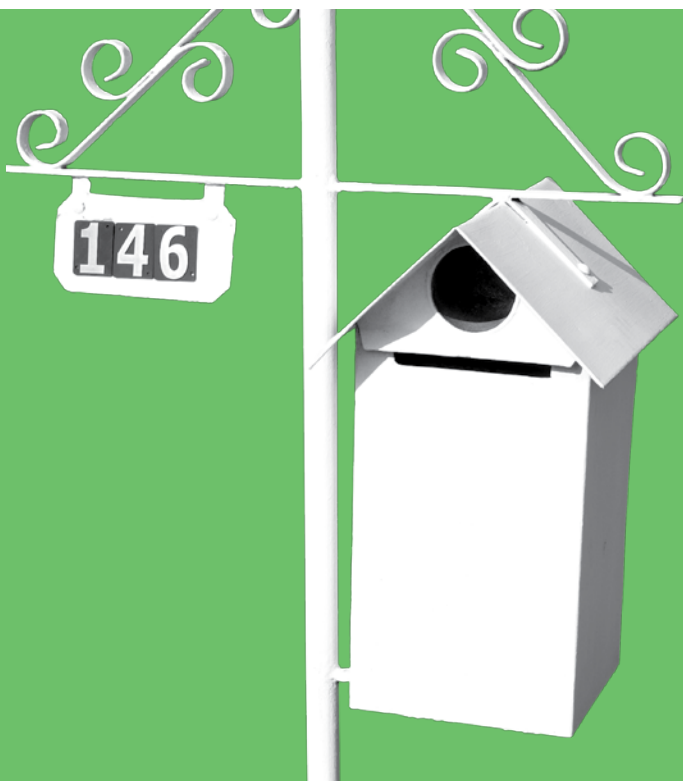


kiwi bank It's ours

# Home loan terms and conditions

Effective July 2009



### Where to look in these terms if you want to know:

What are these terms about?	1
What are the different types of home loan?	2
When and how can you borrow?	2
What payments do you need to make?	5
What if you want to repay early?	7
When can we require you to repay early?	8
What interest do you pay?	8
What fees and costs do you pay?	10
When do you have to pay default interest?	13
How do you switch interest rates?	13
How can you increase your home loan?	14
How can you reduce the maximum credit limit of your revolving portion?	14
How can you extend the term of your home loan?	14
What statements of account will you receive?	15
What about your right to cancel?	15
What about the guarantor?	16
What else do you need to know?	16
What do the words in bold mean?	18

# What are these terms about?

## 1. What are these terms?

### These terms

The terms and conditions that apply to your **home loan** are set out in **these terms**, your **home loan agreement** and any document we give you changing the terms and conditions of your **home loan**. When we refer to the **home loan documents**, we are referring to all of those documents. **These terms** are subject to any specific terms and conditions set out in your **home loan agreement** or any document we give you changing the terms and conditions of your **home loan**.

Your general banking relationship with us is governed by the **general terms** and the specific terms and conditions that apply to particular accounts or services. **These terms** are specific terms and conditions that apply to **home loans**. If there is any conflict between any part of the **general terms** and **these terms**, then **these terms** will apply. You and we may agree in writing to other terms and conditions and the law may imply terms and conditions.

Throughout **these terms** you will see words in bold. These are words with a specific meaning. You can find out the meaning of these words at the back of **these terms**. In addition:

- “You” means each person named as the “Borrower” in a **home loan agreement**. If there are more than one of you, it means each of you jointly and individually, unless the context requires otherwise. “Your” has a corresponding meaning.
- “We” means Kiwibank Limited and our successors, assignees and authorised agents. “Our” and “us” have corresponding meanings.

Please familiarise yourself with **these terms** and keep them in a safe place for future reference.

Please ensure that you also read the **general terms**, as they contain important information about your responsibilities and liabilities and our responsibilities and liabilities. Copies of our **general terms** are available from any Kiwibank branch or at [www.kiwibank.co.nz](http://www.kiwibank.co.nz).

## 2. When will these terms apply?

### Application of these terms

You agree to be bound by **these terms** (and the **general terms**) and any other terms that apply to your **home loan** as soon as you have signed your **home loan agreement**.

### 3. When can we change the terms that apply to your home loan?

#### Changing these terms

We may change any of **these terms** or your **home loan agreement** by giving you **notice** at least 14 days before we make a change.

We can, however, change any **interest rate** by giving you **notice** before we make a change. However, except as outlined elsewhere in the **home loan documents**, we cannot change a **fixed interest rate** or the **term** of any part of your **home loan**.

## What are the different types of home loan?

### 4. What are the different types of home loan?

#### Loan types

**These terms** cover all the home loan types we offer. Your loan type is set out in your **home loan agreement**. Here is a description of each loan type:

#### Table portion

A **table portion** is an amount that, once borrowed, is paid off in regular instalments of principal and interest. A **table portion** may have a **fixed component** (which has a **fixed interest rate** for a **fixed term**) or a **variable component** (which has a **variable interest rate**). A **table portion** may also have a **construction component** if you borrow for the purpose of buying land and building a home on it or building or renovating a home on land you already own. A **construction component** is borrowed in stages and has a **variable interest rate**. A **construction component** will have an **interest only period**.

#### Revolving portion

A **revolving portion** works like an overdraft, so amounts borrowed can be repaid and then re-borrowed at any time provided the principal, interest, fees and **costs** on your **revolving portion** do not exceed the **maximum credit limit**.

## When and how can you borrow?

### 5. What conditions apply before you borrow?

#### Conditions before you borrow

You can only borrow your **home loan** if we are satisfied that all conditions set out in the **home loan documents** have been met, that you have provided the securities set out in your **home loan agreement** and that you are, and any **guarantor** is, **complying with our terms**.

## **Expiry**

Even if our conditions are met, our obligation to lend you any amount under your **home loan** ends if you do not borrow the first loan advance within the time limit specified in your **home loan agreement**.

## **6. What insurance requirements apply to your home loan?**

### **Insurance requirements**

Your **home loan agreement** and any **mortgage** will specify what insurance is required. You must keep all insurance required in place until you have repaid all **amounts owing**. You must provide us with a copy of your certificate of insurance if we ask for it.

You must, if required by us, use the proceeds of any insurance claim to repay the **amounts owing** and we can ask the insurance company to pay out any claim directly to us.

### **House insurance**

House insurance is required under the **mortgage**. It must cover the full replacement value of any building subject to the **mortgage** (or such other value as we agree in writing) and must be in place before you borrow your **home loan**.

### **Lender's mortgage insurance**

If we take out lender's mortgage insurance, the insurance policy will be with an insurer that is approved by us and in our name (as the insured). Lender's mortgage insurance protects us in certain situations if we have not been able to recover any **amounts owing**. It does not protect you. If we make any claim under that insurance, the insurer may require you to pay to it the **amounts owing** and give it the benefit of any **mortgage**, security and/or **guarantee**.

### **Mortgage redemption insurance**

If we require mortgage redemption insurance, the insurance policy must be with an insurer that is approved by us and in our name (as the insured). Mortgage redemption insurance protects us where we take a mortgage over a unit titled property. It does not protect you. If we make any claim under that insurance, the insurer may require you to pay to it the **amounts owing** and give it the benefit of any **mortgage**, security and/or **guarantee**.

## **Builders' risk insurance**

If you have a **construction component**, you must take out a builders' risk insurance policy approved by us with our interest as mortgagee noted on the policy for the **term** of your **construction component**. Builders' risk insurance insures the building and materials while the house under construction is being completed. Once the house is fully completed you must take out house insurance (as outlined above).

## **7. When and how can you borrow?**

### **Borrowing a table portion**

You can borrow your **table portion** on any **business day** up to and including the **final borrowing date**. You must tell us in writing the date on which you want to borrow your **table portion**. You can only borrow a **table portion** in one lump sum unless any part of your **table portion** is a **construction component**.

### **Borrowing a revolving portion**

You can borrow any part of your **revolving portion** on any day up to and including the **final borrowing date**, so long as you do not borrow more than the **maximum credit limit** at any time. If you make any repayment of any part of your **revolving portion** before the **final borrowing date** you can re-borrow that amount in accordance with **these terms**.

### **Borrowing a construction component**

You can borrow your **construction component** in stages. You cannot borrow any of the **construction component** after the **final borrowing date**, even if construction is delayed beyond that date. You must tell us in writing each time you want to borrow an amount under your **construction component**, and give us a certificate signed by a registered valuer acceptable to us stating:

- how much money you need to finish the next stage of construction; and
- how much you need to complete all construction.

We will not let you borrow more than the total amount specified as your **construction component** in your **home loan agreement**, even if the amount actually needed to complete construction is more than that.

## What payments do you need to make?

### 8. What payments do you need to make and when?

#### Table portion regular payments

You must make regular payments to us of principal and interest on your **table portion** of the amounts specified in your **home loan agreement** on your **regular payment dates**.

If under any component of your **table portion**, you have an **interest only period**, then during the **interest only period** you only have to make regular payments of interest on that component.

#### Revolving portion payments

You must make sufficient payments to us to ensure that the principal, interest, fees and **costs** on your **revolving portion** do not exceed the **maximum credit limit**. You must immediately repay to us any outstanding balance on your **revolving portion** that exceeds the **maximum credit limit**.

### 9. How are your regular payments calculated?

#### Principal and interest payments

We calculate your principal and interest payments on the **table portion** so that the **table portion** and all other amounts that accrue or become payable during the **term** are repaid over the **term**. The amount of each payment that is applied to principal and interest varies over the **term** with more of each payment being applied to repayment of principal towards the end of the **term**.

#### Interest only payments

We calculate interest only payments so that all interest that accrues during the **interest only period** is repaid over the **interest only period**.

### 10. What if I have a repayment holiday?

#### Applying for a repayment holiday

You may apply to us for a **repayment holiday** on your **home loan**. All applications will be considered, provided that:

- at least one year of the **term** has passed;
- at least two years have passed since the end of any previous **repayment holiday**; and
- you have at all times **complied with our terms**.

However, in cases of hardship, we may consider requests on a case by case basis.

We can choose whether or not to approve your application for a **repayment holiday**. We will give you **notice** confirming the details of any **repayment holiday**.

Your right to make a request in accordance with this section 10 is in addition to any rights you may have to apply to us for changes to be made to the **home loan documents** (on the grounds of unforeseen hardship) under section 55 of the Credit Contracts and Consumer Finance Act 2003.

### **Payments during and after a repayment holiday**

During a **repayment holiday**:

- you do not have to make any payments to us; and
- interest will still accrue and be added to your **home loan**.

Once your **repayment holiday** ends, you must make regular payments to us of both principal and interest. You will still need to repay the whole of the principal and interest on your **home loan** over its **term**, so, unless we have agreed to extend the **term** by the length of your **repayment holiday**, you will also need to make additional payments.

## **11. How do you make your regular payments?**

### **Direct debit**

All of your regular payments, payments of fees and other **amounts owing** under your **home loan** will be deducted by direct debit from your **payment account**.

You authorise us to deduct automatically from your **payment account** the payments required to be made on each **regular payment date** or any other date. It is your responsibility to have funds in your **payment account** to cover your payments to avoid going into default under your **home loan**.

We may deduct your payments from your **payment account** even if this means your **payment account** goes into overdraft or exceeds any approved overdraft limit or other borrowing limit or restriction (including the **maximum credit limit** of your **revolving portion**) with us.

If you do not have sufficient funds in your **payment account** to cover a direct debit on any due date, then we may, at our discretion, deduct any amount you owe us from any other account you have with us.

If we reverse any payment from your **payment account** or decide not to deduct an amount from any other account to make up the shortfall, you will be in default under your **home loan**.

## 12. How can you change the frequency of your regular payments?

### Changing the frequency of your regular payments

You can request a change to the frequency of your regular payments by asking us. We will give you **notice** confirming any change.

## 13. What final payments do you need to make and when?

### Table portion

All **amounts owing** under your **table portion** on the last **business day** of your **table portion term** must be paid in full to us on that day.

### Revolving portion

All **amounts owing** under your **revolving portion** on the last **business day** of your **revolving portion term** must be paid in full to us on that day.

## What if you want to repay early?

## 14. What if you want to repay early?

### Early repayments on table portion

If you have a **table portion**, you may at any time make additional payments over and above your regular payments in accordance with this section 14.

### Fixed components

You may repay all or part of a **fixed component** at any time, although we may charge you **fixed rate break costs** for doing so if the payments exceed any early repayment limits set by us. You can do this by:

- paying us all **amounts owing** under that component;
- if you are repaying in part, paying us a lump sum of more than \$1,000 on any **regular payment date**, in which case the amount of your regular payments will remain the same but your **table portion** (including interest) will be repaid over a shorter **term** (unless you ask us to reduce the amount of your regular payments so that you still pay off your **table portion** over the same **term**); or
- telling us that you want to increase the amount of your regular payments, in which case your **table portion** (including interest) will be repaid over a shorter **term**.

Details of any early repayment limits are set out in the list of our current fees for **home loans** available from any Kiwibank branch or at [www.kiwibank.co.nz](http://www.kiwibank.co.nz).

## Variable components

You may repay all or part of a **variable component** of your **table portion** at any time.

## Early repayments on a revolving portion

You may repay all or part of your **revolving portion** at any time.

## When can we require you to repay early?

### 15. When can we require you to repay early?

#### Early repayment

We may require you to immediately repay to us all **amounts owing** (and if you have a **construction component**, we may also cancel your ability to borrow more money or, in the case of a **revolving portion**, cancel your ability to borrow more money and reduce the **maximum credit limit**) if:

- you do not pay any amount when due under your **home loan** or any other agreement with us;
- you are not, or any **guarantor** is not, **complying with our terms**;
- something happens (whether by your actions or not) that we think impacts adversely on your ability to continue meeting your **home loan** obligations or any **guarantor's** ability to meet its **guarantee** obligations; or
- something happens (whether by your actions or not) that we think impacts adversely on the value of the **property**, any **mortgage**, any security or any **guarantee**, or our ability to enforce any **mortgage**, any security or any **guarantee**.

## What interest do you pay?

### 16. What interest do you pay?

#### Method of calculating interest

If you have a **table portion**, interest on it is calculated on a daily basis by applying the **daily interest rate** to the **daily balance** of each component of your **table portion**. Interest will be charged from the day you first borrow money under your **table portion** until your **table portion** is fully repaid.

If you have a **revolving portion**, interest on it is calculated on a daily basis by applying the **daily interest rate** to the **daily balance** of your **revolving portion**. Interest will be charged from whenever you borrow money under your **revolving portion** until your **revolving portion** is fully repaid.

Interest on any **table portion** is debited to your **home loan** on the **regular payment date**. Interest on any **revolving portion** is

debited to your **home loan** on the last day of each calendar month during the **term**. However, when you repay your **home loan** in full, interest is charged up to but excluding the day that the payment is debited to your **home loan**.

### **Variable interest rates**

We may change our **variable interest rate** at any time by giving you **notice** before we make the change.

If you have a **variable component** and our **variable interest rate** increases, your regular payments for that **variable component** will automatically increase so that you still pay off your **variable component** over the same **term**. We will give you **notice** confirming your new regular payments.

If you have a **variable component** and our **variable interest rate** decreases, your regular payments for that **variable component** will remain the same, but you will pay off your **variable component** over a shorter **term**. We will give you **notice** confirming the shorter **term**. However, you may ask us to reduce your regular payments for that **variable component** so that you still pay off your **variable component** over the same **term**. We will give you **notice** confirming the reduced regular payments.

If you have a **revolving portion** and our **variable interest rate** increases, you may need to make additional repayments to ensure that you do not exceed the **maximum credit limit**.

If you have a **revolving portion** and our **variable interest rate** decreases, the payments you need to make to ensure that you do not exceed the **maximum credit limit** will reduce.

### **Fixed interest rates**

If the whole or any part of your **table portion** is subject to a **fixed interest rate**, that part of your **table portion** will be subject to the **fixed interest rate** specified in your **home loan agreement** or any lower **fixed interest rate** for the relevant **term** that is applicable on the day you borrow it, provided that you do so:

- by the date specified in your **home loan agreement**; or
- if you have agreed with us, and paid for, a **fixed rate lock option**, by the expiry date specified in your **fixed rate lock option agreement**.

You will otherwise be subject to our prevailing **fixed interest rate** for the relevant **fixed term** on the day you borrow.

## What fees and costs do you pay?

### 17. What fees and costs do you pay?

#### Fees and costs

We will charge fees on your **home loan** and for any associated services we provide. We will deduct those fees from your **payment account**. A list of our current fees for **home loans** is available from any Kiwibank branch or at [www.kiwibank.co.nz](http://www.kiwibank.co.nz). We may change the amount of those fees or impose new fees as long as we give you **notice** at least 14 days before we make a change or impose a new fee.

If we incur any **costs** in relation to your **home loan** then you must pay us the amount of those **costs**. We will deduct any **costs** that we incur from your **payment account** or any other account you have with us.

### 18. When are fixed rate break costs charged?

**Fixed rate break costs** are charged when:

- you change the payment terms of your **fixed component**, either by making additional payments on your **fixed component** (including any additional payments you make at our request), or by switching your **fixed component** to a **variable component** or to a new **fixed component**; and
- we estimate that movements in the wholesale interest rate market since the start of your **fixed term** mean that the change of payment terms has caused us a loss.

**Fixed rate break costs** are payable on the day that you change the payment terms of your **fixed component**.

### 19. How are fixed rate break costs calculated?

The procedure that we use to calculate **fixed rate break costs** when you reduce the outstanding balance of your **fixed component** is set out below, along with an example of how the procedure would work in practice. If you do not understand this procedure, we strongly recommend that you seek independent financial advice. A similar process is followed for other changes to the payment terms of your **fixed component**.

#### Procedure

*Step 1 – Identifying the offsetting wholesale interest rate market transaction*

First, we calculate the terms of a notional transaction in the wholesale interest rate market that, if entered into at the start of your **fixed term**, would have offset our risk of changing interest rates on your **fixed component**. The terms of the notional transaction are calculated using wholesale interest rates as they were at the start of your **fixed term**.

Example: If your **fixed term** was originally three years, then the notional transaction would:

- start at the same date as your **fixed term**;
- be for three years;
- have an initial principal amount the same as your **fixed component**, declining over the **fixed term** as your outstanding principal declined; and
- have an interest rate based on wholesale interest rates as they were at the start of your **fixed term**.

### *Step 2 – Allowing for any available early repayment limit*

Next, any available early repayment limits are taken into account. You can reduce the outstanding balance of your **fixed component** by an amount up to any available early repayment limit without **fixed rate break costs** being charged.

Example: Suppose, as at the break date, the outstanding balance of your **fixed component** was \$200,000, and you wished to repay \$50,000. If you had an available early repayment limit of \$5,000, then your **fixed rate break costs** would be calculated based on a repayment portion of \$45,000.

### *Step 3 – Calculating the current value of the remaining payments*

We then look at the payments due under the notional transaction after the break date, and the portion of the notional transaction that corresponds to the amount of your repayment (taking into account any available early repayment limits). We then calculate the value to us as at the break date of the remaining payments under that portion. This calculation takes into account:

- the size of the portion;
- the difference between the wholesale fixed rate on the notional transaction, and what that wholesale fixed rate would have been as at the break date on the remaining term of the notional transaction;
- how the principal of the notional transaction would have declined as your principal reduced over the **fixed term**; and
- the time value of money – a dollar payable today is worth more than a dollar payable in the future – so the value of

the remaining payments is calculated as at the break date, while the payments themselves would have occurred over the remainder of your **fixed term**.

Example: In the example above, if one year had passed since the start of your **fixed term**, then the value of the remaining payments would be based on:

- the remaining two years of the notional three-year transaction; and
- a \$45,000 portion of the notional transaction.

If the wholesale interest rate on the notional transaction at the start of your **fixed term** was 6%, but wholesale interest rates had fallen so that the wholesale interest rate for the remainder of the transaction as at the break date was 4%, the value of the remaining payments would be calculated based on the fact:

- that the payments are based on a rate that is 2% higher than current wholesale interest rates;
- that 2% would have been payable on a notional amount starting at \$45,000, and declining as your principal reduced over the remainder of your **fixed term**; and
- the 2% would have been payable over two years, but the value of the remaining payments is calculated as at the break date.

#### *Step 4 – Adjusting for wholesale interest rate market parcel sizes*

When you repay an amount of your **fixed component** the changes to our interest rate risk are generally too small to be offset in the wholesale interest rate market. We estimate a period over which enough individual changes could be bundled together for a wholesale interest rate market transaction to be feasible. If your remaining **fixed term** exceeds that period, we calculate an amount to reflect the cost of capital associated with holding the interest rate risk caused by your break over that period. We also adjust the value of the remaining payments calculated in Step 3 to reflect this estimated holding period.

#### *Step 5 – Calculating our total estimated loss, and the fixed rate break costs*

We then look at the adjusted current value to us of the remaining payments and cost of capital calculated in Step 4. If the combined value is a loss to us, then your **fixed rate break costs** are equal to the amount of that loss. If the combined value is no loss to us, then there are no **fixed rate break costs**.

Example: If the adjusted value of the remaining payments under the \$45,000 portion of the notional transaction as at the break date was a loss to us of \$1,600, and the cost of capital was \$200, then the **fixed rate break costs** for your repayment would be \$1,800.

## When do you have to pay default interest?

### 20. When do you have to pay default interest?

#### Default interest

If you do not pay an amount when due under your **home loan** or exceed the **maximum credit limit** of your **revolving portion**, we will charge you interest at the **default rate** on that overdue amount calculated on a daily basis by applying the **daily default rate** to that overdue amount each day from the date that amount was due until the date it is fully repaid. Default interest is debited to your **home loan** on the **regular payment date** or on the last day of each calendar month.

We may add any default interest that is due but unpaid to the principal amount of any portion of your **home loan**.

## How do you switch interest rates?

### 21. How do you switch interest rates?

#### Automatic switching

If you have a **fixed component**, that **fixed component** will automatically become a **variable component** subject to our **variable interest rate** at the end of the **fixed term**, unless you request otherwise.

If you have a **construction component**, that **construction component** will automatically become a **variable component** subject to our **variable interest rate** at the end of the **interest only period** for that **construction component**, unless you request otherwise.

We will give you **notice** confirming any automatic change to a **variable component**.

#### Switching on request

If you have a **variable component**, you can ask us to change all or part of it to a **fixed component** at any time.

If you have a **fixed component**, you can ask us to change all or part of it to a **variable component**, or to a new **fixed component** (with a different **fixed interest rate** and/or **fixed term**), at any time. We may charge you **fixed rate break costs**.

If at any time you ask us to change all or part of your **table portion** to a **fixed component**, the interest rate applicable to the new **fixed component** will be our prevailing **fixed interest rate** for the relevant **fixed term** at the start of the new **fixed term**.

We will give you **notice** confirming any change to a **variable component** or a new **fixed component**.

## How can you increase your home loan?

### 22. How can you increase your home loan?

#### **Requesting an increase**

If you have at all times **complied with our terms**, you may apply to us to lend you a new **fixed component**, **variable component** or **revolving portion**. We will give you **notice** confirming any new **fixed component**, **variable component** or **revolving portion**.

If you have a **variable component** in your **table portion** and you have at all times **complied with our terms**, you may apply to us to increase your **variable component**. We will give you **notice** confirming any increase of your **variable component**.

If you have a **revolving portion** and you have at all times **complied with our terms**, you may apply to us to increase the **maximum credit limit** of your **revolving portion**. We will give you **notice** confirming any increase of the **maximum credit limit** of your **revolving portion**.

## How can you reduce the maximum credit limit of your revolving portion?

### 23. How can you reduce the maximum credit limit of your revolving portion?

#### **Reducing the maximum credit limit of your revolving portion**

You may ask us to reduce the **maximum credit limit** of your **revolving portion** at any time. We will give you **notice** confirming any reduction.

## How can you extend the term of your home loan?

### 24. How can you extend the term of your variable component?

#### **Extending the term of your variable component**

If you have a **variable component** in your **table portion** and you have at all times **complied with our terms**, you may apply to us to extend the **term** of your **variable component**. We will give you **notice** confirming any extension.

## 25. How can you extend the term of your revolving portion?

### Extending the term of your revolving portion

If you have a **revolving portion** and you have at all times **complied with our terms**, you may apply to us to extend the **term of your revolving portion**. We will give you **notice** confirming any extension.

We may, at our discretion, extend the **term of your revolving portion** at any time.

## What statements of account will you receive?

### 26. What statements of account will you receive?

#### Statements of account

If you have a **table portion**, then we will send you a statement at least every six months. If you have a **revolving portion**, then we will send you a statement at least every 45 days. The statements will show all the transactions on your **home loan** account since the previous statement. Generally, statements will be in printed form but at our discretion, and with your consent, we may provide your statements in electronic form.

## What about your right to cancel?

### 27. What about your right to cancel?

#### Cancelling before advance

If you decide to exercise your right to cancel your **home loan** in accordance with the Credit Contracts and Consumer Finance Act 2003, then you must pay us in cleared funds any application fee that has not been paid.

#### Cancelling after advance

If you decide to exercise your right to cancel your **home loan** in accordance with the Credit Contracts and Consumer Finance Act 2003 and we have advanced any moneys to you, you must pay us in cleared funds the total of the following:

- the outstanding balance of your **home loan**;
- any application fee that was not paid at drawdown; and
- interest calculated on the outstanding balance for each day that you hold the funds and until all amounts set out above are paid.

## What about the guarantor?

### 28. What about the guarantor?

#### Obligations of the guarantor

Any **guarantor** agrees to provide to us a **guarantee** of your obligations to us under your **home loan**. If a **guarantor** has already given to us a **guarantee** of your obligations to us, then by signing your **home loan agreement** that **guarantor** agrees that the existing **guarantee** extends to your obligations to us under your **home loan**.

## What else do you need to know?

### 29. What else do you need to know?

#### General legal things

Each person named as the "Borrower" in a **home loan agreement** is responsible for paying all **amounts owing** under your **home loan**. In other words, you will be jointly and individually liable.

All payments you are required to make to us under your **home loan documents** must be paid without any restriction or condition and, except to the extent required by law, without any deduction or withholding. However, if you or we are required by law to make any deduction or withholding, then the amount you are required to pay will be increased so that we receive and retain, free from liability, the amount we would have received if the deduction or withholding had not been made.

You must comply with all laws that affect you and your **property**.

The **home loan documents** shall be governed by and interpreted in accordance with New Zealand law.

All existing and future mortgages or other security or **guarantees** that we hold will secure the **amounts owing**.

You warrant that any information you, or someone on your behalf, supplied to us in connection with your **home loan** is true and complete and that you do not know of any important information that we do not have that might affect our decision to make your **home loan** available to you.

If you live or are intending to live outside New Zealand, or if you are not entitled to permanent residence in New Zealand, you must appoint an agent in New Zealand to accept **notices** on your behalf.

We may cancel your ability to borrow money if, between the date you have signed your **home loan agreement** and the date on which you want to borrow your **home loan**:

- something happens (whether by your actions or not) that we think impacts adversely on your ability to continue meeting your **home loan** obligations or any **guarantor's** ability to meet its **guarantee** obligations; or
- something happens (whether by your actions or not) that we think impacts adversely on the value of the **property**, any **mortgage**, any security or any **guarantee**, or our ability to enforce any **mortgage**, any security or any **guarantee**.

If your **home loan** has been borrowed for business or investment purposes, you agree that, to the extent permitted by law, the Credit Contracts and Consumer Finance Act 2003 does not apply to your **home loan** or any other services that we provide you.

We may give any information we hold about you to any assignee or transferee and any person we think should have it so that we can properly manage your **home loan** and protect our rights under the **home loan documents** and any **mortgage**, security or **guarantee**.

### **Limited liability trustees**

If we agree in writing that you are a limited liability trustee, then your liability to us under the **home loan documents** is limited only to the assets of the relevant trust. However, where we incur any loss as a result of breach of trust by you due to negligence, wilful default or dishonesty, this limitation of liability will not apply to you and you will be personally liable to us to the extent that the trust's assets do not satisfy all of the trust's obligations to us.

### **Assignment**

We may at any time assign or transfer our rights and obligations under the **home loan documents** to any person. If we do this, references to us in the **home loan documents** will be read as references to the person to whom we have assigned or transferred our rights and obligations. But references to our **variable interest rates** in parts of the **home loan documents** that relate to calculation of interest or **fixed rate break costs** will still be read as references to Kiwibank's **variable interest rates**. Where we have assigned or transferred only some of our rights and obligations, references to us in parts of the **home loan documents** that contain rights and obligations that we have not assigned or transferred will still be read as references to Kiwibank.

## What do the words in bold mean?

**amounts owing:** means, at any time, the total amount of money you owe to us under your **home loan** or, as the context requires, under a component or portion of your **home loan**, including principal, interest, fees and **costs**.

**business day:** means any day other than a Saturday, Sunday or public holiday in Wellington.

**complying with our terms:** means complying with the **home loan documents**, any **mortgage**, any security, any **guarantee** and our **general terms**, and **complied with our terms** has a corresponding meaning.

**construction component:** means any component of your **table portion** specified in your **home loan agreement** as your construction component or, as the context requires, the outstanding balance under your **construction component** at any time.

**costs:** include all costs, losses (including indirect, economic and consequential losses), fees, expenses, claims, actions, suits, judgments, damages, interest, penalties, obligations or liabilities incurred in connection with the protection, enforcement or clarification of our rights in connection with your **home loan**, any **mortgage**, any security and/or any **guarantee**, including legal costs on a solicitor client basis and any receiver's costs and expenses.

**daily balance:** means the highest principal amount outstanding under your **home loan** on each day under a **table portion** or a **revolving portion** (or both) as the context requires.

**daily default rate:** means the **default rate** divided by 365.

**daily interest rate:** means the **interest rate** divided by 365.

**default rate:** means a rate that is 5% per annum above the highest **interest rate** applicable to any part of your **home loan** at the time that interest at the **default rate** is charged.

**disclosure date:** means the date referred to as the disclosure date in your **home loan agreement**.

**final borrowing date:** means the date specified in your **home loan agreement** as your final borrowing date for your **table portion** and/or your **revolving portion**.

**fixed component:** means any component of your **table portion** specified in your **home loan agreement** as your fixed component (being a component with a **fixed interest rate** for a **fixed term**) or, as the context requires, the outstanding balance under your **fixed component** at any time.

**fixed interest rate:** means our fixed interest rate for any **fixed term**.

**fixed rate break costs:** are described in section 18.

**fixed rate lock option:** means an arrangement under which we agree that a **fixed component** will be subject to the **fixed interest rate** specified in your **fixed rate lock option agreement** or any lower **fixed interest rate** for the relevant **term** that is applicable on the day you borrow it, provided that you borrow by the expiry date set out in the **fixed rate lock option agreement**.

**fixed rate lock option agreement:** means any Kiwibank Fixed Rate Lock Option Agreement between you and us (as changed, updated or replaced).

**fixed term:** means the period for a **fixed component** from the first date on which we lend you money under the **fixed component**, as specified in your **home loan agreement**.

**general terms:** means the Kiwibank General Terms and Conditions for personal banking (as changed, updated or replaced), if you are a personal banking customer, or the Kiwibank General Terms and Conditions for business banking (as changed, updated or replaced), if you are a business banking customer.

**guarantee:** means any guarantee (as changed, updated or replaced) given by a **guarantor** guaranteeing your obligations to us under the **home loan documents**.

**guarantor:** means any person named as a guarantor in a **guarantee**.

**home loan:** means the home loan we agree to make available to you which is made up of a **table portion** and/or a **revolving portion**, as specified in your **home loan agreement**.

**home loan agreement:** means any Kiwibank Home Loan Agreement between you and us (as changed, updated or replaced).

**home loan documents:** means your **home loan agreement**, **these terms** and any document we give you changing the terms and conditions of your **home loan**.

**interest only period:** means any interest only period specified in your **home loan agreement**.

**interest rate:** means the annual interest rate or rates specified in your **home loan agreement**.

**maximum credit limit:** means the amount specified in your **home loan agreement** as the maximum credit limit for your **revolving portion**.

**mortgage:** means any mortgage specified in your **home loan agreement** as securing your obligations to us under your **home loan agreement** (as changed, updated or replaced).

**notice:** letting you know about something by public notice, press release, notice in Kiwibank's branches or at [www.kiwibank.co.nz](http://www.kiwibank.co.nz), mail to your last known address, or otherwise as we see fit.

**payment account:** means the account from which we deduct all of your regular payments as specified in your **home loan agreement** and all other **amounts owing** at any time.

**property:** means any property over which we have security, including property the subject of the **mortgage**.

**regular payment date:** means each date on which you are required to make a payment in accordance with your **home loan agreement**.

**repayment holiday:** means the period during which we may allow you to stop making regular payments of principal and interest on your **home loan**.

**revolving portion:** means any portion of your **home loan** specified in your **home loan agreement** as your revolving portion or, as the context requires, the outstanding balance under your **revolving portion** at any time.

**table portion:** means any portion of your **home loan** specified in your **home loan agreement** as your table portion or, as the context requires, the outstanding balance under your **table portion** at any time.

**term:** means the period for a component of your **table portion** or for your **revolving portion** from the date you borrow under that component or portion until all **amounts owing** under that component or portion are due for repayment, as specified in your **home loan agreement**.

**these terms:** means these Kiwibank Home Loan Terms and Conditions (as changed, updated or replaced).

**variable component:** means any component of your **table portion** specified in your **home loan agreement** as your variable component (being a component with a **variable interest rate**) or, as the context requires, the outstanding balance under your **variable component** at any time.

**variable interest rate:** means our variable interest rate for home loans which we may change at any time.

**kiwi** bank It's ours

You can contact us:

From within New Zealand on

**0800 272 278**

From overseas on

**+64 4 473 1133**

On [service@kiwibank.co.nz](mailto:service@kiwibank.co.nz)

**Customer services:**

Monday to Friday 8am-8pm

Saturday 8am-5pm

**Emergency services:**

24 hours, 7 days a week

**Internet, mobile and phone banking:**

24 hours, 7 days a week

**[www.kiwibank.co.nz](http://www.kiwibank.co.nz)**

Kiwibank Limited, Private Bag 39888,  
Wellington 5045