

Approval Number _____

The **Effective Date** of the Loan Documents is the date of the first advance under the Loan.

Under the Loan Documents:

- **Heartland Bank Limited** (called **we** or **us** in these Loan Details) agrees to make you a **Loan**; and
- you grant us a **Mortgage** over the **Property** (described below) as security for due payment of all Amounts Owing under the Loan Documents.

The **Loan Documents** include these Loan Details – including the FEE SCHEDULE on page 4 - and the Home Loan Terms and Conditions and Registrable Mortgage Memorandum (the **Conditions**).

The meanings of capitalised words used in these Loan Details are set out in the Dictionary in Part 6 of the Conditions.

IMPORTANT - These Loan Details contain key information about your Loan and are a disclosure statement under section 17 of the Credit Contracts and Consumer Finance Act 2003. We may also have to give you regular information about your Loan (**continuing disclosure**). If required, we will give you statements containing the continuing disclosure at least every six months.

For a short period after you sign these Loan Details, you have the right to cancel the Loan Documents – see the “Your right to cancel” section on the next page for more information.

LENDER (we are the person making the Loan to you)

You can send notices to us under the Loan Agreement by:

- *writing to us at this postal address*
- *sending an email to this email address*
- *sending a fax to this fax number*

Name Heartland Bank Limited
Address Heartland House, 35 Teed Street, Newmarket, Auckland 1023
Postal Address PO Box 9919, Newmarket, Auckland 1149
Email info@heartland.co.nz
Fax (09) 927 9319

Name

Address

Email

Name

Address

Email

INFORMATION ABOUT YOUR LOAN

LOAN TYPE Your Loan is a Standard Loan an Improvements Loan a combination of a Standard Loan and an Improvements Loan

LOAN AMOUNT (This is the amount you owe us at the Effective Date, including any fees we charge you on that date) \$ _____

made up of:

Standard Loan Amount (we will pay you this amount in one lump sum) \$ _____

Improvements Loan Amount (we will pay you this amount in stages) \$ _____

Establishment Fee \$ _____

Broker Fee \$ _____

INTEREST-ONLY PERIOD

An Interest-Only Period applies to your Loan from _____ until _____ (the **Interest-Only Period**). Interest will begin to accrue on your Loan on _____

ANNUAL INTEREST RATE

We will charge you interest on the Loan at the following interest rate(s):

Note: [The Floating Rate can change in accordance with 3.1 of the Conditions.] The above interest rate(s) will apply to the Amounts Owing under your Loan **unless** you are in default. See clause 18 of the Conditions.

CONDITIONS PRECEDENT

The conditions which must be satisfied before you can access your loan are set out at clause 5.2 [and 5.3] of the conditions.

SPECIFIC CONDITIONS

TOTAL INTEREST CHARGES*

This is the total amount of interest charges payable on the Loan Amount: \$ _____

SCHEDULE OF PAYMENTS*

Loan Term

Payment Dates - each date falling at weekly fortnightly monthly intervals from the Effective Date.

Payment Amount

Final Payment Date

Number of Payments

PROPERTY

Certificate of title number(s):

Address:

Registered Proprietor(s):

Priority Amount - Mortgage: \$

PARTICULARS OF INSURANCE

You must keep the Property insured during the for its full replacement insurable value. Our interest as mortgagee must be noted on the policy.

Name of insurer:

**If you have a Floating Rate, the Schedule of Payments and Total Interest Charges will change. We will notify you of this.*

CREDIT FEES AND CHARGES

All credit fees and charges (including default charges) that you might need to pay us under the Loan Documents (which are not part of the LOAN AMOUNT on page 2 of these Loan Details) are listed in the attached FEE SCHEDULE. If you do not pay an amount when it is due, we will also charge you interest on the amount due at the Default Interest Rate, which is 2 per cent per annum above the Annual Interest Rate. We give you information about the default interest charges in clause 18 of the Conditions. You should be aware that in some cases we can change the credit fees and charges you might have to pay and the Default Interest Rate under clause 3 of the Conditions.

FULL PREPAYMENT

You can pay the Loan back early by paying us the amount set out in clause 10.1 of the Conditions. This amount includes an Administration Charge and, if a Fixed Period applies to the Loan at that time, any Break Costs. Break Costs are a reasonable estimate of the loss of future interest income, if any, we incur as a result of you paying the Loan back early during a Fixed Period (where we are only able to reinvest that money at a lower interest rate). The Break Costs you need to pay (if any) will be calculated using the formula set out in regulation 9 or regulation 11 of the Credit Contract and Consumer Finance Regulations 2004.

YOUR RIGHT TO CANCEL

You can cancel the Loan Documents by sending a written cancellation notice to us or an employee (in any of the ways listed on page 2 of these Loan Details) within 5 business days of being handed a signed copy of this Agreement; or within 7 business days of receipt if the signed Loan Documents are emailed or sent to you electronically; or within 9 business days of the date the signed Loan Documents were posted to you (if applicable). Saturdays, Sundays and national public holidays are not counted as business days. **If you cancel the Loan Documents, you must immediately repay the Loan and any interest accrued for the period starting on the day you get the Loan until the day you repay us in full (if relevant). You must also reimburse us for any reasonable expenses we have to pay in connection with the Loan Documents and their cancellation, including legal fees and credit report fees.** *This statement is only a summary of your cancellation rights and obligations. If you want more information, or if you think that we are being unreasonable in any way, you should seek legal advice immediately.*

WHAT CAN YOU DO IF YOU SUFFER UNFORSEEN HARDSHIP?

If you are unable reasonably to keep up your payments because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be able to ask us to vary the terms of the Loan Documents (we call this a **Hardship Variation**). To apply for a Hardship Variation, you need to:

- (a) make an application in writing; and
- (b) explain your reasons for the Hardship Variation; and
- (c) request one of the following:
 - an extension of the Loan Term - this means we would reduce the Payment Amount due on each new Payment Date and increase the number of Payment Dates; or
 - a postponement of certain Payment Dates; or
 - both of the above - that is, postpone some payments and pay smaller amounts over a longer time period; and
- (d) give the application to us - feel free to phone us to discuss on 0800 85 3030 but we will ask you to follow up in writing in any of the ways listed on page 1 of these Loan Details.

Do this as soon as possible. If you delay for too long in making an application, or do not meet the Hardship Variation criteria, we may not have to consider your request. If we agree to your request, we may ask you to enter into a new agreement or we may change the amounts and dates in the SCHEDULE OF PAYMENTS on page 2 to help you meet your obligations. Please note that you will have to pay a Refinance Fee (as set out in the attached FEE SCHEDULE).

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS?

If you fail to meet your commitments under the Loan Documents, there will be an Event of Default. This means all Amounts Owing will be due immediately. We may be able to sell the Property and use the sale proceeds to repay the Amounts Owing.

- **Nature of the Mortgage:** Unless we agree otherwise in writing, our Mortgage must be a first-ranking exclusive registered mortgage over the Property. We must be the only person with a mortgage over the Property and you cannot grant security over the Property to anyone else without our consent.
- **Extent of Mortgage:** The Mortgage secures the due payment of all Amounts Owing (together with all other amounts you may owe us at any time), and the performance of all of your obligations to us, under the Loan Documents. If we exercise our rights under the Mortgage and the proceeds of sale of the Property are insufficient to repay the Loan and any other Amounts Owing, you will still be liable to pay us the remaining amounts.
- **What happens if you give someone else a security interest in the Property?** If you give a mortgage or other security interest over the Property to anyone else without our prior written consent, you will be in breach of the Loan Documents and this will be an Event of Default under clause 24 of the Conditions. If that happens, all amounts you owe us under the Loan Documents will be due immediately and we can enforce our rights under the Mortgage (which could include selling the Property).

ELECTRONIC COMMUNICATION

By signing the Loan Documents, you agree that we can send you notices and other communications relating to the Loan Documents electronically, including by email or (if we choose to) by other electronic means such as an online portal. This includes any continuing disclosure that we have to make to you under the Credit Contracts and Consumer Finance Act 2003.

IF THERE IS A DISPUTE ABOUT THIS AGREEMENT

We are a member of the following dispute resolution scheme:

Banking Ombudsman
Level 5
Huddart Parker Building
1 Post Office Square
Wellington 6011

<http://www.bankomb.org.nz>, phone: 0800 805 950 and email: help@bankomb.org.nz.

It is free to make a complaint to this independent dispute resolution scheme. The scheme can help you to resolve any disagreement you have with us.

REGISTRATION ON FINANCIAL SERVICE PROVIDERS REGISTER

Our Financial Service Providers Register Number is FSP53901 and our registration name is Heartland Bank Limited.

IMPORTANT: The Credit Contracts and Consumer Finance Act 2003 requires us to give you certain key information relating to this Agreement. We have summarised below where to find key information about your Loan.

Name and address of creditor:	Our details (that is, the details for Heartland Bank Limited) are provided in the LENDER section on page 2 of these Loan Details.	Annual Interest Rate:	This is the interest rate set out in the ANNUAL INTEREST RATE section on page 1 of these Loan Details. It is the interest rate that you will pay unless you are in default. The Annual Interest Rate is fixed during any Fixed Period at the Fixed Rate. At all other times, the Annual Interest Rate is the Floating Rate applicable at that time. The Floating Rate can change in accordance with clause 3.1 of the Conditions. These are the only interest rates you will pay unless you are in default in which case the Default Interest Rate will apply in accordance with clause 18 of the Conditions.
Initial Unpaid Balance:	This is the LOAN AMOUNT set out in the INFORMATION ABOUT YOUR LOAN section on page 2 of these Loan Details.	Total Interest Charges:	This is set out in the TOTAL INTEREST CHARGES section on page 2 of these Loan Details.
Total Advances:	The amount of the total advances is the same as the LOAN AMOUNT set out in the INFORMATION ABOUT YOUR LOAN section on page 1 of these Loan Details.	Method of Charging Interest:	We explain this in clause 11 of the Conditions.
Subsequent Advances:	If your loan is a Standard Loan there are no subsequent advances. This means the full loan is paid to you in one lump sum. If your loan is an Improvements Loan or has a portion that is an Improvements Loan, you may draw down the Loan or a portion of the Loan in stages in accordance with clauses 5.1 to 5.3 of the Conditions.	Interest-Only Period:	Unless specified on page 2 of these Loan Details, your Loan does not have an Interest-Only Period.
Payments Required:	The payments you have to make under the Loan Documents are set out in the SCHEDULE OF PAYMENTS section on page 2 of these Loan Details. The Payment Amount must be paid on each Payment Date.	Default Interest Charges and Default Fees:	We provide information on default interest charges in clause 18 of the Conditions. Default fees are set out in the FEE SCHEDULE on page 4 of these Loan Details.
Full Prepayment:	The amount you must pay in order to prepay your Loan in full is described in clause 10.1 of the Conditions. It includes an Administration Charge and, if the prepayment takes place during a Fixed Period, Break Costs may also be payable.	Credit Fees and Charges:	The credit fees and charges that we will or might charge you are set out in the CREDIT FEES AND CHARGES section on page 3 of these Loan Details and in the FEE SCHEDULE on page 4 of these Loan Details.
Security:	You have granted us a Mortgage over the Property. You should refer to the section headed WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS? on page 2 of these Loan Details.	Your Right to Cancel:	We have explained your right to cancel the Loan Documents in the YOUR RIGHT TO CANCEL section on page 3 of these Loan Details.
Electronic communications:	We agree to receive notices or other communications from you in electronic form which are sent to our email address on page 2 of these Loan Details.	Statements:	We will send you regular statements of account at least every six months if we are required to. You can also request additional statements but we will charge you a fee for this - see the FEE SCHEDULE on page 4 of these Loan Details.

FEE SCHEDULE

SCHEDULE OF STANDARD FEES AND CHARGES APPLIED TO HOME LOANS

LOAN FEES

Establishment Fee	\$500.00
We will charge you this fee for processing a new loan application made directly to us, including approval and acceptance.	
Refinance Fee	\$500.00
We will charge you this fee if you apply for an increase to your existing loan, including approval and acceptance.	
Variation Fee	\$150.00
We will charge you this fee if we vary the terms of your mortgage.	
Discharge Fee	\$100.00
We will charge you this fee to release your mortgage once your loan is repaid.	

MAINTENANCE

Refund Fee	\$16.00
We will charge you this fee if you overpay us and we refund you.	
Statement Fee	\$5.00
We will charge you this fee if we give you (at your request) an additional statement. We do not charge you this fee for providing any six monthly continuing disclosure statements.	

COLLECTIONS

Dishonoured Payment Fee	\$5.00
We will charge you this fee if your bank dishonours a payment you make to us.	

Recovery Costs

We will charge you any costs charged by third parties relating to your Loan or the Loan Documents (e.g. legal fees). We can provide copies of the invoices on request.

FEES AND COSTS ADDED TO LOAN BALANCE

If we charge you any of the above fees or costs, we will add that amount to the Amounts Owning. That means we will charge interest on that amount until you pay it.

EXECUTION

You and the Guarantor confirm that:

- you have received a copy of the Loan Documents and have read and understood, and agree to the terms of, the Loan Documents. **If you do not understand anything in the Loan Documents you should seek legal advice before you sign.**
- all of the information that you and the Guarantor have provided to us in connection with the Loan Documents is complete, accurate and not misleading.

We will rely on the information that you and the Guarantor have provided to us (whether directly or through any other person who is assisting with the Loan Documents), unless we have a good reason to believe the information is not reliable.

EXECUTED as a Deed

FIRST BORROWER'S SIGNATURE _____ Date of Signing _____

SECOND BORROWER'S SIGNATURE _____ Date of Signing _____

WITNESS'S SIGNATURE

Signed by each Borrower in the presence of

Witness _____

Name _____

Address _____

Occupation _____