not required to check that anything *you* do in connection with the *facility* is in accordance with the trust deed;
 - you* must not, without *our* prior written consent:
 - resign as a trustee; or
 - appoint any new trustee, or allow or agree to any new trustee being appointed;
 - you* must use *your* best endeavours to make sure that, on the appointment of any new trustee, *you* and the new trustee enter into any new *facility documents* we require; and
 - if there is more than one trustee of the trust, **clause 23** (except for **clause 23.1.b**) applies.

- 24.2** If a *letter of advice* specifies that *you* are party to the *facility documents* as an independent trustee of a trust and have no interest in the assets of the trust (other than *your* interest as trustee), *you* will only be personally liable under the *facility documents* to the extent of the assets of the trust that are available from time to time to meet *your* liability, plus:
- any amount by which the value of those assets has been reduced by any breach of trust caused by *your* wilful default or dishonesty; and
 - any amount *we* cannot recover due to *your* having acted in breach of trust and/or having lost *your* right of reimbursement out of the trust assets.
- 24.3** Even if a *letter of advice* specifies that *you* are acting independently, *you* will not be treated as acting as an independent trustee if *you* are, at any time, a beneficiary, discretionary beneficiary or appointor of or under the trust document.
- 24.4** *We* can determine the order in which *we* recover the *amount outstanding* from *you* in *your* capacity as trustee of a trust. *We* can choose in *our* sole discretion to recover out of the trust assets or (if available to *us*) *your* personal assets.

25. If you are a partnership

- 25.1** If *you* are party to the *facility documents* as a partner:
- references to 'you' are to each partner alone and each of the partners together;
 - each partner is responsible to *us* alone and together. *We* may ask any of the partners to pay any or all the *amount outstanding*. *We* do not need to ask all of the partners to pay or contribute to any or all the *amount outstanding*;
 - any partner can give *us* instructions about the *facility*. Instructions can relate to important changes to the *facility*, including changes to the *agreed annual interest rate*, the type of *facility*, the payment schedule options, and the *minimum payments*. *We* may act on those instructions;
 - unless the law says otherwise, if *we* send a notice to one partner, it will count as a notice to all partners;
 - we* can give information about the *facility* to any partner and can act on any information about any partner that any other partner gives *us* (for example, where a partner dies or becomes bankrupt);
 - if a dispute occurs between any of the partners in connection with the *facility*, *you* must tell *us* as soon as *you* can;
 - you* must comply with *your* partnership agreement in connection with the *facility*. *We* are not required to check that anything *you* do in connection with the *facility* is in accordance with *your* partnership agreement;
 - you* must tell as soon as possible of any change in the partnership;
 - a *facility document* will continue to bind *you* despite any changes which may from time to time take place in the partnership, whether by death, incapacity, or retirement of any partner or the admission of any new partner or otherwise; and
 - a *facility document* will continue to bind *you* despite the fact that the partnership no longer carries on business.

26. Our certificates are conclusive

- 26.1** Our certificate as to any amount or fact relating to any of the *facilities* will be conclusive evidence of that amount or fact (unless there is an obvious error or you prove that the certificate is incorrect). If we make an error in a certificate:
- we will notify you; and
 - that error will not restrict our right to recover the *amount outstanding*.

27. Transfer of rights

- 27.1** You may not assign or transfer any of *your* rights or obligations under a *facility document* to any other person.
- 27.2** We can at any time assign or transfer all or any part of *our* rights or obligations under a *facility document* to another person. We do not need *your* consent to do this. If we do so, the person we assign or transfer *our* rights or obligations to will be able to exercise those rights instead of us. If we assign or transfer *our* rights under a *facility document*, all references in that *facility document* to ‘we’, ‘us’ or ‘our’ will mean:
- in relation to the rights and obligations not assigned or transferred by us, Bank of New Zealand;
 - in relation to the rights and obligations assigned or transferred by us, the person we have assigned or transferred those rights to.

28. General

- 28.1** We can, at any time, debit any of the *amount outstanding* from a *specified account*, or any other account you have with us.
- 28.2** If for any reason there is not enough money in *your specified account* to make the payments due under a *facility*, debits may be made, or not made, from the *specified account* at our discretion.
- 28.3** You confirm that all the information, including financial information, given by you, or any other person on *your* behalf, to us in connection with the *facility documents* is true, complete and accurate in all material respects. You confirm that 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 a *facility* to you.
- 28.4** You confirm that you have complied and will continue to comply with all laws and constitutional requirements that apply to you, your business or your property.
- 28.5** You must give us any assistance that we require to deal with alleged or possible misuse of, or unauthorised access to, a *facility*, or in relation to any other transaction we, the police or any other authority is investigating.
- 28.6** If any term of any *facility document* is illegal, invalid or unenforceable, this will not affect any other term of that (or any other) *facility document*.
- 28.7** We can choose if and when we exercise *our* rights under any *facility document* and at law. Any delay by us does not affect *our* right to choose when or if we exercise any of *our* rights. *Our* rights and remedies under each *facility document* are additional to any of the rights and remedies we have at law or under any other agreement with you.
- 28.8** Each *facility document* is governed by New Zealand law.

