



ACKNOWLEDGEMENT AND AGREEMENT OF AND BORROWER(S)

Please note that this section is not the loan agreement and is merely an attempt to make sure that you understand important facts about it.

- 1 I understand that by signing the loan and security agreement I become liable for repayment of the loan in full. As borrower or one of the borrowers I must make all the payments. I have read the agreement or I have been given an opportunity to read it before signing.
- 2 If I am receiving no benefit from the loan (that is if none of the money is for me or if I am not a director or shareholder of the borrower), I have been advised to obtain independent legal advice as to my obligations and the lender's rights contained herein. That advice should be from a lawyer different and independent from any person advising any other borrower or anyone else who received the money. I have been asked to take the time to obtain advice.
- 3 I promise to the lender that I have the financial ability to pay any instalments due under the loan agreement and to make the final payment OR if I cannot make the payments, I am prepared to lose the property I provide as security. I have thought about this carefully.
- 4 I acknowledge that each borrower all must pay the unpaid balance. This means the lender may claim up to the unpaid balance from one of us or all of us. If one borrower cannot or does not pay, the lender may claim the unpaid balance from another borrower.
- 5 I understand that if I provide collateral (e.g. a car or other goods) as security I could lose them. That means that if I or any other borrower do not pay, that car or goods or other collateral may be
 - a. Repossessed by the lender (if the lender does not already hold it) or
 - b. Seized by court officers after judgement and sold to pay the debt

Borrower

I have had time to obtain advice but have voluntarily chosen not to do so OR I have taken independent legal advice.

Signed:

Date: _____

Borrower



LOAN AND SECURITY DEED OF AGREEMENT AND DISCLOSURE OF TERMS

Please read this paragraph. This deed of agreement is intended to be written in plain language. To help with that, there are explanations and a list of meanings right at the end beginning with paragraph 41 below of the operative terms. Firstly we have a list of meanings of words which we use in this agreement. That is paragraph 41 below. Then in paragraph 42 below we explain and give examples of some things referred to in the disclosure statement. Finally, in paragraph 43 below of the operative terms we have a description of how we use words like “charge”, “credit”, “debit”, and “enforce”. These are all intended to help you understand what the agreement is all about.

This deed is made on the day and year shown before the signatures below BETWEEN Economy Finance Limited (“the lender” or “we”) AND the borrowers (“you”) described below.

BACKGROUND

- a. The lender has agreed to lend to you the initial unpaid balance and any subsequent advances shown in the disclosure statement below.
b. The borrowers who own the collateral (defined in “Meaning” paragraph 41 below of the operative terms) have agreed to grant a security interest in that property to the lender and

OBLIGATION

You acknowledge that you owe to the lender the initial unpaid balance set out in the disclosure statement. You promise to pay that amount and make the payments due under this agreement in the manner set out in the disclosure statement and operative terms of this agreement. You also promise to comply with (go along with, keep the rules of) the terms of this agreement.

Signed:

Date: _____

Borrower



Economy Finance Ltd
P O Box 10201
Christchurch 8015
03 366 0440

CREDIT CONTRACT
and
DISCLOSURE STATEMENT

Loan Number	
Effective date of Statement	

Account Name	
Account Type	

IMPORTANT INFORMATION

The lender is required to provide you with this disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003. This document sets out the key information about your consumer credit contract. You should read it thoroughly. **If you do not understand anything in this document, you should seek independent advice.** You should keep this credit contract and disclosure statement in a safe place.

The law gives you a limited right to cancel the consumer credit contract. See the statement of right to cancel below for full details of your right to cancel. **Note that strict time limits apply.**

FULL NAME AND ADDRESS OF LENDER

This is the person or company providing you the credit.

You may send notices to the lender by: • Writing to the lender at its postal address; or • Sending a fax to the number specified (if any); or • Sending an email to the address specified (if any).	Name:	Economy Finance Ltd
	Physical Address:	538 Moorhouse Ave Christchurch 8015
	Postal Address:	P O Box 10201 Christchurch 8015
	Fax:	(03) 365 7580
	Email:	economyfinance@xtra.co.nz

FULL NAME AND ADDRESS OF BORROWER

This is the person responsible for making payments to the lender.

Borrower		Phone: Mobile: Email: NOK:
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CREDIT DETAILS

Initial unpaid balance.

This is the amount you owe at the date of this statement (including any fees charged by the lender).

made up of:	Loan Advance	
	PPSR / VIR / VEDA fee	\$25.00
	Less	
	Cash Deposit	
	Plus	
	Establishment Fee	\$275.00
	Voluntary Payment Waiver	

Subsequent advance(s)

There are no subsequent advances.

Total advances

This is the total amount of all advances made or to be made to you.

PAYMENTS

You are required to make each payment in the amount specified and at the time specified.

48 due Weekly.

First Regular Payment of

Final Regular Payment of

Total amount of payments

Method of Payment

Payments to be made by Automatic Payment.

INTEREST

Interest Rate

% fixed for the whole term of the contract being and thereafter until the balance is fully repaid.

Daily interest rate:

Total interest charges

This is the total amount of the interest charges payable under the contract.

Method of charging interest

Interest charges are calculated by multiplying the unpaid balance at the end of the day by a daily interest rate. The daily interest rate is calculated by dividing the annual interest rate by 365. Interest is charged to your account weekly.

CREDIT FEES AND CHARGES

The following credit fee(s) and charge(s) (which are not included in the initial unpaid balance) are, or may become, payable under, or in connection with, the contract.

Your credit contract may allow the lender to vary this/these fee(s) and charge(s).

- Weekly administration fee of \$3.00 charged to your account weekly.
- Letter Fee of \$10.00 is charged to your account any time you request a statement of your account that we are not required to send you.
- Trace Fee \$25.00 any time you make a payment into our bank account without electronically including any contract name and contract reference number.
- The costs and expenses and other liabilities listed in clause 10 (c) of the operative terms which arise when you are not in default.

Administration costs and fees payable on full prepayment are disclosed under the full prepayment heading.

CONTINUING DISCLOSURE

The lender is required to provide you with regular statements. The statements will give you information about your account. Statements will be provided 6 monthly in April and October of each year.

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest(s)

This is secured credit. If you fail to meet your commitments under the contract, the lender may be entitled to repossess and sell the property.

The lender has an interest in the property listed below to secure performance of your obligations under the contract, or the payment of money payable under the contract, or both. **If you fail to meet your commitments under the contract, then to the extent of the security interest, the lender may be entitled to repossess and sell this property.** The extent to which your obligations are secured to the property noted below is the unpaid balance of your account.

Motor Vehicle	Registration	:
	Make & Model	:
	Year	:
	Colour	:
	VIN	:

If we sell the motor vehicle after we repossess it, and the net proceeds are not enough to repay what you owe us (the unpaid balance), you will owe us the difference. We may recover that amount from you.

Whoever owns the motor vehicle (you or a co-borrower or both) may not give security over the motor vehicle to any other person and, if the owner does so, the owner will be in breach of this agreement and we may repossess and sell the motor vehicle.

Default interest charges and default fees

In the event of a default in payment and while the default continues you must pay the default interest charges. In the event of a breach of the contract or on the enforcement of the contract, the default fees specified below are payable. Your credit contract may allow the lender to vary these fees and charges.

Default interest is charged from the time you fail to make a due payment until the arrears are paid.

Default interest charges are calculated by multiplying the amount in arrears at the end of the day by a daily default interest rate. The daily default interest rate is calculated by dividing the annual default interest rate by 365. Interest is charged to your account weekly.

Annual Default Interest rate is 30%.

Default Fees:

- Defaulted payment fee of \$30.00 debited if any scheduled payment into your account from your bank is made late after the date due, or is reversed or is not made.
- Letter fee of \$30.00 any time we have to write to you with regard to a missed payment(s) or in relation to any other default you commit under this agreement. These include: reminder letter, repossession warning notice, repossession notice, dishonor letter, non-payment of insurance premium letter, post repossession notice, account after sale notice.
- Default time fee if any staff member of ours spends time on the administration of your account when in default. "Administration" in this case includes all work in any way associated with our recovery of the account balance. This may be charged at \$150.00 per hour.
- In the case of enforcement, including Court or Disputes Tribunal proceedings and seizure and sales, we will charge to your account all court and tribunal costs and actual solicitors fees and disbursements (assessed on a solicitor client basis) and debt collection agency fees and disbursements and the costs and disbursements of valuer's, auctioneers, process servers, seizure agents and any agents of the lender in affecting such enforcement plus any other necessary disbursements as those costs are ascertained. In addition the lender will charge you the cost of doing anything which you have failed to do and which it has done.
- You will also be charged the costs, expenses and other liabilities listed in clause 10(c) of the operative terms which arise when you are in default.

FULL PREPAYMENT

If you pay the unpaid balance in full before the final payment is due (full prepayment), you may be required to pay a fee or charge to compensate the lender for any loss resulting from the full prepayment. The lender may have suffered a loss if the lender's current interest rate is lower than the interest rate applying to your original consumer credit contract. You may also have to pay the lender's administrative costs relating to the full prepayment.

The amount you may have to pay to compensate the lender for the loss is calculated using the formula prescribed in regulation 9 or regulation 11 of the Credit Contracts and Consumer Finance Regulations 2004

Administrative costs/ fees: \$30.00

RIGHT TO CANCEL

You are entitled to cancel the consumer credit contract by giving notice to the lender.

Time limits for cancellation

If the disclosure documents are handed to you directly you must give notice that you intend to cancel within 5 working days after you receive the documents.

If the disclosure documents are sent to you by electronic means (for example, email) you must give notice that you intend to cancel within 7 working days after the electronic communication is sent.

If the documents are mailed to you, you must give the notice within 9 working days after they were posted.

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

How to cancel

To cancel, you must give the lender written notice that you intend to cancel the contract by:

- giving notice to the lender or an employee or agent of the lender; or
- posting the notice to the lender or an agent of the lender; or
- emailing the notice to the lender's email address (if specified on the front of this disclosure statement); or
- sending the notice to the lender's fax number (if specified on the front of this disclosure statement).

You must also pay the cash price of the property or services (or the balance of the cash price after deducting any amount you have already paid) within 15 working days of the day you give the cancellation notice.

What you may have to pay if you cancel

If you cancel the contract, the lender can charge you the amount of any reasonable expenses the lender had to pay in connection with the contract and its cancellation (including legal fees and fees for credit reports, etc).

If you cancel the contract, the lender can also charge you interest for the period from the day you received the advance until the day you repay the advance.

WHAT TO DO IF YOU SUFFER UNFORESEEN HARDSHIP

If you are unable reasonably to keep up your payments or other obligations because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be able to apply to the lender for a hardship variation.

To apply for a hardship variation, you need to:

- (a) make an application in writing; and
- (b) explain your reason(s) for the application; and
- (c) request one of the following:
 - an extension of the term of the contract (which will reduce the amount of each payment due under the contract); or
 - a postponement of the dates on which payments are due under the contract (specify the period for which you want this to apply); or
 - both of the above; and
- (d) give the application to the lender.

Do this as soon as possible. If you leave it for too long, the lender may not have to consider your application.

DISPUTE RESOLUTION

Name of dispute resolution scheme:

Financial Services Complaints Ltd

It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with the lender.

Contact details of dispute resolution scheme:

Phone: (0800) 347 257
Website: www.fscl.org.nz
Business Address: P O Box 5967
Lambton Quay
Wellington 6145

REGISTRATION ON FINANCIAL SERVICE PROVIDER REGISTER

Lender Registration Name: Economy Finance Limited

Registration Number: FSP469246

I have received a copy of this disclosure statement and the operative terms. I agree to the terms as set out in the disclosure statement and the operative terms.

BORROWER'S SIGNATURE

Signed as Borrower

Date: _____

Witness Signature

Witness Name

Witness Address

LENDER'S SIGNATURE

Signed on behalf of Lender

Date: _____

Signature

Name

Title