



FIRST HOME TOGETHER FACILITY AGREEMENT (MORTGAGE SECURITY)

PARTIES:

MEMBER NUMBER:

Member(s):

Address:

E-mail address:

POLICE AND FAMILIES CREDIT UNION INCORPORATED, Level 11, 57 Willis Street, Wellington (**Credit Union**)

Telephone: 0800 429 000, Fax 04 499 2006, E-mail: info@policecu.org.nz.

The Credit Union offers and the Member accepts a loan (to assist the Member to purchase the Property), and the Credit Union will purchase a Share of the Property on the terms and conditions of this Agreement, the attached Schedule of Loan Terms and the attached Schedule of First Home TOGETHER Terms.

1.0 DEFINITIONS AND INTERPRETATION

Agreement: means this First Home TOGETHER Loan Facility Agreement.

Advance: means money paid to the Member or another person to the order of the Member.

Annual Interest Rate: means the interest rate set out in item 9 of the Schedule of Loan Terms as amended from time to time in accordance with this Agreement.

Building Work: has the meaning given to that term in section 7 of the Building Act 2004 and generally means any work to the Property that requires a building consent in accordance with that Act.

Credit Limit: means the sum specified in item 3 of the Schedule of Loan Terms.

Credit Union Share means the Credit Union's share of the Property acquired through the Credit Union's Deposit Help scheme which at the date of this Agreement is set out in item 1 of the Schedule of First Home TOGETHER Terms as varied from time to time in the manner set out in this Agreement.

CCCFA: means the Credit Contracts and Consumer Finance Act 2003.

Daily Interest Rate: means the interest rate determined by dividing the Annual Interest Rate by 365.

Default Fees: means those fees which may be payable by the Member, to the Credit Union, on a breach of the Agreement by the Member, or on the enforcement of the Agreement by the Credit Union.

Default Interest: means the interest payable by the Member at the Default Interest Rate in accordance with clause 8.0 of this Agreement.

Default Interest Rate: shall be the Annual Interest Rate, plus 5 per cent per annum.

Facility Account: the Members Loan Account.

Fees: means those fees payable by the Member to the Credit Union to cover the costs incurred by the Credit Union in connection with the Loan and this Agreement.

Fixed Interest Rate: means any agreed fixed interest rate applying to any Advance and which, at the date of this Agreement, is set out in item 9 of the Schedule of Loan Terms.

Fixed Rate Period means a period over which a Fixed Interest Rate is or may be fixed.

Interest Commencement Date: shall be the date specified in item 6 of the Schedule of Loan Terms and is the date of the first Advance.

Initial Unpaid Balance has the meaning given that term in the Schedule of Loan Terms.

Loan: means all money owed to the Credit Union by the Member under this Agreement.

Market Value means:

- (i) in relation to the Property, the current market value of the Property as recorded in a Valuation; and
- (ii) in relation to a Share of the Property, the percentage of the current market value of the Property as recorded in a Valuation that is equal to the percentage of that Share of the Property.

Member Share: means the Member's Share of the Property which at the date of this Agreement is set out in item 2 of the Schedule of First Home TOGETHER Terms as varied from time to time in the manner set out in this Agreement.

Minimum Purchase Amount: means 10% of the value of the Credit Union Share at any time as determined in accordance with item 8 of the Schedule of First Home TOGETHER Terms.

Minimum Share Value means the greater of:

- (i) the Credit Union Share expressed as a percentage multiplied by the Market Value of the Property; and
- (ii) the Credit Union Share expressed as a percentage multiplied by the value of the Property on settlement of the Purchase Agreement.

Minimum Share Sale Value means the greater of:

- (i) the Credit Union Share expressed as a percentage multiplied by the value received for the sale of the Property under item 10 of the Schedule of First Home TOGETHER Terms; and
- (ii) the Credit Union Share expressed as a percentage multiplied by the value of the Property on settlement of the



Purchase Agreement.

Mortgage: means the mortgage specified in item 11(a) of the Schedule of Loan Terms.

Obligations: means the duties and commitments that the Member is legally required to fulfil under this Agreement.

Ownership Share Record: means the record of the Shares in the Property being, at the date of this Agreement, set out in items 1 and 2 of the Schedule of First Home TOGETHER Terms and as updated from time to time in accordance with any Share Change Notice.

Payment: shall be the sum specified in item 10.0 of the attached Schedule of Loan Terms, subject to review pursuant to clause 9 and 10 of this Agreement.

Payment Commencement Date: means the payment date specified in item 7 of the attached Schedule of Loan Terms.

Property: means the property specified in item 11(a) of the attached Schedule of Loan Terms.

Property Expenses: means money (including interest), outgoings, charges, taxes penalties and fees (professional and otherwise) payable in respect of the Property and includes:

- (i) general, special and water rates;
- (ii) electricity, telephone, gas and other utility connection costs and charges;
- (iii) residents' society levies;
- (iv) payments arising under the Loan and any Security;
- (v) insurance premiums and excesses; and
- (vi) costs of selling the Property, including advertising costs, listing fees, legal fees, and Real Estate Agent commission.

Property Sale Request: means a written request in the form available on the Credit Union's website from time to time that the Member gives to the Credit Union asking to market the Property for sale in accordance with item 10 of the Schedule of First Home TOGETHER Terms.

Purchase Agreement: means the contract to acquire the Property between the Vendor, the Member and the Credit Union.

Schedule of Loan Terms: means the attached Schedule of Loan Terms.

Schedule of First Home TOGETHER Terms: means the attached Schedule of First Home TOGETHER Terms.

Security: means the security specified in item 11 of the Schedule of Loan Terms.

Share: means a legal and beneficial ownership share, as tenant in common, in:

- (i) the Property; or
- (ii) the proceeds from the sale of the Property,

as applicable.

Share Buy Back Date: means 10 Years from the date of settlement under the Purchase Agreement.

Share Change Notice: means a written notice that the Credit Union gives to the Member that tells the Member there has been a change to the Ownership Share Record.

Share Purchase Request: means a written offer in the form available on the Credit Union's website from time to time that the Member gives to the Credit Union offering to buy some or all of the Credit Union Share in accordance with item 8.2 of the Schedule of First Home TOGETHER Terms.

Term of the Loan: shall be the term specified in item 8 of the Schedule of Loan Terms.

Unpaid Balance: means the amount owing under this Agreement at a particular time, and includes any interest (including any Default Interest) which has accrued, and any Fees or Default Fees payable by the Member.

Upon Demand: means a demand made in writing.

Valuation: means at the Credit Union's absolute discretion, either:

- (i) a Detailed Valuation: a detailed report addressed to both the Member and the Credit Union as co-owners of the Property by a Valuer approved by the Credit Union who has inspected the Property, describing the Valuer's opinion of the Market Value of the Property; or
- (ii) a Short Form Valuation: a current automated valuation model report supplied by a valuation ordering service provider approved by the Credit Union.

Variable Interest Rate: means the variable interest rate set out in the Schedule of Loan Terms (if any) that is subject to change at the discretion of the Credit Union.

Vendor: means the vendor under the Purchase Agreement.

Working Day: means a day other than a Saturday or Sunday or nationally observed holiday or the Wellington regional anniversary.

1.1 Where there is more than one person named as Member:

- (a) each of them is jointly and severally liable for the obligations under this Agreement;
- (b) each reference in this Agreement to the Member is a reference to each such person individually or to any combination of two or more such persons (in any legal relationship, whether joint or otherwise) or to both; and
- (c) each reference to an account of the Member includes all accounts of each of the Members.



1.2 In this Agreement:

- (a) the singular includes the plural and vice versa; and
- (b) references to a document or agreement include all variations, novations or replacements;
- (c) references to any person (including the Credit Union and Member) include the person and the successors in title, transferees or executors of the person;
- (d) where a Member is required to fulfil an obligation by a certain time or within a certain timeframe, time will be of the essence;
- (e) a reference to a person includes a natural person and a corporation;
- (f) where any word or expression has a special meaning, any other part of speech or other grammatical form of that word or expression has a corresponding meaning; and
- (g) headings are for convenience only and do not affect interpretation.
- (h) the Schedule of Loan Terms as attached forms part of this Agreement.
- (i) the Schedule of First Home TOGETHER Terms as attached forms part of this Agreement.

2.0 PURCHASE AND OWNERSHIP OF SHARES IN THE PROPERTY

2.1 The Credit Union agrees to:

- (a) provide funding to complete the purchase of the Credit Union Share in the Property from the Vendor on settlement of the Purchase Agreement, provided that the Member has complied with its obligations under this Agreement and the Purchase Agreement;
- (b) own the Property as a tenant in common with the Member on the terms set out in the Schedule of First Home TOGETHER Terms; and
- (c) sell the Credit Union Share (in full or in part) to the Member on the terms set out in the Schedule of First Home TOGETHER Terms.

2.2 The Member agrees to:

- (a) purchase the Member Share in the Property from the Vendor on the settlement date set out in the Purchase Agreement;
- (b) own the Property as a tenant in common with Credit Union on the terms set out in the Schedule of First Home TOGETHER Terms; and
- (c) purchase the Credit Union Share (in full or in part) on the terms set out in the Schedule of First Home TOGETHER Terms.

3.0 THE SECURITY

3.1 All existing and future Securities from the Member to the Credit Union secure the Credit Limit, interest and any other amounts payable under this Agreement and the Member's obligations under the Schedule of First Home TOGETHER Terms.

3.2 Before any part of the Credit Limit is drawn, the Security must be given to the Credit Union in the form required by the Credit Union.

3.3 The Credit Union may at any time require the Member to provide such other Security as the Credit Union considers appropriate.

3.4 The Member shall comply with the terms of the Security.

3.5 No security interest created, or guarantee given, under this Agreement will be released unless the Credit Union signs a formal release. The Credit Union will charge the Member a \$75.00 fee for the discharge of the mortgage.

3.6 For clarity, for so long as the Credit Union has a Share:

- (a) the Credit Union is not obligated to release or discharge any Security;
- (b) should the Member wish to refinance, the Member will need to repay any Unpaid Balance and purchase the Credit Union Share in full; and
- (c) the Member shall not grant any security over the Member's Share without the Credit Union's prior written consent.

3.6 Where the Credit Union has rights in addition to those in the CCCFA, those rights shall continue to apply.

4.0 DRAWDOWN

4.1 The Credit Limit may be drawn down in one sum on the Interest Commencement Date subject to the prior receipt by the Credit Union of the following:

- (a) this Agreement duly executed by the Member; and
- (b) the Security duly executed together with such documents and evidence as are in the opinion of the Credit Union necessary to ensure the validity and enforceability of the Security.

4.2 The Credit Union may refuse to advance the Credit Limit (or any part of it) if:

- (a) there occurs any event/circumstance which in the opinion of the Credit Union may detrimentally alter the financial



status of the Member or which may reduce the value of the Security;

(b) the Credit Union becomes aware:

(i) of any material non-disclosure of information relevant to this Agreement and the approval of the Loan;

(ii) that any material statement or information provided to the Credit Union by or on behalf of the Member is false or incomplete; and

(c) the Credit Limit is not drawn down within two months of the date the Member signs this Agreement.

5.0 INTEREST

5.1 Interest is calculated by multiplying the Unpaid Balance by the Daily Interest Rate, each day at 4.00pm, and is debited on a fortnightly basis.

5.2 At the expiry of any applicable Fixed Rate Period, the Annual Interest Rate shall be the Variable Interest Rate.

6.0 PAYMENTS

6.1 The Member shall repay the Initial Unpaid Balance and the Interest, fortnightly by making the Payments, as specified in item 10 of the attached Schedule of Loan Terms.

6.2 The Credit Union shall apply all such Payments paid pursuant to clause 6.1 as provided in clause 16.0 of this Agreement.

6.3 Should the Credit Union review the Annual Interest Rate pursuant to clause 9.0 of this Agreement the fortnightly Payments may change.

7.0 PREPAYMENTS AND BREAK FEES

7.1 Where any portion of the Unpaid Balance is for any reason (including on enforcement of any Security) repaid during a Fixed Rate Period, the Member must pay to the Credit Union, and the Credit Union may debit to the Facility Account, the amount (if any) which the Credit Union determines is necessary to compensate the Credit Union for loss it determines it will suffer or has suffered as a consequence of the repayment, including without limitation, any cost it may incur in reversing or breaking any funding, swap or similar agreement entered into wholly or partially in connection with the relevant Fixed Interest Period.

8.0 DEFAULT INTEREST

8.1 If the Member does not pay any amount due under this Agreement on its due date the Member must pay Default Interest at the Default Interest Rate set out in this Agreement on the overdue amount or amounts from the due date for payment until payment is made.

8.2 Default Interest, and Default Fees pursuant to clause 11.2, may be added to the Unpaid Balance at intervals determined by the Credit Union and interest at the Annual Interest Rate shall be payable on any amounts so added.

9.0 REVIEW OF VARIABLE INTEREST

9.1 The Credit Union may, at any time during the Term of the Loan, review and vary any Variable Interest Rate payable by the Member. The Credit Union will give the Member not less than 20 working days' prior notice, in writing, of the Credit Union's intention to vary the Variable Interest Rate.

9.2 The Variable Interest Rate as so varied shall become effective on the date specified in the notice. The Member's Payments shall be recalculated as from that date in accordance with the Credit Union's amortisation tables on the basis of the new Variable Interest Rate, the Unpaid Balance and the remaining Term of the Loan as from the date specified in the notice.

9.3 Payment, as varied, shall commence on the payment date specified in the notice.

10.0 FURTHER ADVANCES

10.1 The Member may request, and the Credit Union may provide (at its sole discretion), further Advances to the Member to enable the Member to purchase the Credit Union Share. The Credit Union shall have no obligation to make any further Advances, or to provide an Advance of the full amount requested. The Credit Union does not have to provide a reason to the Member if it refuses to provide any additional Advances, or if it does not provide the full amount requested. The aggregate amount of the further Advance and the Unpaid Balance shall at no point exceed the Credit Limit. If a further Advance causes the Unpaid Balance to exceed the Credit Limit, the extent of that excess shall be repaid on demand.

10.2 The further Advance may be drawn down on a date to be agreed between the parties. The provisions of clause 4.2 of this Agreement shall apply to any such further Advance. The provisions of item 8 of the Schedule of First Home TOGETHER Terms will apply to the purchase of the Credit Union Share.

10.3 Any such further Advance shall be added to and form part of the Unpaid Balance and the provisions of this Agreement shall apply to such further Advance accordingly.

10.4 Should the Credit Union make a further Advance, Payment may be recalculated on that date in accordance with the Credit Union's amortisation tables on the basis of the Annual Interest Rate the Unpaid Balance of the Loan and the



remaining Term of the Loan, and the Member shall pay such new Payment commencing on the next payment due date as advised by the Credit Union in writing.

10.5 The Member may be charged a \$10.00 fee for each further Advance.

11.0 FEES, EXPENSES AND TAXES

11.1 The Member shall pay to the Credit Union:

(a) upon demand in writing to the Member sent at the address shown on the first page of this Agreement or any other address notified in writing to the Credit Union by the Member, the full costs and expenses (on a full indemnity basis), including reasonable legal fees (on a solicitor/client basis), incurred in connection with this Agreement and the Security, the preservation or attempted preservation of any rights under this Agreement or the Security, any approvals required under this Agreement or variations of this Agreement and all duties, fees and taxes, if any, to which this Agreement or the Security or any acceptance may be subject or give rise.

(b) a First Home TOGETHER Facility Agreement establishment fee of \$100.00.

11.2 If the Member is in default, the Credit Union is entitled to pass on to the Member, and the Member must pay on demand, any reasonable costs which the Credit Union incurs in remedying the default, including any reasonable legal costs it incurs, and if the Credit Union engages a collection agency to recover from the Member any amount that the Member is in default, the Credit Union is entitled to pass on to the Member, and the Member must pay any reasonable costs the Credit Union incurs in recovering the amount in default.

12.0 PAYMENTS

12.1 The Member must make any payment:

(a) by Payroll deduction; or

(b) by direct credit to the Members Loan Account (Facility Account) or such account as advised by the Credit Union from time to time; or

(c) as otherwise specified by the Credit Union.

12.2 Payments to the Credit Union under this Agreement must be made in same day funds not later than 4.00 pm on the payment due date, without any set off, deduction, counterclaim or withholding whatsoever.

12.3 Any sum due for payment on a day which is not a Working Day shall be payable on the next Working Day.

12.4 The Credit Union may, by providing to the Member any notice legally required, combine, consolidate or merge all or any of the Member's accounts with, and liabilities to, the Credit Union and may set-off or transfer any sum standing to the credit of the Member in any such accounts in or towards the satisfaction of any of the Member's liabilities to the Credit Union under this Agreement.

13.0 DEFAULT

13.1 The Credit Union may, by providing written notice to the Member:

(a) cancel any undrawn part of the Credit Limit (any amount cancelled will not be available to the Member); and/or

(b) require the Member to repay, on the expiry of the 14 day notice period, the Unpaid Balance if:

(i) the Member defaults on any Payment due under this Agreement, or on any of the Member's accounts with the Credit Union, or breaches any obligation the Member has to the Credit Union; or

(ii) the Member breaches any term or condition of this Agreement including any term or condition of the Schedule of First Home TOGETHER Terms, or any term or condition of any Security held by the Credit Union from the Member; or

(iii) the Member charges, mortgages, sells or otherwise disposes of any Property subject to any Security held by the Credit Union from the Member without the Credit Union's prior written consent; or

(iv) the Member does any of the following things, or are the subject or focus (alone or with others) of any of the following events, actions or things, under the Insolvency Act 2006 (the "Insolvency Act") or another law, statutory or otherwise:

(A) is adjudicated bankrupt;

(B) makes a proposal to creditors;

(C) pays creditors in instalments under a summary instalment order;

(D) enters the no asset procedure;

(E) commits, or is charged with, an offence under Part 7 of the Insolvency Act; or

(F) if an order is made or any step is taken toward dissolution or a receiver, liquidator, trustee, administrator or similar officer is appointed in respect of the Member or any Guarantor or their assets; or

(v) the Member is unable to pay, or does not pay, debts as they become due and payable, or becomes insolvent, or the financial position of the Member or the value of any Security held by the Credit Union changes adversely to a material extent, in each case in the Credit Union's reasonable opinion; or



(vi) in the reasonable opinion of the Credit Union, an unsatisfactory feature develops in the financial affairs of the Member, or the Member does not conduct its financial affairs to the Credit Union's satisfaction; or

(vii) any representation, warranty or statement made by or on behalf of the Member when applying for the Loan or in or pursuant to this Agreement proves to be incorrect.

13.2 The Member must immediately comply with any notice given under this clause.

14.0 MEMBER'S RIGHT TO APPLY FOR VARIATION IN CIRCUMSTANCES OF UNFORESEEN HARDSHIP

14.1 If the Member is unable reasonably to keep up Payments or other obligations because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, the Member can apply to the Credit Union for a hardship variation.

14.2 To apply for a hardship variation, the Member must send to the Credit Union a written request to vary the terms of this Agreement, if applicable for a specified amount of time (the Member must specify in the letter), and which explains the Member's reasons for the application.

14.3 The Member should make this application as soon as the Member becomes aware of any unforeseen hardship.

14.4 The Credit Union will acknowledge receipt of hardship applications within 5 working days and make a decision on the hardship application within 20 working days.

15.0 CERTIFICATES

15.1 In any proceedings relating to this Agreement a statement as to any amount due to the Credit Union, which is certified as being correct by one of the Credit Union's officers, shall be prima facie evidence that such amount is in fact due and payable.

16.0 APPLICATION OF MONIES

16.1 If any sum paid or recovered in respect of the Member's liabilities under this Agreement is less than the Unpaid Balance due, the Credit Union may apply that sum to the Unpaid Balance or any other amount due under this Agreement in such proportion and order and generally in such manner as determined by the Credit Union.

17.0 WAIVER

17.1 No failure to exercise, or delay in exercising, any of the Credit Union's rights, powers or privileges will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude the further exercise of such one or any other right, power or privilege.

17.2 The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

18.0 NOTICES

18.1 Any notice to be given to the Member under this Agreement and for the purposes of all disclosure required by the CCCFA may be, at the Credit Union's discretion:

- (a) given to the Member personally; or
- (b) sent by post to the Member at the address shown on the first page of this Agreement or any other address notified in writing to the Credit Union by the Member; or
- (c) sent as an electronic communication to the e-mail address on the first page of this Agreement or any other e-mail address notified in writing to the Credit Union by the Member.

18.2 Notice by:

- (a) post shall be deemed to have been received by the Member on the fourth Working Day after the date of posting; and
- (b) e-mail shall be deemed to have been received by the Member on the second Working Day after the date of sending.

18.3 The Credit Union will provide the Member with disclosure statements at least every 45 working days.

18.4 If disclosure or notice is sent to the Member by an electronic communication, the Member and any Guarantor acknowledge that, in respect of such disclosure, neither the Member nor the Guarantor has imposed any conditions regarding the form of the information or the means by which the information is produced, sent, received, processed, stored or displayed. The Member and any Guarantor must specify their respective information systems from time to time for any such electronic communication. The Member and any Guarantor agree that the Credit Union may make disclosure by sending the relevant person an electronic communication that allows a disclosure statement to be accessed from a website or by means of the Internet.

19.0 ASSIGNMENT

19.1 The Credit Union may assign or transfer any of its rights under this Agreement. An assignee may exercise the Credit



Union's rights under this Agreement. For clarity, the Credit Union may transfer the Credit Union Share.

19.2 The Member shall have no right of assignment and may only transfer the Member Share on the terms of this Agreement.

20.0 GOVERNING LAW

20.1 This Agreement is governed by, and shall be construed in accordance with, the laws of New Zealand.

21.0 COLLATERAL SECURITIES

21.1 This Agreement shall be collateral with any other document or Securities given by any person whomsoever to secure the Member's obligations and with all documents which evidence the terms of any loans, credits, advances and other financial accommodation and shall also be collateral with all documents expressed to be collateral herewith, and all such documents shall be read and construed together so that a default under any one such document or Security shall constitute a default under all, but so that the Credit Union may at its option exercise its rights powers and remedies thereunder and hereunder either together or separately and in such order as it deems fit.

22.0 POWER OF ATTORNEY

22.1 The Member agrees to irrevocably appoint the Credit Union, and each of the Credit Union's directors or managers, at the relevant time, as the Member's attorney with the power to act on the Member's behalf to do anything which the Member agrees to do under this Agreement, or which in the Credit Union's opinion is reasonably necessary to protect the Credit Union's interest under this Agreement or give effect to any right, power or remedy conferred on the Credit Union by this Agreement, by law or otherwise. The Member agrees to indemnify the Credit Union when acting as the Member's attorney against any loss, cost or expense reasonably incurred or suffered as a result of any acts or omissions while acting as the Member's attorney.

23.0 INFORMATION

23.1 The Member authorises the Credit Union to make such enquiries and obtain such information as to the Member's credit worthiness from any person or company as the Credit Union thinks fit.

23.2 The Member, if required, will promptly provide the Credit Union, at the Member's cost, with such information as to the Member's financial position, or any Security, or any person providing a guarantee of the Member's obligation as the Credit Union may from time to time request.

23.3 The Credit Union may disclose, on a confidential basis, to a potential Assignee, Transferee or other person with whom contractual relations in connection with the Agreement or any Security are contemplated, any information about the Member whether or not that information was obtained in confidence and whether or not that information is publicly available.

23.4 The Member will notify the Credit Union as soon as possible about any change in the Member's personal circumstances that affects the Member's ability to comply with this Agreement.

24.0 ANTI-MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM ACT 2009 (AML/CFT)

24.1 The Member agrees to provide all information to the Credit Union which the Credit Union requires in order to manage its AML/CFT obligations, and to comply with any laws, rules or regulations in New Zealand.

25.0 DELIVERY

25.1 This Agreement will be treated as having been "delivered" by the Credit Union immediately on physical or electronic delivery of an original or copy of the Agreement to the address or e-mail address shown on the first page of this Agreement or any other address or e-mail notified to the Credit Union by the Member, in accordance with section 35(5) of the CCCFA.

26.0 ACKNOWLEDGEMENT

26.1 Each of the Member, the Guarantor and the Credit Union agrees that they will be bound by the Agreement.

26.2 The Member's obligations under the Agreement have been explained to them and the Member understands those obligations.

26.3 A copy of the Agreement was disclosed to the Member, and the Guarantor before the Member entered into the Agreement.

27.0 GENERAL

27.1 If any provisions of this Agreement conflict with the provisions of the Security, this Agreement shall prevail.

27.2 Except as otherwise provided by the terms of the Agreement, this Agreement may only be varied in writing between the Credit Union and the Member.



27.3 If any provision of this Agreement is invalid or unenforceable in whole or in part, the remaining provisions of this Agreement shall remain valid and enforceable.

27.4 The Member acknowledges that the Loan is acquired solely for the Member's personal use and not for any business purpose.

SIGNED by :)
as Member)

on / /)

in the presence of:)

Witness:

Occupation:

Address:

SIGNED by **POLICE AND FAMILIES CREDIT UNION INCORPORATED**
as Credit Union)

on / /)

in the presence of:)

Witness:

Occupation:

Address:



SCHEDULE OF LOAN TERMS

1.0 MEMBER:

2.0 CREDIT UNION: Police and Families Credit Union Incorporated, Level 11, 57 Willis Street, Wellington. Telephone: 0800 429 000, Fax 04 499 2006, Email: info@policecu.org.nz.

3.0 CREDIT LIMIT:		6.0 INTEREST COMMENCEMENT DATE:	
4.0 CREDIT FEE – Establishment Fee		7.0 PAYMENT COMMENCEMENT DATE:	
5.0 INITIAL UNPAID BALANCE:		8.0 TERM OF THE LOAN:	
		9.0 ANNUAL INTEREST RATE: Variable or Fixed for first X months then reviewed	

10.0 PAYMENTS

10.1 The Member shall repay the Unpaid Balance and interest by payment of <number> fortnightly payments of <\$amount> and 1 final payment of <\$amount>.

10.2 The total amount of interest payable under the loan is <\$amount> (subject to any changes, including interest rate changes, permitted by this Agreement).

10.3 The total cost of credit which includes the Facility Amount, Establishment Fee and the total amount of Interest payable is <\$amount>.

DISCLOSURE STATEMENTS

11.0 SECURITY

(a) Mortgage

A registered first mortgage is to be, or, has been, taken over the following property (the "Property"):

Mortgagor(s):

Address of Property:

Record of Title No:

Priority Sum: \$

(b) Deferred Maintenance (if applicable) – The Member undertakes to remedy the following at the Property within 12 months of the Interest Commencement Date:

(i) <date>.

(c) Renovations/Alterations (if applicable) – The Member is to ensure that:

(i) any renovations/alterations to the dwelling are not commenced until the relevant consents/permits have been obtained from the local authorities and, for so long as the Credit Union has a Share, consent of the Credit Union has been obtained under item 6 of the Schedule of First Home TOGETHER Terms; and

(ii) all renovations/alterations meet with local authority requirements and are signed off as completed by those local authorities (with a copy of such code compliance certificate provided promptly to the Credit Union); and

(iii) the Credit Union is advised immediately should any local authority require any work on site to cease for any reason whatsoever; and

(iv) the insurer of the Property will be advised of any intended renovations/alterations to the dwelling and the insurer's acknowledgment/consent obtained prior to commencement of any work (with a copy provided to the Credit Union promptly).

(d) Superannuation

A Charge over contributions to the Government Superannuation Fund (GSF) balance.



A registered charge is to be, or has been taken, over the balance of **Name** - GSF member number #### OR
A Charge over benefits in the Police Superannuation Scheme (PSS).

A registered charge is to be, or has been taken, over the benefits payable to, or in respect to **Name** - PSS member number ####.

12.0 INFORMATION ABOUT THE SECURITY

12.1 As part of the overall Agreement, the Credit Union has taken a security interest over the Property. This means that if the Member misses Payments, or is unable to repay the facility, or falls into any other breach of this Agreement, the Credit Union may be entitled to sell the Property to recover money owed to the Credit Union.

12.2 If the Member enters into any additional agreements for a credit facility with the Credit Union, the Property will secure payment on those future facilities. If the Credit Union has a security interest over any of the Member's other property (for instance, in relation to an earlier facility with the Credit Union), that secured property will also secure payment in relation to this facility.

12.3 Before the Member can give a security interest in the Property to any other person (including any bank or financial institution), the Member must get the Credit Union's written consent which the Credit Union may, but does not need to give. If the Member grants a security interest over the Property to another person without the Credit Union's consent, this would be considered a "default", and the Credit Union would be entitled to demand payment of any money the Member owes the Credit Union. If the Member is unable to pay the Credit Union back, the Credit Union would be entitled to possess and/or sell the Property to recover the amount owed.

12.4 If the Credit Union sells the Property because of a default by the Member, and the proceeds from the sale of the Property are insufficient to cover the amount owing by the Member to the Credit Union under this Agreement, the Credit Union reserves its rights to pursue the Member or any Guarantor for the remaining amount owed under this Agreement. This amount will be limited to the difference between the total amount owed by the Member as at the date of the sale of the Property and the proceeds of the sale of the Property.

13.0 STATEMENT OF RIGHT TO CANCEL

13.1 The CCCFA gives the Member a right for a short time after the terms of this Agreement have been disclosed to cancel the Agreement.

13.2 The Member must give written notice to the Credit Union, of the intention to cancel the Agreement:

- (a) within 5 working days of the date of signing this Agreement, if this document was provided in person and on the date of this Agreement; or
- (b) within 7 working days of receiving this Agreement, if this document was sent via electronic communication; or
- (c) within 9 working days of receiving this Agreement, if this document was mailed.

13.3 To cancel, the Member must give the Credit Union written notice of intention to cancel by:

- (a) giving notice to the Credit Union at the Credit Union's specified premises; or
- (b) posting the notice to the Credit Union; or
- (c) emailing the notice to the Credit Union's email address.

13.4 The Member must also return to the Credit Union any Advance or Advances made under the Agreement, within the same timeframes.

13.5 Upon cancellation, the Credit Union can charge the Member:

- (a) the amount of any reasonable expenses the Credit Union had to pay in connection with the Agreement and its cancellation (including legal fees and fees for credit reports, etc.); and
- (b) interest for the period from the day the Member received the Advance until the day that Advance is repaid.

13.6 This statement only contains a summary of the Member's rights and obligations in connection with the right to cancel. If there is anything about the Member's rights or obligations under the CCCFA that the Member does not understand, if there is a dispute about the Member's rights, or if the Member thinks that the Credit Union is being unreasonable in any way, the Member should seek legal advice immediately.

14.0 COMPLAINT RESOLUTION

14.1 If the Member is not satisfied with the services from the Credit Union, or if the Member has a complaint about the Agreement or the Credit Union, the Member should contact the Credit Union at the address given above or by phone on 0800 429 000. Complaints can be made by telephone, email, or in writing. If after discussing the complaint with the Credit Union, the Member is still not satisfied, the Member may contact the Independent Dispute Resolution Scheme. The Credit Union is a member of the Independent Dispute Resolution Scheme operated by the Financial Services Complaints Limited (FSCL) which is approved by the Ministry of Consumer Affairs. This service is free.



Te Uniana Whakanama Pirihimana

POLICE HELPING POLICE

The Member can refer the matter to FSCL on 0800 347 257, email info@fscl.org.nz, PO Box 4567, Wellington 6145 or their physical address 4th Floor, 101 Lambton Quay, Wellington. For more details see their website www.fscl.org.nz.

15.0 SCHEDULE OF LOAN TERMS

This Schedule forms part of the Agreement.

16.0 REGISTRATION ON FINANCIAL SERVICE PROVIDERS REGISTER

Credit Union registration name: Police and Families Credit Union Incorporated

Registration number: FSP28032



SCHEDULE OF FIRST HOME TOGETHER TERMS

1.0	CREDIT UNION SHARE	%	2.0	MEMBER SHARE	%

3.0 RECORD OF SHARE OWNERSHIP

3.1 As at the date of this Agreement, the Shares are the Credit Union Share and the Member Share set out in items 1 and 2 of this Schedule.

3.2 Any change to the Shares will only be effective once the Credit Union has provided a Share Change Notice under the Agreement.

3.3 The Credit Union will issue a Share Change Notice reflecting the then current Shares when the Member buys some or all of the Credit Union Share in accordance with this Agreement, as set out in item 8 of this Schedule of First Home TOGETHER Terms.

3.4 The Credit Union may issue a Share Change Notice if it needs to correct an obvious error in the Ownership Share Record. The Credit Union will issue the Share Change Notice within 5 Working Days of becoming aware of the error.

3.5 The Credit Union may require the Member to update the record of title to the Property to reflect the current Shares at the Member’s cost. The Credit Union acknowledges that there are costs associated with updating the record of title and may agree to defer an update to the record of title if the costs of the update outweigh the benefit of completing the update. The parties acknowledge that, if they agree to defer an update to the record of title, the Ownership Share Record is the current and accurate record of the Shares.

3.6 The Credit Union’s funding of the Credit Union Share (as described in clause 2 of the Agreement) will be recorded in the Members Loan Account.

4.0 OCCUPATION OF THE PROPERTY

4.1 Subject to any rights the Credit Union has under the Securities and clause 13 of the Agreement, the Credit Union will not:

- (a) use or occupy the Property during the term of this Agreement.
- (b) charge any occupancy fees under this Agreement.

4.2 The Member agrees that it will:

- (a) occupy the Property as a co-owner of the Property, and not as a tenant or holder of any other interest.
- (b) occupy the Property as the Member’s principal place of residence unless the Credit Union has agreed in writing (having regard to extraordinary circumstances that are affecting the Member or the Property). For clarity, the Credit Union acknowledges that occupying the Property as a residence may include some or all of the Member’s household working or studying from the Property.
- (c) not purchase any other real estate (either as an individual, with other parties or as an owner of any other entity).
- (d) comply with all relevant legislation in respect of the Property including but not limited to the Health Act 1956, the Resource Management Act 1991 and the Building Act 2004.
- (e) comply with all existing registered interests in respect of the Property.
- (f) not use the Property or allow it to be used for any illegal activity.

4.3 The Member will meet with the Credit Union regularly at the Credit Union’s request (generally not more than once per year) and provide information about the Member’s current and predicted financial circumstances, including bank account statements showing the Member’s income, expenses, savings, current and predicted housing circumstances, including whether the Property meets current and/or predicted future housing needs, an assessment of the property for insurance purposes and any other matters relating to the Property or this Agreement.

4.4 The Member agrees that it will not grant any legal or beneficial interest in the Property to a third party without having first obtained the Credit Union’s agreement in writing. For clarity, the Member agrees that it will not sell, transfer or otherwise dispose of the Member Share or grant a lease or tenancy of, or a licence to occupy, the Property or any part of it.

4.5 The Credit Union may, for so long as it has a Share in the Property, arrange a property condition report at the Member’s cost.



4.6 The Credit Union may enter and inspect the Property on reasonable notice, (except in emergency when no notice is required), at least annually.

5.0 PROPERTY COSTS, REPAIR AND MAINTENANCE

5.1 The Member will pay all Property Expenses when they are due.

5.2 The Member will meet all obligations it has under any other instrument or other document affecting or secured against the Property.

5.3 The Member will keep the Property in good condition and will, subject to item 6.1 below, repair or replace any broken or damaged part(s) of the Property as soon as reasonably possible.

5.4 The Member will immediately notify the Credit Union if the Member becomes aware of any defect in the Property that the Member believes is or might be material. The Credit Union may require the Member to either repair the defect or to put in a claim with a third party in respect of the defect. If the third party offers to settle the claim, the Member agrees to seek the Credit Union's agreement in writing which the Credit Union will endeavour to provide within 10 Working Days of request.

5.5 The Credit Union will not be liable to contribute toward the cost of any Property Expenses or repair of any defect in the Property.

6.0 BUILDING WORK

6.1 The Member will not, without the Credit Union's prior written agreement, undertake any Building Work.

6.2 The Credit Union may require the Member to undertake any Building Work if such work is reasonably required to maintain the integrity or value of the Property.

6.3 The Member will complete any such work within a reasonable time, at its sole cost, in strict accordance with the plans and specifications approved by the Credit Union, in a professional and tradesman-like manner and in accordance with all relevant legislation and consents granted. The Member indemnifies the Credit Union against any loss, cost or damage suffered by the Credit Union as a result of the Member undertaking the works.

6.4 The Credit Union shall not be liable to contribute toward the cost of any Building Work which the Member undertakes.

7.0 INSURANCE

7.1 The Member shall insure the Property in the name of both the Member and the Credit Union against loss or damage with a reputable insurance company approved by the Credit Union with a sum insured policy (GST inclusive) and which, for so long as the Security is in place, notes the Credit Union as an interested party (mortgagee).

7.2 Neither party will do anything to invalidate or otherwise adversely affect any insurance policy for the Property.

If the Member fails to insure the Property pursuant to item 7.1 above, the Credit Union may arrange for the Property to be insured in the name of both the Member and the Credit Union for a sum insured replacement policy (GST inclusive), at the Member's cost.

8.0 PURCHASE CREDIT UNION SHARE

8.1 The Member will on or before the Share Buy Back Date and after giving a Share Purchase Request, purchase the Credit Union's Share in full.

8.2 The Member may, at any time prior to the Share Buy Back Date and after giving a Share Purchase Request, buy the Credit Union Share in full (in one lump sum payment) or in part, subject to each part payment meeting the Minimum Purchase Amount.

8.3 Within 5 Working Days of receiving the Share Purchase Request, the Credit Union will notify the Member either that information is missing/insufficient or, that the Share Purchase Request includes all required information. If the Share Purchase Request includes all required information, the Credit Union will confirm what form of Valuation will be acceptable to it.

8.4 The Member shall arrange for a Valuer approved by the Credit Union to prepare a Market Valuation addressed to both the Member and the Credit Union of the Property at the Member's expense.

8.5 The Member will submit the Valuation to the Credit Union that is no older than two months from the date of submitting the Share Purchase Request.

8.6 The Credit Union will review the Valuation and within 5 Working Days will return a signed Share Purchase Request to the Member which will include:

- (a) the price of the Credit Union Share or a part of the Credit Union Share. The price will be:
 - (i) equal to or higher than, the Minimum Purchase Amount; and
 - (ii) equal to the Minimum Share Value of the Credit Union Share to be purchased.



- (b) detailed instructions for paying for the relevant part of the Credit Union Share that the Member is purchasing. If the Member is acquiring all of the Credit Union Share, the detailed instructions will direct the Member to engage a solicitor to assist in registering the Share transfer on the record of title to the Property.

8.7 The Member agrees to pay for the Credit Union Share within 20 Working Days of receiving the instructions described in item 8.6 unless the Credit Union agrees to another date in writing.

8.8 On receipt of payment in accordance with the instructions, the Credit Union will, as soon as practicable:

- (a) provide the Member a Share Change Notice; and
- (b) where the Member is buying part of the Credit Union Share, advise whether it requires the title to the Property to be updated in accordance with item 3.5;
- (c) where the Member is buying all of the Credit Union Share, provide instructions for the Member's solicitor to register the Share transfer on the record of title to the Property, at the Member's cost.

8.9 If the Member does not pay for the Credit Union Share within 20 Working Days of receiving the instructions described in item 8.6 (or such other date that the Credit Union has agreed to in writing) the Credit Union can cancel approval of the Share Purchase Request.

9.0 SHARE BUY BACK DATE

9.1 The Member acknowledges that failure to purchase the Credit Union's Share on the Share Buy Back Date is a breach of this Agreement.

10.0 SELLING THE PROPERTY

10.1 If the Member wishes to sell the Member Share it must first submit a Property Sale Request to the Credit Union. The Member agrees not to advertise the Property for sale until the Credit Union has approved the Property Sale Request. The Property Sale Request must indicate whether the Member intends to sell the Property on the open market or to a related party.

10.2 Within 5 Working Days of receiving the Property Sale Request, the Credit Union will notify the Member and either advise that information is missing/insufficient or, whether the Property Sale Request includes all required information.

10.3 If the Property Sale Request includes all required information, the Credit Union will confirm whether a Valuation is required and, if so, what form of Valuation will be acceptable to it.

10.4 If required to do so, the Member shall arrange for a Valuer to prepare a Market Valuation of the Property addressed to both the Credit Union and the Member, at the Member's expense.

10.5 The Member will submit the Valuation to the Credit Union that is no older than two months from the date of submitting the Property Sale Request.

10.6 The Credit Union will approve the Property Sale Request if:

- (a) The Member has occupied the Property for more than three years or such lesser period as agreed by the Credit Union in writing; and
- (b) the Member proposes to sell the Property at or above its Market Value.

10.7 If the Credit Union approves a Property Sale Request, it:

- (a) will provide the Member an approved Property Sale Request signed by the Credit Union;
- (b) may provide the Member detailed instructions on the sale process that the Member agrees to follow, which may include:
 - (i) any terms the Credit Union require be included in the Real Estate Agent's listing contract;
 - (ii) the form of contract that the Member agrees to use to sell the Property.

10.8 The Member will:

- (a) Place the Property on the market for sale with a licensed Real Estate Agent approved by the Credit Union. The Member will be solely responsible for all marketing costs and agent's fees associated with a sale of the Property;
- (b) Provide the Credit Union with a copy of the offer the Member wants to accept and a summary (which includes the proposed purchase price, conditions and any other material and/or non-standard terms) of the other offers received to purchase the Property before the Member accepts or rejects any offer;
- (c) If required by the Credit Union, provide an updated Valuation if the Property has not sold within a reasonable time after it is first advertised for sale; and
- (d) allow the Credit Union a reasonable period of time to make decisions about the sale of the Property.

10.9 The Credit Union may decide whether to reject any offer to purchase the Property, or to request changes to the purchaser's offer before it is accepted where:



- (a) the summary provided to the Credit Union under item 10.8(b) shows that a higher offer has been received on the open market (in which case, if the Credit Union rejects the offer the Member wishes to accept). The Credit Union will have regard to any conditions, any other material and/or non-standard terms and the Member's reasons for not accepting the higher offer before making a decision.
- (b) the offer is for an amount that is less than the purchase price of the Property under the Purchase Agreement.
- (c) the transaction does not comply with the Credit Union's instructions issued to the member under item 10.7.

10.10 The Member must not agree to make any changes to the contract to sell the Property unless the Credit Union has agreed in writing (the Credit Union will provide its response within 5 Working Days after receiving all relevant information).

10.11 On sale, the Credit Union will receive the Minimum Share Sale Value for the Credit Union Share. For clarity, any money payable to the Mortgagee to repay the Loan will be paid out of the Member's share of the sale proceeds.

11.0 DEFAULT

11.1 In the event that the Member fails to observe and perform its obligations described in this Schedule of First Home TOGETHER Terms, and does not rectify the failure within 10 Working Days of receiving written notice from the Credit Union requiring the failure to be rectified, the Credit Union may rectify any such failure itself and the cost of doing so shall be deemed to be an Advance made under the Agreement and will form part of the Unpaid Balance.



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POLICE HELPING POLICE

<Member/s> acknowledges having received a copy of this Agreement, including the Schedule of Loan Terms and the Schedule of First Home TOGETHER Terms referred to in the Agreement (being initial disclosure as at the date of the Agreement under Credit Contracts and Consumer Finance Act 2003).

Signature

____/____/_____
Date



Salary deduction form

Personal Detail

Membership Number: _____

Work phone no.(_____) _____

Home phone no.() _____

Deduction Details

I hereby authorise the New Zealand Police to deduct monies as indicated below from my fortnightly salary and pay the same to the **Police and Families Credit Union Incorporated**.

Account:

Loan:

Transactional Account	(S1)	<input type="text"/>	_____
Goal Account	(S2)	<input type="text"/>	_____
Christmas Club	(S3)	<input type="text"/>	_____
Achiever Saver	(S5)	<input type="text"/>	_____
Bonus Saver	(S6)	<input type="text"/>	_____
<input type="text"/>		<input type="text"/>	_____
<input type="text"/>		<input type="text"/>	_____
<input type="text"/>		<input type="text"/>	_____

Total \$

Please note that any changes made to the above amounts do not affect payments made to the New Zealand Police Association or the Police Welfare Fund.

Declaration

Terms and conditions

I understand and acknowledge that the Police and Families Credit Union Incorporated (Credit Union) accepts this authority only upon the following conditions, namely:

1. The Credit Union will endeavor to effect such salary deduction without any responsibility or liability for omission to request all or any deduction or for any omission to follow any such instructions. Further, the Credit Union accepts no responsibility or liability for the accuracy of the information contained in the payment information fields on this authority or for failure to transmit such information in the manner requested. In this event, this authority is subject to any arrangements now or hereafter subsisting between myself and the Credit Union in relation to my account.
2. The Credit Union may at any time terminate this authority as to future payments by notice in writing to me.
3. This authority will remain in full force and effect notwithstanding my death, bankruptcy or any other revocation of this authority until notice of my death, bankruptcy or such revocation is received by the Credit Union.

Signature _____ Date: _____

Office Use Only

First Pay Date (Effective Date) _____ Actioned by: _____ Date: ____



Te Uniana Whakanama Pirihimana

POLICE HELPING POLICE

Barristers and Solicitors

Attention:

Police and Families Credit Union Incorporated: Advance to: <name of borrower(s)>

Police and Families Credit Union Incorporated (**Credit Union**) has agreed to make a loan of \$xxx.xx and an additional "Deposit Help" ownership contribution of \$xxx.xx available to the above named (the **Borrower(s)**), in order to purchase the fee simple property at (State address of the property) (the **Property**) secured by a first mortgage over that property (the **Facility**). The Credit Union cannot lend to trusts or companies.

The Member has requested two loan contracts with \$ at the fixed rate and \$ at the floating rate. This advance is separate from the advance on , which is to be repaid on settlement of the sale. The Personal Loan of \$ will be deducted from the advance.

The Credit Union requests you to act on its behalf in the preparation, execution, and registration (including electronic registration) of the transfer of a share of the title to the property as tenant in common (the **Credit Union Share**) and securities for the Facility as detailed below, and to ensure that the interests of the Credit Union are fully protected throughout.

Please note that we have instructed you on the basis that you are a firm of solicitors, a sole practitioner, or the Public Trust, Guardian Trust, or Perpetual Trust. If this is not the case, or if you consider that you cannot act for us for any other reason, then please advise us immediately.

All fees and costs in relation to your attendances in this regard are payable by your client, regardless of whether the Facility proceeds.



GENERAL INSTRUCTIONS

1. Registration of Transfer

The holder of the Credit Union Share should be recorded as **Police and Families Credit Union Incorporated**.

We require that you prepare an Authority and Instruction form recording Police and Families Credit Union Incorporated as transferee of a <XXX share> in the Property. The Authority and Instruction form will need to be sent to the Credit Union a reasonable time prior to settlement to enable the Credit Union to arrange for its execution and return.

2. Form of Mortgage and Registration

We require that you use the Auckland District Law Society '**All Obligations**' form of mortgage approved by the Registrar-General of Land together with the accompanying memorandum of provisions.

For mortgages of land you must, where the mortgage will be registered by electronic dealing, ensure that the Borrower(s) sign a Client Authority and Instruction in the form set out in the New Zealand Law Society guidelines on eDealings.

Any mortgage should be registered against the whole of the relevant record(s) of title (including the Credit Union Share).

In preparing the mortgage please ensure that:

- (a) the Mortgagee is described as **Police and Families Credit Union Incorporated**;
- (b) you provide the Borrower(s) with a copy of the Auckland District Law Society All Obligations Memorandum of mortgage, number 2015/4328 and record this in the Client Authority and Instruction form as the Memorandum number;
- (c) the Borrower sign a Client Authority and Instruction approved by the New Zealand Law Society and the Registrar-General of Land. Please ensure that the Priority Amount of the Mortgage for the purposes of section 92 of the Property Law Act 2007 is recorded as \$;
- (d) the Mortgage Type is recorded as a first mortgage over the property;
- (e) you register the Mortgage at Land Information New Zealand via eDealings on *Landonline*. We authorise you for this purpose; and
- (f) no alterations are made to the form of the Mortgage except in accordance with this letter or with our prior written approval.



Where security is to be taken over more than one parcel of land and there is no legal impediment to immediate registration of our mortgage at settlement, one mortgage will suffice. However, where immediate registration cannot be effected with certainty at settlement (e.g. because title may be yet to issue) a separate mortgage is to be executed for that parcel of land.

3. Electronic Registration

The following requirements apply:

- (a) the Mortgage Memorandum number applicable is 2015/4328;
- (b) a binding written authority (in the form approved by the New Zealand Law Society and the Registrar-General of Land) from all appropriate parties must be obtained;
- (c) all necessary steps must be taken to confirm the identity of the authorising party and evidence of that fact must be retained for the period specified by the Regulations made under the Land Transfer Act 2017;
- (d) the instrument(s) must comply with any statutory regulations specified for that instrument and evidence be retained of that fact for the period specified by the Regulations made under the Land Transfer Act 2017; and
- (e) the Facility and Credit Union Share purchase proceeds must not be released until all instruments have been successfully pre-validated by all relevant parties and you have obtained appropriate solicitor's undertakings (if applicable).

4. Insurance

All buildings are to be insured against loss or damage with a reputable insurance company approved by the Credit Union with a sum insured policy (GST inclusive). The Credit Union will only approve insurance companies which issue a comprehensive class of policy.

Prior to drawdown, we will require a Certificate of Currency noting the interest of the Credit Union as first Mortgagee and owner of a <XXX share> in the Property as tenant in common. The insurance company is to be requested to forward a Certificate of Currency to us.

5. Life Insurance

The Credit Union does not provide life insurance or mortgage repayment insurance. Please advise the Borrower(s) of the risk associated with uninsured loans and recommend that the risk be covered. The Police Welfare Fund Ltd can assist with life insurance.

6. Guaranteed Search

You must obtain a guaranteed search of the property within the First Period as defined in section 60 of the Land Transfer Act 2017 prior to the date of drawdown or the date of availability of the Facility. If such search reveals the existence of any defect, encumbrance,



interest or other matters which are or could reasonably be expected to be detrimental to the Credit Union's interests as owner or Mortgagee, you must not disburse the Facility proceeds, or any part thereof, without the written instructions of the Credit Union to do so.

If, prior to the issue of your solicitor's certificate to the Credit Union, or after the issue of the solicitor's certificate but before you disburse any of the Facility proceeds, you become aware of anything which would affect the validity or enforceability of the Credit Union's security, you must tell us immediately (giving all relevant details).

7. Outgoings

You are to ensure that all rates (including any arrears), Body Corporate levies (if applicable), insurance premiums and other outgoings are paid on or before settlement.

8. Cross Lease Title

If the security comprises a composite title, the fee simple estate should be free of encumbrances taking priority or adversely affecting the Credit Union's mortgage.

9. Leasehold Titles and Encumbrances

If the property is a leasehold estate (other than a composite title), is Māori land, or is subject to a memorial noted pursuant to the State-Owned Enterprises Act 1986, or the title is subject to an encumbrance, or other matter which could adversely affect the interest of the Credit Union as owner or Mortgagee, you must advise us and obtain the Credit Union's prior written approval before proceeding.

10. Unit Title

If the property is a stratum estate under the Unit Titles Act 2010:

- (a) obtain the certificate under Section 146 and 147 of that Act;
- (b) confirm that none of the rules of the Body Corporate, nor the contents of either the Section 146 or the 147 certificate, disclose any matter which would adversely affect our interest as Mortgagee;
- (c) notify the Body Corporate insurers of the interest of the Credit Union as Mortgagee and owner of a 1/10th share in the Property as tenant in common;
- (d) Search the Personal Property Security Register to ensure that there are no charges registered against the property being purchased by the Mortgagor(s) and certify in your solicitor's certificate that there are either no registered charges or that you will have obtained releases of same before settlement.



11. Disclosure

Please attend to disclosure under the Credit Contracts and Consumer Finance Act 2003 and any applicable common law requirements before execution of the Facility Agreement. You should disclose copies of all executed documents including a copy of the mortgage provisions to the Borrower(s) before the time of execution.

Please note, this is not a standard home loan product. To assist you in making disclosure, we highlight certain key terms and conditions below. This is not meant to be exhaustive or to replace your obligation to attend to disclosure. It is intended simply to assist you in ensuring your client understands how our **First Home TOGETHER** product works.

Please ensure your clients are aware:

1. Co-ownership:

- a. The Borrower(s) and the Credit Union will be co-owners of the property to be purchased. Both names will appear on the **Record of Title** for the property together with our respective shareholdings in the property as “tenants in common”.
- b. Each party will own a percentage of the property which is specified in the Schedule of First Home TOGETHER Terms.
- c. The Credit Union is not a landlord.
- d. The Borrower(s) do not pay rent or interest on our **Deposit Help** (our share of the home).
- e. The Borrower(s) is responsible for all ongoing costs like rates, insurance, power & gas and household repairs and maintenance.
- f. Major repairs or improvements, or sale of the property will require the Credit Union’s permission as co-owner.

2. Changing value of the respective shareholding

When the value of the house goes:

- **UP:** the dollar value of both the Borrower(s) and the Credit Union’s shares in the home also goes up. It’s based on the percentage we each own.
- **DOWN:** the dollar value of both the Borrower(s) and the Credit Union’s shares in the home also goes down. It’s based on the percentage we each own. *It’s important to note however that the value of the Credit Union’s share will not drop below a certain level. This is explained in detail in our First Home TOGETHER brochure on pages 20-21.*

3. Deposit Help

- a. This is interest free for up to 10 years.
- b. The Borrower(s) are encouraged to buy back the Credit Union’s share as soon as they can so that they own more of their home faster.
- c. The Borrower(s) must buy back the **Deposit Help** within 10 years. If they do not, the Credit Union may convert the balance of **Deposit Help** into an interest-bearing advance.



4. Buying back Deposit Help from the Credit Union (buy back)

- a. This can be done at any time/as often as wanted in the 10-year period.
- b. Each buy back must be for a minimum 10% of the Credit Union's **Deposit Help** after the property is revalued.
- c. *The process is explained in detail in our First Home TOGETHER brochure on pages 18-21*
 - Step 1: The Borrower(s) complete an application to buy back.
 - Step 2: Registered valuation is completed (Borrower pays) to establish the current value of the house. We suggest using the same valuer that completed the original registered valuation.
 - Step 3: We calculate the new value of the Credit Union's **Deposit Help**. Borrower(s) decide if they wish to proceed with buying at least 10% of **Deposit Help**.
 - Step 4: if the buy-back proceeds, we update the **Share Change Notice** to reflect the new shareholdings.

5. Annual review meeting

- a. A member of the Credit Union staff will meet annually with the Borrower(s) to review their situation and provide guidance on potentially buying back part of the **Deposit Help**.

12. Proposed Date of Drawdown

The proposed date of drawdown or date of availability of the Facility is . If this date is to be changed, please notify the Credit Union of this request as soon as possible.

13. Alterations

Please note that there are to be no alterations to the documents without the Credit Union's prior written approval. If approval has been given, please ensure that all changes are initialled by the parties at completion.

14. Establishment Fee

A loan establishment fee of the amount advanced of \$100.00 will be debited to the mortgage loan account at settlement.

15. Fees

All of your costs are to be met by your client.

16. Special Instructions

Please complete and return:

- (a) Salary Deduction form;
- (b) Mortgage Disbursement Request;
- (c) Membership Account Mandate form;



- (d) Automatic bank payment authority and confirm that it has been lodged at the bank. The first transfer should be made on the Friday before the first date for payment specified in the Schedule of Loan Terms in order to have cleared funds available for the mortgage payment;
- (e) Ensure the Borrower(s) is aware of item 11 in the Schedule of Loan Terms relating to the need to carry out deferred maintenance / renovations / alterations; and
- (f) Once the date of refinancing is determined by you, please insert that date in the Schedule of Loan Terms, at item 6.

17. Settlement

Funds will not be available unless the following documents are received by the Credit Union at least 24 hours prior to settlement:

- (a) Solicitor's certificate signed by a principal of your firm on your letterhead;
- (b) Facility Agreement, duly executed;
- (c) Certificate of Currency as in paragraph 4 above and showing the Credit Union noted as first Mortgagee and owner of a 1/10th share in the Property as tenant in common;
- (d) Client Authority and Instruction Form, duly executed;
- (e) your trust account deposit form;
- (f) a copy of the signed pre-contract disclosure statements and pre-settlement disclosure statements in relation to the Mortgage over the stratum estate as provided by the Mortgagor(s) pursuant to section 146 and 147 of the Unit Titles Act 2010, if applicable;
- (g) an up-dated copy of the pre-settlement disclosure statements in relation to the Mortgage over the stratum estate as provided by the Mortgagor(s) pursuant to section 147 of the Unit Titles Act 2010, if applicable; and
- (h) any other relevant documents.

To avoid any delay in settlement, we strongly recommend that any documents required to be sent to us are sent as soon as possible prior to settlement, so that we can ensure everything is in order. If, for any reason a particular document shall not be available until just before settlement, please forward copies of all documents that are available and send the remaining document later.

Please note that drawdown or availability of the Facility will be subject to the satisfaction of all conditions precedent in the Facility Agreement.

18. Securities

All remaining documents requiring registration are to be returned to the Credit Union within 1 week of the date of advance, with a copy of the View Instrument Details and a post-registration search copy of the record of title. If there are any delays please notify the Credit Union as soon as possible, indicating the reason for the delay, and the expected availability of the documents.

If you have any enquiries regarding the Facility, please contact me.



Te Uniana Whakanama Pirihimana

POLICE HELPING POLICE

Yours faithfully

[Staff Member name]

Telephone: 0800 429 000

Fax: 04 499 2006

Email: info@policecu.org.nz

Enclosures:

1. Loan agreement (in triplicate)
2. Solicitors Certificate
3. Salary Deduction form
4. Drawdown Form
5. First Home TOGETHER brochure