

Your home loan

Bank of New Zealand Facility Master Agreement



Further Information

For more information please call us on

0800 ASK BNZ 0800 275 269

www.bnz.co.nz



1. Introduction

1.1 The terms of any *facility* are set out in:

- (a) this *agreement*;
- (b) any *Letter of Advice*;
- (c) any *confirmation*;
- (d) any relevant security documents;
- (e) any other *facility document*; and
- (f) any other agreements between *you* and *us*.

Additional terms and conditions may be implied by law.

1.2 If there is any conflict between this *agreement* and a *Letter of Advice* then the relevant part of that *Letter of Advice* takes precedence over the relevant part of this *agreement*.

1.3 This *agreement* contains some terms and conditions which relate to all *facilities*, and some provisions which relate only to each of the Housing Term Loan, GlobalPlus, Rapid Repay Home Loan, Premium Rapid Repay Home Loan, Revolving Credit and Mortgage One *facilities*. The relevant *Letter of Advice* specifies which *facility you* have.

1.4 The meaning of words printed in *italics* is explained at the end of this *agreement*.

2. Agreeing a facility

2.1 We are always happy to discuss *your* financing needs and options with *you*. If *you* are considering applying for a *facility*, some of the things *we* may need to discuss with *you* include:

- (a) the type of *facility* *you* want;
- (b) the amount *you* want to borrow;
- (c) how long *you* wish to borrow the money or have a *facility* available for; and
- (d) how *you* wish to repay *us*.

We may agree to make a *facility* available to *you* after those discussions. If *we* do, *we* will send *you*:

- (a) if that *facility* is the first *facility* under this *agreement*, a copy of this *agreement* together with a *Letter of Advice*; and
- (b) for all other *facilities* after the first *facility*, a *Letter of Advice*.

A *Letter of Advice* is an offer by *us* to provide *you* with the *facility* specified in that *Letter of Advice*.

3. Changes to facilities

3.1 *You* and *we* may need to agree terms which are specified in a *Letter of Advice* as terms that are to be agreed after the date of that *Letter of Advice*. *You* and *we* will be bound from when *you* and *we* agree to those terms. *We* will send *you* a *confirmation* of those terms.

3.2 *We* will give *you* notice of any change in any *agreed interest rate*, fee, rebate, charge or premium (including the application of any new fee or charge to a *facility*) by way of public notice, press release or otherwise as *we* see fit.

3.3 *We* may also amend the terms of this *agreement* or a *Letter of Advice* without having to obtain *your* further *agreement*. Other than in the case of *agreed interest rates*, fees, rebates, charges or premiums, *we* will send *you* a *confirmation* of any update at least 14 days before the relevant change takes effect.

4. Insurance

4.1 *We* may, or *we* may require *you* to, take out mortgage lender's insurance cover for an amount equivalent to 20% of *your credit limit* or the *loan amount* on any terms *we* approve if, when a *facility* is made available to *you* under this *agreement* (or if *we* grant an application to redraw some of the *loan amount* or increase *your credit limit*), *your credit limit* or the *loan amount* will exceed what would be acceptable to *us* based on *our* normal lending criteria. Any benefit from that insurance is *ours*. *You* will pay any premium on that insurance. The policy may require *you* to pay any *amount outstanding* under the relevant *facility* to the insurer if *we* make a claim under that policy. *We* will tell *you* whether *we* require this insurance cover, and how much it will cost *you* when *we* offer the *facility*, redraw or *credit limit* increase.

5. Pre-conditions

5.1 *We* are not obliged to do anything under a *facility* if *you* have not:

- (a) provided the *securities* in a form acceptable to *us*; or
- (b) met any conditions *we* have specified, or have otherwise not complied with a term of this *agreement* or the relevant *Letter of Advice*.

6. Procedure for borrowing

6.1 Any amount to be borrowed under a *facility* must not, when added to all *amounts outstanding* under that *facility*, exceed *your credit limit* or the *loan amount*.

6.2 Unless otherwise specified in this *agreement* or the relevant *Letter of Advice*, *you* may borrow money under a *facility* on the dates and in the amounts *you* request, so long as the *amount outstanding* does not exceed *your credit limit* or the *loan amount* and *you* have not breached any term of the *facility* or *we* have not made demand.

7. Interest and credit limit

7.1 Interest will accrue daily on the *amount outstanding* under each *facility* at the *agreed interest rate*. *We* may vary the *agreed interest rate* as set out in the *facility documents*.

7.2 Unless otherwise provided in this *agreement*, interest will be debited from the *specified account* on the *agreed dates* for payment of interest specified in the *Letter of Advice*.

7.3 If the *agreed interest rate* is variable, *we* may change that interest rate at any time. *We* will give *you* notice on or before the date of any interest rate change.

7.4 If the *agreed interest rate* includes reference to a *customer margin*, *we* may make any changes to the *customer margin* that a *facility document* allows *us* to make. *We* will give *you* at least 14 days' notice of any change to a *customer margin*.

7.5 If the amount of interest payable by *you* cannot be determined because a rate which is used to fix that amount ceases to exist or for any other reason, *we* (or any person appointed by *us* for this purpose) may then fix a rate for the purpose of calculating the amount of interest payable.

7.6 If *you* fail to pay any amount to *us* when it falls due, *we* may charge *you* interest at the default rate (if one is specified in a *Letter of Advice*) on a daily basis on the overdue amount, calculated from the date that amount became due until the date it is actually paid.

7.7 *We* may also from time to time (at *our* discretion) add any interest due but unpaid to the principal.

7.8 The *amount outstanding* under a *facility* at any time must not exceed *your credit limit* or the *loan amount*.

8. Payment and repayment

Method

- 8.1 You will make *minimum payments* on the *agreed dates* by direct debit from the *specified account* (or by other means acceptable to us), with the first *minimum payment* to be made on the first *agreed date*.
- 8.2 You may make a payment greater than the *minimum payment* (whether by lump sum or by increasing the *minimum payment*) at any time provided that any greater payment is made in accordance with this *agreement*.
- 8.3 All payments will go towards payment of outstanding fees first, interest second, and then towards repayment of other *amounts outstanding*.
- 8.4 You must pay us any *amount outstanding* on the *end date* or otherwise when *we*, in accordance with this *agreement*, demand repayment.

Early Repayment at Your Option

- 8.5 We will reduce *your credit limit* if you ask us in writing to do so. You can also repay any part of any *facility* at any time. After any early repayment of part of a *facility*, you can either:
- continue to make the same *minimum payment* until that *facility* is fully repaid; or
 - reduce the *minimum payment* so that the *end date* stays the same.
- 8.6 If a *Letter of Advice* provides that a *facility* has a *fixed rate period*, and any extra repayments you make in any consecutive 12 month period within that *fixed rate period* (with the first such 12 month period starting on the date the *fixed rate period* commences) together exceed 5% of the original *loan amount* (excluding any contractual increase in the *minimum payment* if that *facility* is specified in the relevant *Letter of Advice* as a Tailored Home Loan), we may, in addition to any other charges payable by you under that *Letter of Advice*, charge you an early repayment amount ("*early repayment charge*") for all amounts over the 5% threshold. The *early repayment charge* will be payable on the date when either a lump sum repayment is made, or the *minimum payment* is increased.
- 8.7 The *early repayment charge* will be the amount determined by us to reflect the cost to us of the early repayment by reference to:
- the number of months remaining in the *fixed rate period*, as at the date of early repayment;
 - the amount of principal (in excess of the 5% threshold) being repaid early;
 - the amount of principal that would otherwise be repaid during the *fixed rate period*;
 - the *agreed interest rate* applying to a *facility* as at the date of early repayment; and
 - our fixed interest rate which would apply for a *facility* made available on the date of early repayment for the number of months remaining in the *fixed rate period*, that fixed interest rate being determined by us by reference to the rate applying on that date that we would charge for a *facility* similar to the relevant *facility* made available to a customer similar to you.
- 8.8 You should discuss with us any plans to repay early any part of a *facility*. We will give you details of any *early repayment charge* that you may have to pay. An example table is set out below to show the levels of charges which can arise. Since these are only examples, you cannot assume that they accurately show the amount of any *early repayment charge* that you may have to pay. This amount will depend on the details of the relevant *facility* and the circumstances at the date of early repayment.

Example 1 - 25 Year Amortisation (All charges are \$ per \$1,000 of principal repaid)

		Months before <i>fixed rate period</i> expires																				
		0	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120
% Current Fixed Rate has fallen below the agreed interest rate	1%	0	5	10	14	18	22	26	30	33	37	40	43	46	49	52	54	57	59	62	64	66
	2%	0	10	19	28	37	45	53	61	68	75	82	88	95	101	107	112	118	123	128	133	138
	3%	0	15	29	42	56	68	81	92	104	115	126	136	146	156	165	175	184	192	201	209	217
	4%	0	20	39	57	75	92	109	125	141	157	172	186	200	214	228	241	254	266	279	291	302
	5%	0	25	49	72	95	117	138	159	180	200	220	239	258	276	294	312	329	346	363	379	395
	6%	0	30	59	87	115	142	169	195	220	246	270	295	319	342	365	388	410	433	454	476	497

Example 2 - 10 Year Amortisation (All charges are \$ per \$1,000 of principal repaid)

		Months before <i>fixed rate period</i> expires																				
		0	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120
% Current Fixed Rate has fallen below the agreed interest rate	1%	0	5	9	13	17	20	23	26	29	32	34	37	39	42	44	46	48	50	52	54	56
	2%	0	10	18	26	33	40	47	53	59	65	70	76	81	86	90	95	100	104	108	113	117
	3%	0	14	27	39	51	61	71	81	90	99	108	116	124	132	140	147	155	162	169	176	182
	4%	0	19	37	53	68	83	96	110	123	135	147	159	170	181	192	203	213	223	234	243	253
	5%	0	24	46	67	86	105	122	139	156	172	188	203	218	233	247	262	276	290	303	317	330
	6%	0	29	56	81	104	127	149	170	191	211	230	250	269	288	306	324	342	360	378	396	413

Early Repayment and Reduction in Credit Limit at Our Option

- 8.9 If, in relation to a particular *facility*, this *agreement* allows *us* to, *we* can demand repayment of any *amount outstanding* and/or reduce *your credit limit* at any time for any reason.
- Otherwise, *we* can only demand repayment of any *amount outstanding* or reduce *your credit limit* if:
- (a) *you* breach any of the terms and conditions of the *facility document* or any other *agreement* *you* have with *us*;
 - (b) *you* default in paying money due to *us*, whether under this *agreement* or otherwise;
 - (c) *you*, or any *Guarantor*, is adjudicated bankrupt or becomes insolvent, is to be removed from the Companies Register, has a receiver or liquidator appointed in respect of *your* or any *Guarantor's* assets, dies or makes any arrangement with *your* or any *Guarantor's* creditors;
 - (d) *we* think that the *securities* *we* hold have significantly devalued;
 - (e) *your*, or any *Guarantor's*, circumstances have changed to the extent that, in *our* opinion, warrants *us* demanding repayment of any of the *amount outstanding* and/or the reduction of *your credit limit*; or
 - (f) circumstances exist which, in *our* opinion, impact adversely on *our* ability to continue making the relevant *facility* available to *you*.
- 8.10 If *we* demand repayment of any of the *amount outstanding*, then *you* must pay *us* at our address as noted in a *Letter of Advice* all money owing to *us*, and all money that will become owing to *us*, by *you* under the *facility documents* including:
- (a) all principal and interest;
 - (b) any account, activity or other charges that *we* think are applicable;
 - (c) any costs that *we* incur in recovering the money owing; and
 - (d) interest at the *agreed interest rate*, or (if applicable) at the default rate specified in the relevant *Letter of Advice*, on all money owing until *you* pay *us*.
- 8.11 *We* can rely on *our* assumption that *you* will receive any demand for repayment of any of the *amount outstanding* if that demand is left at or sent to *your* address as specified in the most recent *Letter of Advice*.

9. Fees and charges

- 9.1 *You* agree to pay *us* on demand (or on the date specified by *us*) the fees, charges and premiums specified in a *Letter of Advice*.
- 9.2 *You* may be eligible for fee rebates as specified in a *Letter of Advice*.
- 9.3 *We* may increase, decrease or change the terms of payment of any rebate, fee, charge or premium payable in connection with a *facility* by giving *you* notice on or before the date of any of these changes. *We* may also apply new fees, charges or premiums to a *facility* by giving *you* notice on or before the date of their introduction.

10. Housing term loan – special conditions

- 10.1 *We* will credit *your specified account* with either the full *loan amount* on the date *you* request, or, if the relevant *Letter of Advice* allows *you* to receive progressive payments of the *loan amount*, with progressive payments on the dates and in the amounts *you* request (up to the *loan amount*). However, *you* may not borrow any amount more than 5 months after the date of the relevant *Letter of Advice*.
- 10.2 The *agreed interest rate* for this *facility* may be variable, capped, or fixed for a period, and it may be determined by reference to a *customer margin*.
- 10.3 If this *facility* has a *fixed rate period* then the *agreed interest rate* will not change until the end of that period and *you* will not receive the benefit of any decrease in variable rates during that period. Should *you* change the *agreed interest rate* from a fixed interest rate to a variable interest rate during such period, *we* may charge *you* on the same basis as an *early repayment charge*.

Redraw

- 10.4 Before *you* repay this *facility* in full (but not before the end of any *fixed rate period* specified in the relevant *Letter of Advice*), *you* may pay a redrawing fee (advised to *you* at the time of *your* request) and apply to *us* to redraw an amount more than \$3,000 and less than the difference between the *amount outstanding* when *you* made *your* request and the amount that would have been outstanding if *you* had made only *your* required *minimum payments*.
- 10.5 If *we* grant *your* redrawing application (which *we* will determine at *our* sole discretion), *we* may require *you* to change *your minimum payments* so that the *end date* stays the same.

Tailored Home Loan

- 10.6 If the relevant *Letter of Advice* specifies that *you* have a Tailored Home Loan, then the *minimum payment* will increase on each anniversary of the date *you* borrowed the full *loan amount* under this *facility* in accordance with the following formula:
- $$A \times [1 + (B\% - C\%)].$$
- where:
- A = *your* existing *minimum payment*; and
 - B = the *agreed interest rate* (expressed as a decimal) on the relevant anniversary; and
 - C = the Repayment Index Base (a percentage figure expressed as a decimal) prevailing on the relevant anniversary (the relevant *Letter of Advice* sets out what the relevant Repayment Index Base is at the time when *you* sign that *Letter of Advice*)

Example: where A (the existing *minimum payment*) is \$300.00, B = 10% per annum and C = 8.5% per annum, then:

$$\begin{aligned} & A \times [1 + (B\% - C\%)] \\ &= 300 \times [1 + (0.10 - 0.085)] \\ &= 300 \times 1.015 \\ &= \$304.50 \text{ (the new } \textit{minimum payment}\textit{)} \end{aligned}$$

The following year's adjustment would be based on A = \$304.50

PROVIDED THAT:

- Where the Repayment Index Base is greater than the *agreed interest rate*, the *minimum payment* will remain the same.
- Where the increased *minimum payment* calculated in accordance with the above formula is not sufficient (as at the date of increase) to pay interest on the *amount outstanding*, the *minimum payment* will be further increased to the extent necessary to pay such interest.
- *You* and *we* may agree to vary the Repayment Index Base applicable to this *facility* at any time.
- The *minimum payment* may be changed by an amount agreed between *you* and *us* at any time provided the *amount outstanding* and any accrued but unpaid interest on such an amount will be repaid within 25 years from the date *you* borrow the full *loan amount* under this *facility*.

11. GlobalPlus – special conditions

- 11.1 This part of this *agreement* must be read together with the terms and conditions of the Air New Zealand Air Points® programme. *Your* GlobalPlus *facility* has the same special conditions as the Housing Term Loan *facility*. These conditions are set out in clauses 10.1-10.6 of this *agreement*. There are also some extra conditions that apply to a GlobalPlus *facility*:
- (a) *You* may nominate one Air Points member to earn Air Points under this *agreement* in the relevant *Letter of Advice*. *We* will use the method set out in that *Letter of Advice* to calculate how many Air Points that nominated person is entitled to in each month. *We* may change that method, or any component of such method, at any time, provided that *we* tell *you* about any such change by giving *you* notice at least 14 days before any such change takes effect.
 - (b) *We* will tell Air New Zealand how many, if any, Air Points the nominated person earns within ten business days of the end of each month. Air New Zealand will apply any earned Air Points to the nominated person's Air Points account within its normal processing periods, and those Air Points will be shown on the relevant Air New Zealand Air Points statement. The terms and conditions of the Air New Zealand Air Points programme will determine the use and value of those Air Points.
 - (c) *We* can suspend or terminate the allocation of Air Points to the nominated person at any time without notice. No Air Points will be earned if a *facility document* is breached for more than 30 days.
 - (d) *You* authorise the *GlobalPlus Partners* to obtain, use, and disclose any information in relation to this *facility* about *you* at any time for the purpose of establishing and maintaining the relationships between *you* and the *GlobalPlus Partners*, including advising *you* about any products and services not related to this *facility*.

12. Rapid repay home loan – special conditions

- 12.1 The *agreed interest rate* for this *facility* is variable, and may be determined by reference to a *customer margin*. Interest will be debited from the *specified account* on the last *business day* of each month.
- 12.2 *You* will make payments as appropriate to ensure that the *amount outstanding* under this *facility* does not exceed *your credit limit*.

Credit Limit

- 12.3 *We* will reduce *your credit limit* by the relevant *reduction amount* on the last *business day* of each month. The first reduction will occur in the month after the month in which this *facility* becomes available under this *agreement*.
- 12.4 Unless *you* ask *us* to do otherwise, *we* will give *you* at least 14 days' notice of our estimate of the next *reduction amount* and our estimate of *your* corresponding reduced *credit limit*. *We* can only give *you* estimates for these amounts because the *agreed interest rate* may change.
- 12.5 *We* will reduce *your credit limit* if *you* ask *us* in writing to do so. If *we* reduce *your credit limit* in response to *your* written request, then *you* can either:
- (a) continue to have *your credit limit* reduced monthly by the relevant *reduction amount* as though no extra reduction has been made, so that the *end date* will fall sooner; or
 - (b) change the relevant *reduction amount* to take account of the extra reduction, so that the *end date* will stay the same.

Credit Balances

- 12.6 Credit interest will accrue daily on the credit balance in a *specified account* at the rate *we* advise from time to time for account balances of \$1,000 or more.
- 12.7 *We* may change the threshold for paying credit interest by giving *you* notice at least 14 days before the date of any change. *We* will deduct any levy or withholding tax from any interest that is payable by *us* before paying it to the *specified account* on the last *business day* of each month.

Fee Rebate

- 12.8 If *you* meet the fee rebate qualifications specified in the relevant *Letter of Advice*, and *you* have more than one account with *us*, then, unless *you* nominate an account to receive rebates in that *Letter of Advice*, the account with the highest fees accrued will automatically be credited with any rebate on the last *business day* of each month. The rebate cannot be split between multiple accounts.

Ready Money Account

- 12.9 Once the *term* of a Rapid Repay Home Loan *facility* has expired, and so long as *you* have fully repaid this *facility* and all interest and charges relating to it, this *facility* will convert to a Ready Money Account. This *agreement* will not apply to that account. Terms and conditions that are different from those in this *agreement* will apply to that account when this *facility* becomes a Ready Money Account.

13. Premium rapid repay home loan – special conditions

13.1 *Your* Premium Rapid Repay Home Loan *facility* has the same special conditions as those set out in clauses 12.1 to 12.5 that apply to the Rapid Repay Home Loan *facility*. *Your facility* also has the following special conditions:

Credit Balances

13.2 Credit interest will accrue daily on the credit balance in a *specified account* at the rate *we* advise from time to time for account balances of \$5,000 or more.

13.3 *We* may change the threshold for paying credit interest by giving *you* notice at least 14 days before the date of any change. *We* will deduct any levy or withholding tax from any interest that is payable by *us* before paying it to the *specified account* on the last *business day* of each month.

Premium Account

13.4 Once the *term* of a Premium Rapid Repay Home Loan *facility* has expired, and so long as *you* have fully repaid this *facility* and all interest and charges relating to it, this *facility* will convert to a Premium Account. This *agreement* will not apply to that account. Terms and conditions that are different from those in this *agreement* will apply to that account when this *facility* becomes a Premium Account.

14. Mortgage one – special conditions

14.1 The *agreed interest rate* for a Mortgage One *facility* will be variable. *We* may at any time vary the balances between which the relevant interest rates apply by giving *you* notice at least 14 days before the change takes effect.

14.2 The *minimum payment* is an amount made up of all interest due under this *facility* and all fees, charges and expenses charged during the monthly billing period.

14.3 *We* can review this *facility* when, and how, *we* think appropriate. *We* can determine the extent of the scope of a review when *we* carry out that review.

15. Revolving credit facility – special conditions

15.1 The *agreed interest rate* for a Revolving Credit *facility* will be variable. Interest will be debited from the *specified account* on the last *business day* of each month.

15.2 *You* will make payments as appropriate to ensure that the *amount outstanding* under this *facility* does not exceed *your credit limit*.

15.3 *We* can demand repayment of any of the *amount outstanding* under this *facility* at any time for any reason. *We* can also cancel or reduce *your credit limit* at any time for any reason.

15.4 *We* can review this *facility* when, and how, *we* think appropriate. *We* can determine the extent of the scope of a review when *we* carry out that review.

16. Use of information

16.1 *You* authorise *us* to use information about *you* at any time held by *our group* for the purpose of establishing and maintaining the relationships between *you* and *our group*.

16.2 *You* authorise *us* to disclose information about *you*:

- (a) to any holder of a security over any property of *yours* which is also secured, or is to be secured, to *us*;
- (b) to any insurer of a *facility* or any property which is, or is to be, subject to a *security*;
- (c) to any person performing services in connection with any such property;
- (d) to any assignee or prospective assignee of *ours*; and
- (e) in the event of default in payment, to any credit agency.

We will confine any disclosure to that reasonably required for use by these people.

16.3 *You* authorise *us* to make credit and other inquiries about *you* within *our* normal procedures and to obtain information about *you* from:

- (a) any holder of a security over any property of *yours* which is also secured, or is to be secured, to *us*;
- (b) any insurer of any property which is, or is to be, subject to a *security*;
- (c) any government, local or other authority having jurisdiction in respect of any such property; and
- (d) any person performing services in connection with any such property,

provided that the information obtained is confined to that reasonably required by *us*.

16.4 If *we* assign or transfer any *facility document* or all or any of *our* rights, title and interest under that document to any person:

- (a) *you* authorise such assignee or transferee to use information about *you*, disclose information about *you* and make credit and other enquiries about *you* to the same extent provided above as if such assignee or transferee was *us*; and
- (b) *you* authorise *us* (in addition to any assignee or transferee) to continue to use information about *you* at any time held by *us* for the purpose of continuing to maintain the relationship between *you* and *us* regardless of the assignment or transfer.

16.5 *Your* acceptance of this *agreement* will be sufficient authority to the people or companies referred to in this part of the *agreement* to provide the relevant information to *us*.

17. General

- 17.1 All existing and future *securities* held by *us* in respect of *your* obligations will secure the *facilities*. *You* will provide or procure the provision of the *securities*.
- 17.2 Any account *you* have with *us*, including any *specified account*, is subject to our usual terms and conditions relating to the operation of accounts.
- 17.3 Any payments that a *facility document* requires *you* to make by direct debit will be credited to *us* at *our* address as noted in a *Letter of Advice*. *You* must make any other payments to *us* at that address.
- 17.4 *We* can debit a *specified account*, or any other account *you* have with *us*, at any time with any money owing under the *facility documents*, including any money owing as a result of fees, charges or premiums payable by *you* in connection with a *facility*.
- 17.5 *You* must hold enough funds in a *specified account* to cover all payments due to be made under the *facility documents*.
- 17.6 *You* will make all payments under each *facility* in full without deduction. However, if *you* are legally obliged to deduct or withhold an amount from any payment due under a *facility*, then that payment will be increased so that *we* receive and retain (free from liability) a net sum equal to the payment *we* would have received if no deduction or withholding had been required.
- 17.7 All the information, including financial information, provided by *you*, or any other person on behalf of *you*, to *us* in connection with the *facility documents* is true, complete and accurate in all material respects. *You* are not aware of any material facts or circumstances which have not been disclosed to *us* and which could affect *our* decision to provide financial accommodation to *you*.
- 17.8 *You* will have complied and will continue to comply with all laws and constitutional requirements applicable to *you*, *your* business or *your* property.
- 17.9 The illegality, invalidity or unenforceability of any provision of any *facility document* will not affect the legality, validity or enforceability of any other provision of that *facility document*.
- 17.10 Where more than one person is named in a *Letter of Advice* as a customer, references to *you* are to each named person and the liability of each named person is joint and several with each other named person.
- 17.11 *Our* certificate as to any amount or fact relating to any of the *facilities* will, in the absence of manifest error, be conclusive evidence of that amount or fact.
- 17.12 *You* may not assign or transfer all or any of *your* rights, benefits or obligations under a *facility document*. *We* may at any time assign or transfer all or any of *our* rights, benefits and obligations under the *facility documents* to any person. In the event of any assignment or transfer by *us*, references to *us* in the relevant *facility document* and all or any *securities* provided in respect of that *facility document* are deemed to be references to the relevant assignee or transferee. However, references to *our* prevailing interest rates in clauses relating to the calculation of interest or an *early repayment charge* payable by *you* continue to be references to Bank of New Zealand's prevailing rates and not those of the relevant assignee or transferee and, if *we* do not assign or transfer all of *our* rights, benefits and obligations under the relevant *facility document*, references to *us* in that *facility document* in relation to any rights, benefits and obligations not so assigned or transferred continue to be references to Bank of New Zealand and not to the relevant assignee or transferee.
- 17.13 No failure to exercise or delay in exercising any right or remedy available to *us* under any *facility document* or at law will waive that right or remedy, nor will a partial exercise of any right or remedy preclude any further exercise of that right or remedy or any other right or remedy. The rights and remedies conferred by each *facility document* are additional to any of the rights and remedies available to *us* at law or under any other *agreement* with *you*.
- 17.14 If *you* are borrowing this money for the purposes of *your* business then nothing in the Consumer Guarantees Act 1993 shall apply to the provision by *us* of the *facilities* (and associated services) to *you*.
- 17.15 If *you* are a partner, a *facility document* will continue to bind *you* despite:
- (a) any changes which may from time to time take place in the partners, whether by death, incapacity, or retirement of any partner or the admission of any new partner or otherwise;
 - (b) the fact that the partnership no longer carries on business; and
 - (c) the fact that *you* or any of *your* partners is no longer a member of the partnership.
- 17.16 If a *Letter of Advice* specifies that *you* are a trustee acting in an independent capacity without any interest in any of the assets of the relevant trust (other than *your* interest as trustee), then *you* are only liable under the *facility documents* to the extent of the value of the assets of that trust that are available from time to time to meet *your* liability, plus any amount by which the value of those assets has been diminished by any breach of trust caused by *your* wilful default or dishonesty. *You* will not be acting independently without any interest in any of the assets of that trust (other than *your* interest as trustee) if *you* are a beneficiary, discretionary beneficiary, or appointor under that trust.
- 17.17 The provisions of each *facility document* will be governed by and construed in accordance with New Zealand law.

18. Meaning of words

18.1 In this *agreement* -

- (a) *Agreed date* means a date for the making of payments of principal, interest or both (as appropriate) as specified in the relevant *Letter of Advice*.
- (b) *Agreed interest rate* means, under each *facility*, the applicable interest rate or rates specified in the relevant *Letter of Advice*.
- (c) *Agreement* means this Home Loan - Facility Master Agreement.
- (d) *Amount outstanding* means all the moneys owing under a *facility*.
- (e) *Business day* means any day other than a Saturday or Sunday on which banks are open for normal banking business in Auckland or Wellington.
- (f) *Charge* means any mortgage, debenture, trust, pledge, lien, security interest or other charge or encumbrance.
- (g) *Confirmation* means any written confirmation by *us* to *you* of the terms (as agreed or as amended) of a *facility*.
- (h) *Credit limit* means the maximum amount of money specified as such in the relevant *Letter of Advice* or subsequently notified by *us* in writing (which may be set out in a statement of a *specified account*), that may from time to time be borrowed by *you* under a Rapid Repay Home Loan, Premium Rapid Repay Home Loan, Revolving Credit Facility or Mortgage One *facility*, and is sometimes referred to by *us* as the "safety limit".
- (i) *Customer margin* means the percentage per annum specified as such in the relevant *Letter of Advice*.
- (j) *Costs* includes costs, charges and expenses, including in connection with legal and other advisers.
- (k) *Early repayment charge* has the meaning given to it in clause 8.6 of this *agreement*.
- (l) *End date* means, as applicable, the last day of the *term* of a *facility* or the last day that *we* make a *facility* available to *you*.
- (m) *Facility* means a facility provided to *you* by *us* specified in the relevant *Letter of Advice*.
- (n) *Facility document* means this *agreement*, each *Letter of Advice*, any document evidencing a *security*, our Standard Terms and Conditions relating to the general operation of accounts and any other document specified by *us* as a "*facility document*".
- (o) *Fixed rate period* means the period specified as such in the relevant *Letter of Advice* during which the *agreed interest rate* is fixed.
- (p) *GlobalPlus Partners* means *us*, Air New Zealand Limited, Telecom New Zealand Limited and any future *GlobalPlus Partners*.
- (q) *Guarantor* means any person or entity who has guaranteed to *us* that *you* will meet *your* obligations to *us*.
- (r) *Letter of Advice* means a letter from *us* to *you* that incorporates the applicable terms of this *agreement*, and provides details of a *facility* *we* are prepared to make available to *you*, and any *confirmation*.
- (s) *Loan amount* means, under a Housing Term Loan or GlobalPlus *facility*, the amount of money specified as such in the relevant *Letter of Advice*.
- (t) *Minimum payment* means, in relation to a *facility*, the minimum amount of principal and/or interest payable, specified as such in the relevant *Letter of Advice*.
- (u) *Our group* means *us* and/or any of *our* related companies.
- (v) *Reduction amount* means, for any month, an amount equal to the amount of principal that would be repayable that month (on the basis of a fully amortising table loan), if *you* had borrowed a *loan amount* equivalent to *your credit limit* with the same *end date* as the relevant *facility* (based on the agreed *interest rate* for that month).
- (w) *Security* means each *charge* described in the "Security" section of the relevant *Letter of Advice* and any substitute or additional *charge* given in connection with the *facility documents*.
- (x) *Specified account* means any account with *us* specified as such in the relevant *Letter of Advice*.
- (y) *Term* means (if applicable) the period specified as such in the relevant *Letter of Advice*.
- (z) *You* means the person or persons named in the relevant *Letter of Advice* as the customer. If there are more than one, "*you*" means each of them separately and all of them jointly, and includes their successors and permitted assignees. *Your* has a corresponding meaning.
- (aa) *We* or *us* means Bank of New Zealand and *our* successors and assignees. *Our* has a corresponding meaning.
- (bb) "Person" includes without limitation, any individual, firm, company, corporation or unincorporated body of persons.
- (cc) Any Act of Parliament includes any modification or re-enactment of, and any regulations issued under, an Act.
- (dd) Any document includes that document as amended, assigned, supplemented or replaced.

Notes

© Copyright Bank of New Zealand

Full details and a current disclosure statement may be obtained from any branch or agency of Bank of New Zealand.