

## LOAN CONTRACT – PPSA - FLAT

(This Loan Contract comprises the Initial Disclosure required by Section 17 of the Credit Contracts and Consumer Finance Act 2003)

1. **DATE**
2. **LENDER** **WAIRARAPA BUILDING SOCIETY** duly incorporated under the Building Societies Act 1965 and having its registered office at 75 Queen Street, Masterton and its successors and assigns (called "the Lender").
3. **BORROWER**  
(called "the Borrower")
4. **GUARANTOR**  
Not Applicable  
(called "the Guarantor")
5. **IN CONSIDERATION** of the advance by the Lender to the Borrower (at the Guarantor's request) of the Principal Sum or loan/credit provided by the Lender, the Borrower covenants with the Lender as set out in the Security Agreement over the property required by this Loan Contract and the Guarantor confirms that the Guarantee on the part of the Guarantor contained in the Security Agreement includes the moneys payable under this Security Agreement Loan Contract (called "this Loan Contract"). The Borrower and Guarantor (where applicable) UNDERTAKE to repay the Principal Sum and interest thereon at the times and in the manner provided by this Loan Contract and on the terms and conditions set forth in this Loan Contract and in the Security Agreement.
6. **AMOUNT OF THE LOAN/CREDIT** **Up to \$**  
the receipt of which sum is hereby acknowledged.
7. **DISBURSEMENT OF LOAN**  
Establishment Fee  
Net Advance  
**TOTAL – Up to** **\$**
8. **PURPOSE** The net balance available is to be used to .
9. **LOAN AVAILABLE ON**
10. **ORDINARY INTEREST RATE** % per annum
11. **PENALTY INTEREST RATE** % per annum
12. **INTEREST REST PERIOD** Any period of one month ending on the last day of the month.
13. **TERM OF LOAN** The loan is repayable On Demand but pending Demand the term of the loan is for a period of
14. **PAYMENTS REQUIRED:**
  - 14.1 Interest only payments are required for the term of the loan.
  - 14.2 The Lender will inform the Borrower by monthly statement, on the first day of each month, of the amount of interest payable. Payment is required by the 7<sup>th</sup> day of the month following the month in which the interest was charged.

Initials \_\_\_\_\_

14.3 The principal sum and any interest outstanding shall be paid at the end of the Term of Loan shown above.

14.4 Payments are to be made at the offices of the Lender at 75 Queen Street, Masterton, or otherwise as directed by the Lender in writing.

**15. METHOD OF INSTALMENT PAYMENT** An automatic payment authority/Direct Credit/  
An automatic transfer from WBS Account No  
unless otherwise requested by the Lender in terms of  
this Contract.

**16. LOAN ACCOUNT NAME & REFERENCE** Other Loan

**17. SECURITY**

A Security Agreement on the Lender's form over the property of the Borrower (or the Guarantor) being  
such Security Agreement to be registered under the Personal Property Securities Act 1999.

Or

A Security Agreement, Set-off and Security Interest in Savings and Investment Accounts over WBS Term Investment held to the credit of the Borrower, , with the Lender, such Security Agreement to be registered under the Personal Property Securities Act 1999.

**18. POWER TO ALTER INTEREST RATES**

18.1 The Lender may at any time and from time to time upon giving not less than one month's written notice of its intention to do so, alter the Ordinary Interest Rate and/or the Penalty Interest Rate and may as a consequence of any alteration in the Ordinary Interest Rate alter the Instalment Amount.

18.2 If the alteration is an increase, the alteration shall not take the Ordinary Interest Rate, or the Penalty Interest Rate above the Ordinary Interest Rate or the Penalty Interest Rate (as the case requires) commonly charged by the Lender at the time of the alteration in respect of new loans which the Lender considers to be of the like kind as the loan or loans secured by the Debenture and Instrument by Way of Security. The decision of the Lender's Board of Directors as to what are the rates so charged shall be final and conclusive.

18.3 As from the date when any alteration takes effect, references to and covenants relating to Ordinary Interest rate, Penalty Interest Rate, Instalments and the Instalment Amount shall be construed and have effect as references to and covenants relating to the Ordinary Interest Rate, Penalty Interest Rate, Instalments and Instalment Amount as altered.

18.4 The power to alter interest rates under clause 19.1 will not apply during any period in respect of which the lender has agreed in writing that the Ordinary Interest Rate will be fixed for that period.

**19. SPECIAL CONDITIONS**

19.1 Subject to Clause 24 lump sum repayments may be made at any time during the term of the loan either in part or in full without penalty.

**20. PAYMENT OF PRINCIPAL SUM AND INTEREST**

20.1 The Borrower will pay the Principal Sum to the Lender in the manner hereinbefore set out.

- 20.2 Where this contract provides for payments on account of principal and interest then the payments received by the Lender during an interest period shall be applied on the interest date upon which such interest period expires first in or towards interest payable and secondly in reduction of the Principal Sum.
- 20.3 If the Borrower fails to make any payment required by any of the terms of this contract or by the terms of the Security Agreement then the Borrower must pay default interest on any such payment that is not paid when due. For this purpose Default interest is charged at the rate of interest shown as the "**PENALTY INTEREST RATE**" on page 1 of this Deed, is charged at that rate on the amount that has not been paid, calculated on a daily basis from the time that the payment should have been made until the day that it is actually paid by the Borrower, and is payable on demand.
- 20.4 All amounts payable by the Borrower shall be paid in such manner as the Lender may from time to time direct.
- 20.5 If the Lender obtains judgment against the Borrower for any sum payable pursuant to this Loan Contract or Security Agreement the Borrower shall pay to the Lender interest on the sum for which judgment is obtained at the penalty interest rate from the date of judgment until the date of payment of such sum, calculated on a daily basis as set out in clause 21.3.

## 21. RE-ADVANCE OF MONIES

Subject to the sole discretion of the Lender, the Borrower may apply to have re-advanced monies, which as a result of principal repayments in terms of this loan agreement, have reduced the amount owing by the borrower to less than the AMOUNT OF THE LOAN/CREDIT on page one of this contract, **provided** that the total amount outstanding following any re-draw will not exceed the AMOUNT OF THE LOAN/CREDIT on page one of this contract. Any such re-advance by the lender will be subject to the terms and conditions of this Loan Contract and any other conditions imposed at the time a re-advance is approved.

## 22. GOODS & SERVICES TAX (GST)

- 22.1 The Borrower undertakes that as at the date of execution of this Loan Contract the Borrower is registered for GST and that the property charged as security for this loan may be subject to GST upon its sale.
- 22.2 The Borrower's GST No. is **to be advised**.
- 22.3 The Borrower shall forthwith advise the Lender in writing should the Borrower terminate its registration with the Inland Revenue Department for GST Pursuant to the Goods & Services Tax Act 1985.
- OR
- 22.1 The Borrower undertakes that the Borrower is not registered for GST and that the property provided as security under this Contract (refer to Clause 17) is not subject to GST upon its sale.
- 22.2 The Borrower shall forthwith advise the Lender in writing should the Borrower become liable to be or become registered with the Inland Revenue Department for GST pursuant to the Goods & Services Act 1985. The Borrower will advise the Lender of the Borrower's GST registration number.
- 22.3 The Borrower shall forthwith notify the Lender should the property provided as security for this loan become part of a taxable activity such that GST would be payable on its sale.

**23. FEES**

- 23.1 The Lender shall be entitled to charge the fees that are set out in the Disclosure Statement, including in respect of the application for a loan; release fees, administration fees, and fixed interest rate break fees,
- 23.2 The Lender may vary or supplement the fees referred to in clause 24.1 from time to time in its discretion, and any fees which are not expressed to be payable to the Lender at a definite time are payable to the Lender on demand by it.
- 23.3 The decision of the Lender's Board of Directors as to what are the rates and fees so charged shall be final and conclusive.

**24. FULL OR PART PREPAYMENT**

If the loan or any part thereof is subject to a fixed rate of interest and is repaid prior to due date either in part or in full, then the Lender reserves the right to charge an early repayment fee. Such a fee is calculated as follows, either:

(a) the cost to WBS as determined by its interest rate swap counterparty;

OR (where there is **no** interest rate swap counterparty)

(b) the amount prepaid multiplied by the difference between the 90 day bank bill rate on the date of prepayment and the rate applying to your loan on the same date, divided by 100 and then multiplied by the number of days the loan had to go before the fixed rate applying to it expired.

Should either of the above result in a charge of \$200 or less, no charge will be made.

The above formula is **not** the formula prescribed in the Credit Contracts and Consumer Finance Regulations 2004 or the Credit Contracts and Consumer Finance Amendment Regulations 2004.

**25. LIEN**

When a person executes a Security Agreement or Loan Contract in favour of the Lender, the Lender shall have a first and paramount lien upon all moneys in respect of shares, deposits or other moneys standing to the credit of such person. In respect of any sum due and owing under such Security Agreement or Loan Contract, the Lender may at any time set off, appropriate use any such share moneys, deposits and other moneys for the credit or in reduction of the Security Agreement or Loan Contract and thereafter no interest shall be payable by the Lender upon moneys so appropriated.

**26. ACKNOWLEDGEMENTS**

- 26.1 The Borrower and Guarantor acknowledge:
- (a) That unless this loan offer is accepted within twenty one (21) days of the date hereof and the funds uplifted within sixty (60) days of the date from which the loan is available, this loan offer will lapse.
- (b) That this Loan Contract is conditional upon the satisfaction of the conditions (if any) stipulated by the Lender and communicated to the Borrower or the Borrower's Solicitor. The decision of the Lender's Board of Directors as to what conditions have still to be satisfied shall be final and conclusive.

- (c) That the information supplied to the Lender is accurate and may be relied upon and acknowledge that the Lender may cancel this contract at any time prior to settlement in the event of the discovery of any errors or omissions which in the opinion of the Lender materially affects their decision to agree to lend.
- (d) The moneys hereby secured include the moneys expressed in the Security Agreement, together with all moneys which the Lender is liable to pay or advance to or for the Borrower or which the Lender has already lent, paid or advanced to or for the Borrower or moneys due or owing or unpaid to the Lender by the Borrower or the Guarantor on any account and howsoever arising and including contingent liabilities or in respect of any Guarantee or indemnity given to the Lender for the Borrower or at the Borrower's request and whether or not as principal debtor or surety.
- (e) That this Loan Contract contains all the terms and conditions relevant to the moneys payable under this Loan Contract.
- (f) That they have received a copy of this Loan Contract on or before the same date as this Loan Contract has been executed, and before signing by them.
- (g) That they have received a copy of the completed Security Agreement on or before the same date as this Loan Contract has been executed, also before signing by them.
- (h) That they have received, understood and accepted the Disclosure Statement relating to this loan and provided in accordance with the Credit Contract and Consumer Finance Act 2003 before signing by them.

**27. DISBURSEMENT**

The funds will be made available to the Borrower on the execution of all documents required under this Contract.

**THIS CONTRACT WILL LAPSE IF NOT ACCEPTED WITHIN 21 DAYS OF THE DATE HEREOF**

**DATED** the \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_\_

**SIGNED** by the Borrower

\_\_\_\_\_

and

\_\_\_\_\_

in the presence of:

\_\_\_\_\_  
Name of Witness

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Town

Initials \_\_\_\_\_

**SIGNED** by the Guarantor

and

in the presence of:

\_\_\_\_\_  
Name of Witness

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Town