

ACCOUNT



TERMS AND CONDITIONS

Effective June 2017

CONTENTS

1. Purpose of these Terms and Conditions

The purpose of these Terms and Conditions.....	1
Status of these Terms and Conditions.....	1
Alteration of these Terms and Conditions.....	1
Consumer Guarantees Act – Personal Use Only.....	1
Relationship between New Zealand Home Loans, Sovereign and Mortgage Holding Trust Company Limited.....	1
Mistakes and Discrepancies.....	2

2. Glossary

ASB.....	2
ATM.....	2
Automatic Payments.....	2
Bill Payments.....	2
Conversion Rate.....	2
Customer Care Representatives.....	2
Direct Credits.....	2
Direct Debits.....	2
eCheque.....	3
EFTPOS.....	3
Identity Password.....	3
IRD.....	3
Letter of Offer.....	3
New Zealand Home Loans.....	3
New Zealand Home Loans Card.....	3
New Zealand Home Loans Phone Service.....	3
New Zealand Home Loans Phone Service ID Code.....	3
NetCode.....	3
nzhlonline.....	3
Offshore Service Margin.....	4
Overseas Withdrawal.....	4
PIN.....	4
Redraw.....	4
Required Balance.....	4
Service Fees.....	4
Sovereign.....	4
Transaction Fees.....	4
Transaction Listing.....	4
We/Us/Our.....	4

3. Terms and Conditions

Accounts.....	5
Your New Zealand Home Loans Accounts.....	5
Opening a New Zealand Home Loans Account.....	5
General Terms.....	5
Closing your New Zealand Home Loans Account.....	6
Forms.....	6
Identification.....	6
Statements and Transaction Listings.....	6
PIN Numbers, New Zealand Home Loans Phone Service ID Code and Identity Passwords – selection and safekeeping.....	7
Suspension of Operation of your New Zealand Home Loans Account.....	7
Effect of Suspension of Operation.....	8
Court Orders.....	8

Reversal of Funds.....	8
Joint Accounts	9
Authorising others to operate your Accounts	10
Fees.....	10
Notices.....	10
4. Deposits	
Fixed Rate New Zealand Home Loans Accounts.....	11
Floating rate New Zealand Home Loans Accounts.....	11
5. Redraw	
What is Redraw?	12
How to Redraw	12
6. Electronic Payments	
General	13
Automatic Payments	13
Bill Payments	14
Direct Debits.....	15
Direct Credits.....	15
eCheques.....	15
IRD Payments	15
7. New Zealand Home Loans Card	
General	16
The New Zealand Home Loans Card	16
Safeguard your Card and PIN	16
Replacement Card.....	17
Use in New Zealand.....	17
Overseas ATM Withdrawals.....	17
Termination of the New Zealand Home Loans Card.....	17
8. New Zealand Home Loans Phone Service	
General	18
Automated Phone Banking	18
Notification of Loss of PIN, New Zealand Home Loans Phone Service ID Code, Identity Password or PIN Disclosure.....	18
9. Liability for Loss	
Maximum Liability.....	19
No Liability for Losses following Notification.....	19
Liability for Loss Contributed to by You	19
Liability in the Cases of Fraud or Negligence by You.....	19
Defining Contribution to Loss.....	19
Liability in the Cases of Fraud or Negligence by You.....	20
Our Liability to You.....	20
10.nzhlonline	
General	20
11. Confidentiality of your Information	
General	21
12. Customer Declaration	
.....	24

1. Purpose of these Terms and Conditions

The purpose of these Terms and Conditions

These Terms and Conditions, together with any relevant product brochures and application forms, govern the use and operation of your New Zealand Home Loans account. It is important for you to carefully read, understand and keep these Terms and Conditions as they outline the rights, obligations and responsibilities for both you and us when opening and operating your New Zealand Home Loans account and using the New Zealand Home Loans services offered by us.

Status of these Terms and Conditions

These Terms and Conditions are in addition to your New Zealand Home Loans Standard Terms and Conditions, which are, or will be, provided to you with your New Zealand Home Loans Agreement and Mortgage. If there is any conflict between these Terms and Conditions and the New Zealand Home Loans Standard Terms and Conditions, the New Zealand Home Loans Standard Terms and Conditions shall prevail.

Alteration of these Terms and Conditions

We may alter these Terms and Conditions at any time. When informing you of a variation we will:

- (i) give at least 14 days notice of such variation, and
- (ii) communicate such changes, either by direct communication or by notice in the media (including public notices).

Changes to these Terms and Conditions will also be noted on our website.

We also reserve the right to vary, change or withdraw a product, service or brochure at any time.

We may change our interest rates at any time without notice. We will communicate such changes to you in accordance with (ii) above.

Consumer Guarantees Act – Personal Use Only

Regardless of any other term or condition, we acknowledge that the Consumer Guarantees Act 1993 overrides the provisions of these Terms and Conditions and we agree to be bound by the provisions of that Act, and will compensate you for reasonably foreseeable losses directly attributable to our negligence or willful default.

However, should you use your New Zealand Home Loans account for the purposes of a business, the provisions of the Consumer Guarantees Act will not apply.

Relationship between New Zealand Home Loans, Sovereign and Mortgage Holding Trust Company Limited

New Zealand Home Loans arranges home loans and provides customer service on those home loans, which are provided by Sovereign as a distributor of Mortgage Holding Trust Company Limited. Mortgage Holding Trust Company Limited is a member of the ASB group of Companies.

You must have a New Zealand Home Loans home loan before you can open and operate a New Zealand Home Loans account – this account facility is provided by ASB Bank Limited and records all transactions relating to your home loans.

Mistakes or Discrepancies

If at any time you are not happy with the operation of your New Zealand Home Loans account you should contact a Customer Care Representative on 0800 500 173. If after speaking with one of our Representatives you are not satisfied, you should contact a member of the New Zealand Home Loans Management Team by calling 0800 363 330.

If you remain dissatisfied with the way your complaint about the operation of your account has been handled and are unable to gain a satisfactory resolution, then you can refer the matter to **our nominated** Disputes Resolution Service. From November 2010 New Zealand Home Loans will be a member of the Financial Disputes Resolution (FDR) scheme, the contact details for which are Freephone 0508 337 337, or Freepost 231075, P.O. Box 5730, Wellington 6145.

2. Glossary

ASB

Means ASB Bank Limited.

ATM

Automatic Teller Machines (ATM) which you can use to access your New Zealand Home Loans account.

Automatic Payments

Arrangements by which you instruct us to make regular payments for a fixed sum from your specified floating rate New Zealand Home Loans account into another bank account.

Bill Payments

Arrangements by which you authorise payments to be made directly from your floating rate New Zealand Home Loans account into another bank account. Once a payment authority is set up (either from a list of pre-assigned payees, or as a self-selected payee) you can use the Bill Payment option to make one-off payments to any of your authorised payees. Bill Payments can be authorised by you for same day payments or payments at a future date.

Conversion Rate

Means the exchange rate selected by Visa, from within a range of wholesale exchange rates available or, if applicable, the government-mandated rate. In either case the exchange rate will be selected on the date that Visa, converts the currency on the Overseas Withdrawal, which may differ from the date on which the Overseas Withdrawal itself occurred.

Customer Care Representatives

These are the people you will speak to when you call New Zealand Home Loans. They can answer any questions you have about your home loan or your New Zealand Home Loans account. Customer Care Representatives are available during normal business hours by phoning 0800 500 173.

Direct Credits

Arrangements by which you receive regular payments, such as your salary, by direct lodgement to your floating rate New Zealand Home Loans account.

Direct Debits

Arrangements by which, with your authority, automated payments can be made directly from your floating rate New Zealand Home Loans account or another bank account specified. The amounts can be fixed or variable.

eCheque

eCheque is the service within nzhlonline that enables you to make one-off payments to another person at any New Zealand trading bank.

EFTPOS

Means Electronic Funds Transfer at Point Of Sale, which is a method of payment by which you can purchase goods and services via your New Zealand Home Loans Card and / or obtain cash at the vendor's discretion.

The transaction is usually debited immediately to your floating rate New Zealand Home Loans account.

Identity Password

This is your selected password that is recorded with your information to assist us to confirm your identity when you submit a request to make a transaction. Your Identity Password must be kept confidential to prevent unauthorised access to and use of your New Zealand Home Loans account(s) and personal information. You must take care to safeguard your Identity Password.

IRD

Means the Inland Revenue Department.

Letter of Offer

This is the letter sent or faxed by us containing our approval of your application for a home loans and containing the terms of our offer.

New Zealand Home Loans

Means New Zealand Home Loans Company Limited and includes any of its related companies as defined in the Companies Act 1993.

New Zealand Home Loans Card

A debit card, which enables you to access your New Zealand Home Loans account via an ATM, or purchase goods and services using EFTPOS where funds are debited directly from your floating rate New Zealand Home Loans account. Daily limits apply, which are subject to change.

New Zealand Home Loans Phone Service

New Zealand Home Loans fully automated telephone banking system available by dialling 0800 257 257.

New Zealand Home Loans Phone Service ID Code ("ID Code")

You personally will be issued with or may be required to select your own New Zealand Home Loans Phone Service ID Code to enable you to access your New Zealand Home Loans account(s). Your New Zealand Home Loans Phone Service ID Code must be kept confidential to prevent unauthorised access to and use of your New Zealand Home Loans account(s) and personal information. You must take care to safeguard your New Zealand Home Loans Phone Service ID Code.

NetCode

This is a code that is automatically sent to your mobile phone when you submit a request to make large transaction(s) via nzhlonline such as an automatic payment or bill payment.

nzhlonline

New Zealand Home Loans internet site at www.nzhlonline.co.nz.

nzhlonline is New Zealand Home Loans security encrypted area where you can carry out your banking via the Internet.

Offshore Service Margins

Means the margin charged by ASB when you use your card to perform any Overseas Withdrawal.

Overseas Withdrawal

This is when you use your New Zealand Home Loans Card to make cash withdrawals from overseas ATMs.

PIN

Means the personal identification number which you may have selected for your New Zealand Home Loans Card which allows you access to transactions made using your New Zealand Home Loans Card through an ATM or EFTPOS terminal.

Redraw

Is the amount of funds available for you to redraw from your floating rate New Zealand Home Loans account from time to time as provided in the Redraw section of these Terms and Conditions.

Required Balance

Means the balance which your New Zealand Home Loans account would be at any time if only your required loan repayments had been made on each due date and no other additional deposits to, withdrawals from or fee charges had been made to your New Zealand Home Loans account.

Service Fees

Service fees are fees that are charged for services relating to your New Zealand Home Loans account. These are not transaction fees or base fees. An example of service fees are replacement New Zealand Home Loans Card fees.

Sovereign

Means Sovereign Financial Services Limited and includes any of its related companies as defined in the Companies Act 1993.

Transaction Fees

Transaction fees are fees that are charged for the usage of a New Zealand Home Loans account. You may be charged differing amounts depending on the type of transaction that you perform.

Transaction Listing

You may upon request obtain a transaction listing for your New Zealand Home Loans account. This is not a statement, as it will not show full details of everything that has occurred on your New Zealand Home Loan account(s).

We/Us/Our

Means New Zealand Home Loans, Sovereign, Mortgage Holding Trust Company Limited and also ASB Bank Limited to the extent necessary as the provider of the account for your New Zealand Home Loan account(s).

3. Terms and Conditions

ACCOUNTS

Your New Zealand Home Loans Accounts

The structure of your Home Loan(s) will determine which home loans account(s) you can open and operate. You can have either or both of the following types of New Zealand Home Loans account(s):

- a transactional account if you have a floating rate home loan(s). This means you can conduct banking transactions and Redraw from your floating rate New Zealand Home Loans account as provided in these Terms and Conditions; and / or
- a non-transactional account if you have a Fixed Rate home loan(s). You cannot Redraw from a Fixed Rate New Zealand Home Loans account.

Opening a New Zealand Home Loans Account

Before you can open a New Zealand Home Loans account, you must have a New Zealand Home Loans home loan and return to us your signed acceptance of our Letter of Offer in which you:

- gave us authorisation to open your New Zealand Home Loans account; and
- acknowledged that these Terms and Conditions apply to your New Zealand Home Loans account; and
- agreed that by your use and operation of your New Zealand Home Loans account, you accepted these Terms and Conditions; and
- agreed that one signatory only may authorise transactions on your New Zealand Home Loans account even though it may be a joint account.

GENERAL TERMS

We reserve the right to decide not to provide credit or a product or service to you and we do not need to provide a reason should any application, credit, product or service be declined.

We may determine the order of priority of all payments and transactions from your New Zealand Home Loans account. Payments may be declined or reversed if there are insufficient funds in your New Zealand Home Loans account or for other reasons. Funds may not be available for you to withdraw until the payment is cleared.

We may (but need not) honour any payment authority or transaction where this may result in the balance of your New Zealand Home Loans account exceeding the Required Balance. If this occurs, we may charge default interest to your New Zealand Home Loans account in accordance with the provisions of the New Zealand Home Loans Standard Terms and Conditions.

If a loan repayment or other money is due but unpaid, whether it is owed alone or with others, we may without prior notice and in whatever order we choose, apply any Redraw funds of yours towards that unpaid amount. For this purpose we may transfer available Redraw funds from a floating rate New Zealand Home Loans account to your Fixed Rate New Zealand Home Loans account or another floating rate New Zealand Home Loans account.

We are not obliged to accept or verify compliance with conditional instructions or credits requested by you for any specific purpose. You cannot assign, mortgage or charge any rights you may have in any New Zealand Home Loans account, including credit balances, except in favour of us, or where you have obtained our prior written consent.

If we receive or hold any item or document for you for any purpose whatsoever, we have a lien over that item or document as security for any amount you may owe us.

Closing your New Zealand Home Loans Account

Unless otherwise agreed with you, we may close your New Zealand Home Loans account when the security for your New Zealand Home Loans is discharged by us. Any credit balance to your New Zealand Home Loans account at the time of closure will be paid to you in accordance with your directions.

Forms

When using your New Zealand Home Loans account or any service provided by us, you may be required to complete or use New Zealand Home Loans standard forms, or forms approved by New Zealand Home Loans, for the account or service.

Identification

You will be required to provide proof of your identity and address to open a New Zealand Home Loan account and, at other times for example, when you withdraw certain amounts out of your account.

You may be required to provide us with further information about you and relating to the operation of your accounts from time to time.

Statements and Transaction Listings

You should check all your entries on all your New Zealand Home Loans statements and transaction listings and you must report any apparent errors or transactions you have not authorised to us as soon as possible. We will investigate any notified discrepancies and advise you of the outcome.

Transactions processed outside normal business hours may not appear on your statement or be included in your New Zealand Home Loans account balance until the day after the next business day.

nzhlonline offers the ability for you to view your accounts statements online.

When funds become available may depend on a number of factors including the type of payment used and / or whether the payment was made on a non-business day or after banking hours. Uncleared funds or unverified funds may be included in your New Zealand Home Loans account balance however they will not be available for Redraw from your floating rate New Zealand Home Loans account until cleared or verified. If, at any time, we permit you to Redraw against uncleared funds, we are providing credit and will require to be repaid (including interest and charges) if the payments made into your account are reversed out.

PIN Numbers, New Zealand Home Loans Phone Service ID Code (“ID Code”) and Identity Passwords – selection and safekeeping

Where you are required to select your own PIN number, ID Code or Identity Password, you should choose a number that you will be able to remember easily. You must not choose unsuitable numbers such as:

- (i) birth dates, months or years; (ii) sequential numbers (e.g. 3456);
- (iii) number combinations that may be easily guessed (e.g. 1111);
- (iv) parts of your telephone number; (v) parts of numbers in the order in which they are printed on your New Zealand Home Loans Card;
- (vi) other easily accessible personal data (e.g. driver’s licence or other numbers easily connected with you).

You must safeguard your PIN number, ID Code and Identity Password. For instance you must: (i) never tell anyone (including Police, staff or your family) your PIN or ID Code. You must not tell anyone your Identity Password apart from Customer Care Representatives for the purpose of assisting us to identify you; (ii) memorise your PIN, ID Code and Identity Password; (iii) not write down or record your PIN, ID Code or Identity Password anywhere; (iv) take care to ensure no-one can see you enter your PIN at ATMs or when using EFTPOS or hear you disclose your ID Code when using the New Zealand Home Loans Phone Service; (v) and report the disclosure or possible disclosure of your PIN, ID Code or Identity Password as

soon as you are aware or suspect your PIN, ID Code or Identity Password has been disclosed; (vi) ensure any authorised signatories on your New Zealand Home Loans Account keep their own PIN, ID Code and Identity Password secure. In addition, you should consider using a different PIN and different passwords for different cards or equipment or other facilities.

You must advise New Zealand Home Loans Customer Care Team immediately if you suspect someone else may know your PIN numbers, Identity Password and/or New Zealand Home Loans Phone Service ID Code.

Suspension of Operation of your New Zealand Home Loans Account

We may refuse to carry out a payment instruction or other transaction on your account or suspend operation of your New Zealand Home Loan account if:

- we learn of your death, other lack of legal capacity, or you have been adjudicated bankrupt, or bankruptcy proceedings are pending or contemplated;
- there are insufficient funds to cover payment instructions given;
- we are notified by any party to the account of a dispute over either the ownership of funds or the operation of the account;
- to protect one or all of the parties to the account, us or a third party who has reasonably claimed an interest in the account;
- if we reasonably believe or suspect that carrying out your instruction will give rise to a cause of action against us;
- if we reasonably believe you or someone else has used or is using or obtaining, or may use or obtain a service or money illegally or fraudulently;
- if there is a legal requirement, or a court or other authority tells us to act in that way;

- if you or any other person you authorise to operate your account do not meet our identification requirements at any time;
- if we reasonably believe that you or payments into or out of your account are subject to a New Zealand or international sanction regime;
- we consider we have other reasonable grounds to do so.

and we may charge your New Zealand Home Loans account for any costs and expenses we incur in connection with any of these matters.

When operation of an account is suspended, we will advise all account holders as soon as possible.

Effect of Suspension of Operation

Any suspension of operation of your New Zealand Home Loans account will not affect your liability for repayment of your home loans and you must ensure that you continue to have sufficient funds in your home loans account to meet your minimum loan repayments as these may continue to be deducted from your New Zealand Home Loans account.

Interest will continue to accrue on the outstanding balance of your New Zealand Home Loans account and be charged to your home loans account in accordance with the New Zealand Home Loans Standard Terms and Conditions.

You will not be able to Redraw funds if operation of your floating rate New Zealand Home Loans account is suspended. Deposits into your New Zealand Home Loans account may still be received by us even if your account is suspended.

Court Orders

We must comply with the terms of any Court Order to us regarding your New Zealand Home Loans account. We will not be liable for any loss suffered by you as a result of our acting in accordance with any Court Order.

Reversal of Funds

If we believe that you have:

- received a payment into your account and then transferred that payment, knowing (or you should have known) that the payment into your account was not made by the true owner of the funds;
- acted fraudulently or negligently;
- acted in way which causes us loss resulting from unauthorised access to your accounts;

we may, without prior notice take money from your account for the value of the payment we may use any money you have in any of your accounts with us to make this payment.

There may be other circumstances where we may reverse payments paid into your account, such as when we or the other bank involved have made an error.

Joint Accounts

Two or more customers may open a joint New Zealand Home Loans account with us so long as you and the other joint account holders agree that any one of you is authorised to operate the New Zealand Home Loans account.

Transactions made from a joint New Zealand Home Loans Account may be authorised by one of the joint account holders. Each joint account holder must separately register for their New Zealand Home Loans Card, New Zealand Home Loans Phone Service and nzhlonline and have separate and different PIN numbers, New Zealand Home Loans Phone Service ID Codes and Identity Passwords.

Unless a cheque is crossed "Not Transferable" or "Account Payee Only", we are authorised to accept from any person for credit of a joint New Zealand Home Loans account any cheque or other payment in favour of any one or more of the joint account holders.

If a dispute occurs between joint account holders, we may suspend operation of the New Zealand Home Loans account until we receive notice in writing to our satisfaction from all joint account holders that a resolution has been reached. We may accept instructions from any one signatory to suspend operation of a joint New Zealand Home Loans account.

If we receive contradictory instructions from joint account holders, we may refuse to act on any or all such instructions.

Unless otherwise agreed by us in writing, all joint account holders are liable both individually and together in respect of any amount owing to us on that New Zealand Home Loans account. This means that any one of you may be required to pay all the money that is owed on any joint New Zealand Home Loans account.

If one joint account holder should die, the surviving account holder(s) are granted full authority to operate the New Zealand Home Loans account. Any liability of a joint account holder to us will not however be discharged on the death of that person.

We may, but are under no obligation to, accept instructions from any one joint account holder to close a joint New Zealand Home Loans account. Alternatively, we may require authority from all account holders on a joint New Zealand Home Loans account before acting on instructions to close the New Zealand Home Loans account.

All other changes requested affecting the general operation of a joint New Zealand Home Loans account may be actioned upon the authority of any one of the joint account holders.

Authorising others to operate your accounts

- You may authorise someone else to operate your account by signing an authority to operate or a power of attorney. For powers of attorney, we will need to see the original signed document or a copy of the original certified by a solicitor or a Justice of the Peace in New Zealand.
- Any person you authorise to operate your account will be required to provide proof of their identity and address.
- Any authority to operate you give will continue until you tell us otherwise in writing.
- In certain circumstances, the law may require us to allow someone else to operate your account (for example, if you become incapable or bankrupt, or in the event of your death), and any authority to operate or powers of attorney you have given may become ineffective.
- For security reasons, we may not allow a person who is operating your account to electronically operate your nzhlonline account.
- We will not be responsible for an act (or failure to act) of anyone, you or the law authorise to operate your account.

Fees

We may impose fees (including transaction fees and service fees) and charges for services provided in connection with any New Zealand Home Loans account and you authorise us to charge your New Zealand Home Loans account with the amounts due for all fees, and charges. We reserve the right to vary any fees and charges at any time.

You also authorise us to charge to your New Zealand Home Loans account any costs incurred or associated with the collection of amounts overdue for payment on any New Zealand Home Loans account (including tolls, insurance premium arrears, council rates arrears, collection agents cost and legal fees on a solicitor/own client basis).

We may charge your New Zealand Home Loans account with any taxes, Government fees and charges payable.

We may debit fees, charges and costs incurred to your New Zealand Home Loans account even if this results in the balance of your New Zealand Home Loans account exceeding the Required Balance and we may charge default interest to your New Zealand Home Loans account in accordance with the provisions of the New Zealand Home Loans Standard Terms and Conditions.

Details of fees and charges payable from time to time can be found in our current brochures, or by phoning a Customer Care Representative.

Notices

All notices or queries to us must be made to New Zealand Home Loans either by telephoning a Customer Care Representative during normal business hours on 0800 500 173 or by writing to New Zealand Home Loans at:
New Zealand Home Loans, PO Box 33 845, Takapuna, Auckland 0740.

4. Deposits

Fixed Rate New Zealand Home Loans Accounts

You can only make your regular loan repayments into your Fixed Rate New Zealand Home Loans account by direct debit. Refer to the Electronic Payments section for further terms and conditions regarding direct debits.

Floating rate New Zealand Home Loans Accounts

We will accept deposits into your floating rate New Zealand Home Loans account in the following ways:

- **By Post:** Send a cheque (crossed "Not Transferable" for security purposes) made payable to the floating rate New Zealand Home Loans account holder, together with written instructions detailing the floating rate New Zealand Home Loans account number that the cheque is to be deposited into, and post directly to New Zealand Home Loans.
- **Electronically:** Set up an Automatic Payment, an eCheque, a Direct Credit or a Bill Payment to deduct funds from another floating rate New Zealand Home Loans account or an account at another bank and deposit them to your specified floating rate New Zealand Home Loans account.
- **ATM:** Use your New Zealand Home Loans Card to deposit funds (except coinage) of an amount under \$10,000 into your floating rate New Zealand Home Loans account through any lobby ATM within an ASB branch. Some ASB ATM machines do not have the deposit option.
- **Over the counter:** Visit an ASB branch and deposit funds together with written instructions detailing the floating rate New Zealand Home Loans account number. You may be charged a fee by ASB to accept your deposit over the counter.
- **Transfer:** Phone New Zealand Home Loans or become a registered user of New Zealand Home Loans Phone Service or nzhlonline and transfer funds from one floating rate New Zealand Home Loans account to another.

All deposits made by ATM are subject to verification as to the amount by us. We may amend any discrepancy and you will be advised of any such discrepancy and amendment.

Until we have verified your deposit or obtained clearance of any cheque deposited into your floating rate New Zealand Home Loans account, you have no entitlement to Redraw against such deposits.

We may require you to provide proof of your identity, address and where the cash has come from where the amount you pay into your account is over certain limits set by us.

Where someone else pays cash into your account and the amount is over certain limits set by us, they will be required to provide proof of their identity, address and where the cash has come from. We may not allow you to use the cash or we may not accept the payment, until this proof has been provided.

5. Redraw

(only available for floating rate New Zealand Home Loans Accounts)

What is Redraw?

If at any time the actual balance of your floating rate New Zealand Home Loans account is less than the Required Balance, then you may redraw the difference.

Your New Zealand Home Loans statement will show the "Actual Balance" of your floating rate New Zealand Home Loans account, the "Required Balance" of your floating rate New Zealand Home Loans account and the "Funds Available for Redraw" as at the last day of your statement period. The amount of "Funds Available for Redraw" will vary subsequent to that date, as deposits and withdrawals are made to and from your floating rate New Zealand Home Loans account.

How to Redraw

You can Redraw funds from your floating rate New Zealand Home Loans account in the following ways:

- **ATM:** Use your New Zealand Home Loans Card to withdraw cash* from your floating rate New Zealand Home Loans account at any ATM in New Zealand displaying the ASB logo or at any ATM overseas displaying the PLUS logo. Fees may apply to any withdrawal made using any non-ASB local ATM. Fees and Offshore Service Margins apply to any withdrawal made using an international ATM machine. Please refer to page 16 for details.
- **EFTPOS:** Use your New Zealand Home Loans Card to purchase goods and services* and obtain cash* (at the merchant's discretion) from your Floating Rate New Zealand Home Loans account.
- **Electronically:** Set up a Direct Debit, eCheque, Automatic Payment or Bill Payment authority to electronically withdraw funds from your floating rate New Zealand Home Loans account*.
- **Transfer:** Transfer funds electronically from one floating rate New Zealand Home Loans account to another by using New Zealand Home Loans Phone Service, nzhlonline, your New Zealand Home Loans Card at any ASB ATM.
- **Call New Zealand Home Loans:** Phone New Zealand Home Loans during normal business hours and speak with a Customer Care Representative to request a transfer from your floating rate New Zealand Home Loans account to another bank account for the amount you require.

*Maximum daily limits apply.

Any request for Redraw may be declined if you do not have sufficient cleared funds available in your floating rate New Zealand Home Loans account to cover the amount of Redraw. Insufficient funds fees may apply.

6. Electronic Payments

(only available for floating rate New Zealand Home Loans Accounts)

General

This section refers to all payments made by New Zealand Home Loans Phone Service, nzhlonline, Automatic Payment, Direct Debit, Direct Credit and eCheque from your floating rate New Zealand Home Loans account.

We will endeavour to make payments as instructed but accept no liability for any inaccuracy or delay in payment, or for any refusal or omission to make any payment due to circumstances beyond our reasonable control. We may stop or alter a payment without notice if circumstances reasonably require us to do so.

It is your responsibility to ensure sufficient funds are available in your floating rate New Zealand Home Loans account, at all times, during the required payment date. If the payment is missed, for any reason, then it is your responsibility to make sure the payment is subsequently made.

Should the required payment date be a non-business day, payment will be made on the next business day following the payment date, provided there are sufficient funds available.

It may not be possible to stop or reverse electronic payments once they have been made. Payments you have made in error can only be recovered from the account they have been paid into with the consent of the account holder. We will co-operate with you or another bank involved in the transaction to try to recover payments made in error.

There may be circumstances where we can reverse payments paid into your account, such as when we have made an error.

If you receive any payment made in error to your account, you consent to us reversing that payment.

A fee will apply for setting up or amending Automatic Payments or Bill Payments and any payment set up manually over the counter at an ASB branch.

Any electronic payments made to or received from an account at another bank may only be reversed in accordance with the New Zealand Bankers' Association Interchange and Settlement rules. Should an electronic payment be reversed in accordance with these rules, your floating rate New Zealand Home Loans account will be credited or debited (as the case may be) with the amount of the reversal.

Automatic Payments

We accept no responsibility or liability for the accuracy of the information provided by you and contained in the payment information fields on the Automatic Payment authority or for failure to transmit such information in the manner requested due to circumstances beyond our control.

An Automatic Payment authority may be reduced or terminated by us. Reasonable notice shall be given to you provided the alteration has not occurred because of insufficient funds in your floating rate New Zealand Home Loans account, although we reserve the right to waive prior notice to you where circumstances dictate that it is impractical or imprudent to do so. In all other cases, the Automatic Payment Authority will remain in effect in respect of all payments made in good faith, until notice of your death, bankruptcy or

cancellation of the Automatic Payment Authority is received by New Zealand Home Loans. You may cancel or alter an Automatic Payment Authority by contacting a New Zealand Home Loans Customer Care Representative or using *nzhlonline*. You must request the cancellation or alteration by 5.00 pm on the last business day before the date the payment is due.

Bill Payments

Bill Payments may be made from your floating rate New Zealand Home Loans account using New Zealand Home Loans Phone Service or *nzhlonline*.

When setting up your Bill Payment Authorities, you may choose from our list of pre-assigned payees, or nominate the accounts of other people or organisations you may wish to pay from time to time. Your personal Bill Payment list may be changed by contacting a Customer Care Representative or via *nzhlonline*.

When you set up a Bill Payment, you authorise us to debit your nominated floating rate New Zealand Home Loans account with the amounts you request to be paid to a specific person from time to time.

Subject to compliance with these Terms and Conditions, Bill Payments can be made on the same day or on a future date when you enter the payment details. When a future date is chosen, the Bill Payment will be automatically debited from your floating rate New Zealand Home Loans account on the date requested in accordance with your instructions.

We will endeavour to make the Bill Payments you request, although we accept no responsibility or liability for any refusal or omission to make any or all of the Bill Payments, or for late payment or omission to follow your instructions. In particular, we accept no responsibility or liability for the accuracy of the information you supply to us when setting up, changing, or deleting Bill Payment authorities, or when issuing or processing Bill Payment instructions or any failure to transmit the Bill Payment information in the manner requested.

We may in our absolute discretion determine the order of priority in which an authorised Bill Payment is made, may stop or alter the Bill Payment without notice, and shall have no responsibility to ensure funds are available nor in the absence of any funds, have any obligation to make a Bill Payment.

Any Bill Payment Authority made in good faith by you will remain in full force and effect notwithstanding your death, bankruptcy or other revocation of this authority, until written notice of your death, bankruptcy or such revocation is received by New Zealand Home Loans.

In the event of a Bill Payment not being provided for on the due date, arrangements for that payment to be made will become your sole responsibility.

New Zealand Home Loans is authorised to advise your nominated payees of your full name and address if requested by the payee in respect of a Bill Payment authorised by you.

Direct Debits

Direct Debit amounts and payment dates vary. A direct debit is initiated at your request by the party receiving the payment not us.

You must notify the party receiving the payment of any change to your New Zealand Home Loans account details or payment requirements.

Direct Debits can be cancelled by contacting a Customer Care Representative. You must notify New Zealand Home Loans of the cancellation at least four business days before the date the payment is due. You must also inform the party receiving the payment that the Direct Debit is to be cancelled in order for the cancellation to be complete.

We will take and promptly process any complaint you have that a Direct Debit was unauthorised or otherwise irregular. You must also notify the party receiving the payment of the complaint.

Direct Credits

It is your responsibility and not our responsibility, to inform the payer (person making the payment to you), of any changes to your floating rate New Zealand Home Loans account details or payment requirements.

eCheques

When you complete your eCheque payment you authorise us to debit your floating rate New Zealand Home Loans account with the amount you request to be paid to a specific account number from time to time. We accept no responsibility for the accuracy of the information you supply to us when issuing or processing eCheque payment instructions.

In particular, we accept no responsibility if you, by mistake, make an eCheque payment to the wrong account because you have entered the wrong account number. An eCheque is irrevocable and cannot be stopped, cancelled or altered once actioned. Your floating rate New Zealand Home Loans account will be debited with the eCheque payment immediately when you confirm your eCheque payment on the "Are you sure?" screen. eCheque payments made after 10.00 pm or on a non-business day to non-New Zealand Home Loans accounts or non-ASB accounts will be deposited on the following business day.

IRD Payments

IRD payments are an easy way to arrange an electronic payment to the Inland Revenue Department using nzhlonline. When you complete your IRD payment you authorise us to debit your floating rate New Zealand Home Loans account with the amount you request. We accept no responsibility for the accuracy of the information you supply to us when issuing or processing IRD payment instructions.

In particular, we accept no responsibility if you, by mistake, make an IRD payment for the wrong amount or because you have entered the wrong tax code. An IRD payment is irrevocable and cannot be stopped cancelled or altered once actioned. Your floating rate New Zealand Home Loans account will be debited with the IRD payment immediately when you confirm your IRD payment on the "Are you sure?" screen.

7. New Zealand Home Loans Card

General

Once your New Zealand Home Loans account is opened you will need to contact New Zealand Home Loans to register for your New Zealand Home Loans Card. Your New Zealand Home Loans Card will display your New Zealand Home Loans Customer Access Number. If you replace your New Zealand Home Loans Card, your Customer Access Number will change and you will need to re-select your PIN number.

If you have a New Zealand Home Loans account in your capacity as a trustee of a trust, you will need to register for a separate New Zealand Home Loans Card for the trust's New Zealand Home Loans account. The New Zealand Home Loans Card will be issued in your personal name and you will get another Customer Access Number but you will only be able to access the trust's New Zealand Home Loans account(s) using this New Zealand Home Loans Card.

The New Zealand Home Loans Card

We must be satisfied with your identity before we issue you with a New Zealand Home Loans Card. You must sign your New Zealand Home Loans Card as soon as you receive it. You must not use your New Zealand Home Loans Card for anything illegal, or allow anyone else to use it and must keep it safe from theft or fraudulent use. Cards belong to us and must be returned immediately if we ask you to do so.

Safeguard your New Zealand Home Loans Card and PIN

Your New Zealand Home Loans Card and PIN together can provide access to all of your New Zealand Home Loans account(s). Therefore it is very important for you to take care to safeguard your New Zealand Home Loans Card(s) and your PIN(s) at all times to prevent unauthorised access and use. Refer to the PIN Numbers, New Zealand Home Loans Phone Service ID Code and Identity Passwords – selection and safekeeping section. To protect yourself against card fraud you should also follow these tips:

- Do not give your New Zealand Home Loans Card(s) to anyone (including the Police, bank staff or your family).
- Take care of your New Zealand Home Loans Card(s). Do not leave your New Zealand Home Loans Card(s) in an unattended wallet, purse or vehicle or, anywhere where a thief could remove a card without being noticed (particularly in nightclubs, hotels or restaurants).
- Sign your card as soon as you receive it.
- Always remember to take your New Zealand Home Loans Card back after using it.
- Tell us if you change address, so your replacement card(s) are sent to the correct place.
- Report the loss or theft of your New Zealand Home Loans Card(s) as soon as you are aware of it.
- Do not let anyone else use your New Zealand Home Loans Card.

If you forget your PIN or need to change your PIN for any reason, we will have to cancel your New Zealand Home Loans Card and issue a replacement.

Replacement Card

To request a replacement New Zealand Home Loans Card contact our Customer Care Team during normal business hours on 0800 500 173. A replacement fee may apply.

The replacement New Zealand Home Loans Card will be subject to these Terms and Conditions as if it was the original card.

Using your New Zealand Home Loans Card

We will not be held liable if you are unable to Redraw or carry out other transactions using your New Zealand Home Loans Card, or access ATMs in New Zealand or overseas.

However, if you encounter difficulties with another New Zealand bank's ATM and cannot resolve them with that bank, we will provide assistance.

We accept no liability if you are unable to access ATMs overseas.

Overseas ATM Withdrawals

Overseas Withdrawals made through ATMs displaying the PLUS logo are charged a fee referred to as an "Overseas ATM Fee". The Overseas ATM Fee is subject to change on at least 14 days notice.

Overseas Withdrawals will either: (i) first be converted into US dollars and then into New Zealand dollars; or (ii) be converted directly from the currency in which the cash withdrawal was made into New Zealand dollars, at the applicable Conversion Rate. The Conversion Rate may not be the same exchange rate as that which Visa received.

All Overseas Withdrawals will incur Offshore Service Margins.

The Offshore Service Margins are subject to change on at least 14 days notice. Please refer to New Zealand Home Loans fees and limits brochure for the current Offshore Service Margins. A copy of New Zealand Home Loans fees and limits brochure current at the time you receive these Terms and Conditions will be provided to you when you receive your loan documentation. The converted amount and the Offshore Service Margins will be debited from your nominated New Zealand Home Loans floating rate account and will be detailed on your statement.

Overseas Withdrawals may be subject to exchange controls or other government requirements, customs duties and taxes. All such charges are your responsibility.

Subject to the current Redraw balance available in your floating rate New Zealand Home Loans account and any lower maximum withdrawal amount we may allow on your account, you may make withdrawals in New Zealand of cash, via ATMs or EFTPOS, to purchase goods and services. Daily limits apply which are subject to change. Details can be found in our Fees and Limits Guide.

Termination of the New Zealand Home Loans Card

You can terminate your rights to use the New Zealand Home Loans Card by returning it to New Zealand Home Loans by post or by notifying New Zealand Home Loans in writing of cancellation.

We may at our discretion terminate your right to use the New Zealand Home Loans Card by cancelling or retaining the New Zealand Home Loans Card or refusing to replace the card. We may terminate your right to use the New Zealand Home Loans Card without any prior notice to you if you are in breach of these Terms and Conditions.

8. New Zealand Home Loans Phone Service

General

You must have a New Zealand Home Loans Card with a Customer Access Number before you can register for and have access to New Zealand Home Loans Phone Service.

Automated Phone Banking

New Zealand Home Loans Phone Service allows you to access New Zealand Home Loans fully automated telephone banking service 24 hours per day, seven days a week from your home, office or anywhere that you have access to a touch tone phone.

Access to New Zealand Home Loans Phone Service is through use of your New Zealand Home Loans Card number together with your confidential New Zealand Home Loans Phone Service ID Code. Your New Zealand Home Loans Phone ID Code is a 5-digit identification number, which must be different from your New Zealand Home Loans Card PIN.

The New Zealand Home Loans Phone Service ID Code you select must not be unsuitable. Refer to the PIN Numbers, New Zealand Home Loans Phone Service ID Code and Identity Passwords – Selection and Safekeeping section.

We may stop, suspend or alter your access to New Zealand Home Loans Phone Service at any time. Reasonable notice shall be given to you; although we reserve the right not to give you notice where circumstances dictate that it is impractical or imprudent to do so.

We are irrevocably authorised to act on all instructions given using your Customer Access Number and New Zealand Home Loans Phone Service ID Code, without taking any further steps to authenticate the instructions.

We will not be liable for any loss arising from the unavailability or unauthorised use of New Zealand Home Loans Phone Service, except where loss results directly from our negligence.

Your authority for us to provide you with access to New Zealand Home Loans Phone Service and process instructions received via New Zealand Home Loans Phone Service will continue to operate until you notify us otherwise. You can cancel your access to New Zealand Home Loans Phone Service by contacting a Customer Care Representative. The cancellation is effective immediately.

For calls to New Zealand Home Loans Phone Service from a mobile telephone or from overseas, usual phone charges will apply.

Notification of Loss of PIN, New Zealand Home Loans Phone Service ID Code, Identity Password or PIN Disclosure

If your New Zealand Home Loans Card is lost, stolen or mislaid or you believe another person has used the card or gained knowledge of your New Zealand Home Loans Phone Service ID Code, Identity Password or PIN, you must:

- immediately notify New Zealand Home Loans of the loss by calling a Customer Care Representative on 0800 500 173, or 09 487 9991 and selecting option 1, and give all relevant information; and
- confirm telephone notification of loss in writing to New Zealand Home Loans within 7 days.

Upon receipt of advice of the loss of the New Zealand Home Loans Card or disclosure of the PIN, ID Code or Identity Password, New Zealand Home Loans may pass on all relevant information to the Police.

9. Liability for Loss

Maximum Liability

9.1 Subject to Conditions 9.2 – 9.6, you acknowledge and agree that you are liable to us for all transactions made by any person using the New Zealand Home Loans Card in conjunction with a PIN.

No Liability for Losses Following Notification

9.2 If you notify us immediately when any of the events listed below have occurred, you will have no liability to us arising from any unauthorised use of a Card, recording, or disclosure of a PIN, ID Code or Identity Password, subsequent to that notification, other than as provided for in Conditions 9.3 and 9.4.

The events referred to are the following:

- a New Zealand Home Loans Card is lost or mislaid; or
- a New Zealand Home Loans Card is stolen; or
- a you know that your New Zealand Home Loans Card is in the possession of another person; or
- you believe that another person has used your New Zealand Home Loans Card or gained knowledge of your PIN, ID Code or Identity Password.

Liability for Loss Contributed to by you

9.3 If any loss arises from the unauthorised access to your account which you caused or contributed to (as explained in Condition 9.5), your liability shall be the lesser of:

- the actual loss when we were notified; and
- the maximum amount that you would have been entitled to withdraw from your account between the time your New Zealand Home Loans Card was lost or stolen and the time we were notified.

Liability in the Cases of Fraud or Negligence by you

9.4 You are liable to us for all losses arising from the unauthorised use of your New Zealand Home Loans Card, PIN, ID Code or Identity Password, which results from your fraud or negligence.

Defining Contribution to Loss

9.5 You will be treated as having caused or contributed to the loss arising from the unauthorised access to your account if you have breached these Terms and Conditions, for example (but not limited to) by:

- selecting an unsuitable PIN, ID Code or Identity Password; or
- failing to reasonably safeguard your New Zealand Home Loans Card; or
- keeping written records of PINs, ID Code or Identity Password.
- parting with your New Zealand Home Loans Card and/or disclosing your PIN, ID Code or Identity Password to any other person, or
- failing to take all reasonable steps to prevent disclosure to any person when keying-in your PIN or ID Code or using your Identity Password; or

- unreasonably delaying notification to us of the loss or theft of your New Zealand Home Loans Card, or the actual or possible disclosure to any other person of your PIN, ID Code or Identity Password; or
- providing any other person with personal identification (i.e. any form of identification that is personal to you, including but not limited to, your birth certification, password, drivers licence or any other form of photo identification) which could enable a third party to represent themselves as you or obtain access to your New Zealand Home Loans account(s); or
- providing any person with information on your New Zealand Home Loans account(s) including, without limitation, your statements or any other information related to your New Zealand Home Loans account which could enable a third party to obtain access to your New Zealand Home Loans account(s).

The amount of the potential liability is defined at Condition 9.3.

Other Cases where you will have No Liability

9.6 You will not be liable to us for any loss suffered by us caused by:

- fraudulent or negligent conduct by employees, or our agents, or parties involved in the provision of electronic banking services; or
- faults that occur in the machines, cards or systems used, unless the faults are obvious or advised by message or notice on display; or
- unauthorised transactions occurring before you have received your New Zealand Home Loans Card; or
- any other unauthorised transaction where it is clear that you could not have contributed to the loss.

Our Liability to you

9.7 Other than as required by law or as expressly provided in these Terms and Conditions, we shall not be liable to you in respect of any loss of any nature except in respect of direct losses which may be suffered as a consequence of the failure of a New Zealand Home Loans Card, or associated electronic systems and which are directly attributable to our gross negligence or willful default, or the fraudulent conduct by our employees or agents. We shall have no liability for consequential loss which you may suffer in any circumstances.

10. nzhlonline

General

You must register for *nzhlonline* before you can access your New Zealand Home Loans account by the Internet.

nzhlonline has separate Terms and Conditions which you must read carefully and accept at the time of registration. Where there is any conflict between the *nzhlonline* Terms and Conditions and these Terms and Conditions, the *nzhlonline* Terms and Conditions shall prevail.

nzhlonline Terms and Conditions are available on the New Zealand Home Loans website at www.nzhlonline.co.nz

11. Confidentiality of your information

Collecting and using information

- (i) We will collect, hold and use information about you for the purposes of:
 - a. assessing your application for a home loan;
 - b. confirming your identity and address, for example electronically matching your information with identification information in third party databases.
 - c. enabling you to open and operate a New Zealand Home Loans account and providing you with the use of, and information about, other New Zealand Home Loans products and services;
 - d. administering and maintaining any products and services provided to you;
 - e. managing your relationship with us so, for example, we can respond to your queries;
 - f. monitoring and screening your accounts, for products and services for anti-money laundering and countering financing of terrorism purposes and for fraud and crime detection purposes;
 - g. conducting market research, data processing and statistical analysis.
 - h. both us and our related companies (whether incorporated in New Zealand or elsewhere) monitoring whether information must be disclosed to the Government and foreign governments for taxation purposes.
- (ii) You authorise us to obtain information about you from our related companies (whether incorporated or constituted in New Zealand or elsewhere) for the above purposes.
- (iii) Your information may be given to:
 - a. New Zealand Home Loans and its consultants, Sovereign, its agents, contractors and other third parties (whether incorporated or constituted in New Zealand or overseas) that provide services to Sovereign, Mortgage Holding Trust Company Limited, ASB Bank Limited (for the purposes of opening, operating and maintaining your New Zealand Home Loans account), other companies in the ASB Group of companies for the purposes of advising you about their products and services;
 - b. Research firms engaged by us to carry out customer surveys and conduct market research;
 - c. Other banks (including overseas banks), agents, contractors or other financial services providers assisting with international transactions and same day cleared payments;
 - d. The police, certain governmental agencies or other financial institutions where we reasonably believe that disclosure will assist the investigation, detection of fraud or other criminal offences;
 - e. Credit reporting agencies, other credit providers and debt collection agencies;
 - f. Guarantors and proposed guarantors;
 - g. Any previous or current employer, if we need to confirm your employment history and income;
 - h. The Government and foreign governments where we believe disclosure is required to comply with regulatory and other requirements; and
 - i. Any other party authorised by you.
- (iv) Where you are a discretionary trust, the trustee(s) of the trust must notify us when a beneficiary of the trust receives a distribution from the trust.

Certain laws (including laws of other jurisdictions) require us to disclose your personal information.

Overseas banks, agents, contractors or financial services providers who assist with international transactions and same day cleared payments will be subject to the laws of that jurisdiction which may require them to disclose your personal information.

You agree that when you telephone us your conversation with us may be recorded for verification, training or operational purposes.

Accuracy of information

It's important that you give us complete and accurate information. If you don't, we may decline your application for a New Zealand Home Loan product or services or withdraw your New Zealand Home Loan products and/or services.

We will do our best to ensure that the information we hold about you is accurate. Prompt advice of any changes in your personal contact details such as residential or email address, or telephone or facsimile numbers will help us do this.

Please also promptly advise us of any change in your tax residency status.

Access to information

Your information is collected and held by the Lender, Mortgage Holding Trust Company Limited (12 Jellicoe Street, Auckland Central, Auckland 1010) and New Zealand Home Loans (C/o - Sovereign, 74 Taharoto Road, Takapuna, Auckland 0622) and by New Zealand Home Loans' data storage providers, including cloud-based data storage providers (whether in New Zealand or elsewhere), and reasonable steps will be taken to keep such information secure. You have rights of access to and correction of, your personal information held by us.

New Zealand Home Loans arranges home loans, and provides customer service on those home loans, which are provided by Sovereign as a distributor of Mortgage Holding Trust Company Limited. Mortgage Holding Trust Company Limited is a member of the ASB Group of Companies.

12. Customer Declaration

TO: New Zealand Home Loans, Sovereign Financial Services Limited, Mortgage Holding Trust Company Limited and ASB Bank Limited (“you”)

(i) I/We authorise you to:

- Confirm my employment history and income with any previous or current employer.
- Make enquiries relating to my/our credit record or other information relevant to my/our account or to the provision of credit to me/us (now or in the future), from credit reporting agencies or other credit providers. I/We also authorise those parties to provide such information to you.
- Disclose my/our information (including default information and ongoing credit account information) to credit reporting agencies who will hold and use that information to provide their credit reporting services. This will mean that they may disclose any information they hold about me/us to eligible customers of their credit reporting services.

(ii) I / We will ensure that the information I/we supply to you at any time is true and correct.

Customer's full name

Customer's signature

If joint applicant (Customer's full name)

If joint applicant (Customer's signature)

D

D

M

M

Y

Y

Y

Y



New Zealand Home Loans
PO Box 33 845
Takapuna, Auckland 0740

Customer Care 0800 500 173
(+64 9 487 9991)
Freefax 0800 363 355

404-00068-0617