

WHAT YOU CAN EXPECT WHEN YOU APPLY FOR A LOAN

When you apply for a loan, Real Finance Limited, as your lender, has certain responsibilities to you. All lenders must take reasonable steps to understand your personal situation and financial needs.

This document explains what a responsible lender should do to support you and to help ensure you are not given a loan that you cannot afford to repay.

These guidelines apply to consumers borrowing under the Credit Contracts and Consumer Finance Act 2003.

USEFUL WEBSITES ABOUT BORROWING:

www.sorted.org.nz
www.consumeraffairs.govt.nz
www.comcom.govt.nz
www.fma.govt.nz

MAKING A COMPLAINT

If you are unhappy with the outcome after raising a concern with us, you can contact our independent dispute resolution service.

These services are free for consumers and should be used only after you have tried to resolve the issue with us directly.

FSCL

FINANCIAL SERVICES COMPLAINTS LTD

Freephone: 0800 347 257

Email: info@fscl.org.nz

Website: www.fscl.org.nz

RealFinancetm

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Wellington

0800 21 21 21

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RealFinancetm

RESPONSIBLE LENDING GUIDELINES



Real Finance Limited is committed to responsible lending. This means we aim to provide credit products honestly, fairly, and with integrity, while making sure our clients are treated with care and respect.

Real Finance Limited is a registered Financial Services Provider (FSP3821)

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UNDERSTANDING YOUR SITUATION

We will take reasonable steps to understand you and your circumstances so you can make informed decisions about borrowing. All information you provide is kept confidential.

To do this, we may ask questions about your finances, including:

- your income or benefits, and whether your work is full-time, part-time, or casual
- regular expenses such as rent, other loan repayments, child support, insurance, and other ongoing costs
- occasional or unexpected expenses, or anything that could affect your ability to repay a loan
- existing loans and whether the new loan will be used to repay other debts
- your credit history
- personal details such as your age and the number of people who rely on you financially
- assets you own and their value, such as a home or vehicle

PROVIDING PROOF - FINANCIAL INFORMATION

A responsible lender will need evidence to confirm your financial position. This may include:

- obtaining a copy of your credit report
- asking for payslips, tax returns, or bank statements
- checking identity documents, such as a passport
- speaking with your employer or accountant (with your permission)
- requesting original documents rather than copies
- verifying information with other lenders if details provided do not match

UNDERSTANDING YOUR NEEDS

To help choose the right loan, a lender may ask about:

- how much you want to borrow
- when you need the money and for how long
- the type of loan that best suits your situation

DECIDING WHETHER A LOAN IS SUITABLE

A responsible lender must assess whether you can realistically repay the loan. A loan may be declined if the lender believes that:

- you cannot afford to repay it
- repaying it would cause serious financial difficulty
- the loan does not meet your needs or goals

MAKING SURE YOU UNDERSTAND THE LOAN

A responsible lender should:

- make sure you clearly understand the loan, including your rights and obligations, before you sign
- explain interest rates, fees, and terms in a clear and fair way
- assess any property being used as security fairly
- clearly identify and explain any security listed in the loan agreement
- explain the risks of borrowing, including what may happen if you do not repay the loan, such as repossession or sale of secured property
- provide this information at the time you apply for the loan

SUPPORT IF YOU HAVE FINANCIAL DIFFICULTY

If you are struggling to make payments, you should contact your lender as soon as possible.

A responsible lender should:

- treat you fairly if you miss payments
- work with you to explore possible solutions, which may include changing loan terms if appropriate
- help you access budgeting or financial advice if needed
- refer you to a budget advisor if you ask
- assist you with dealing with social service agencies, such as Work and Income New Zealand, if requested

If repossession becomes necessary, a responsible lender must still treat you fairly. This includes:

- making reasonable efforts to discuss other payment options first
- only repossessing property listed as security in the loan agreement
- ensuring you and your property are treated respectfully, including by any repossession agents

PLEASE UNDERSTAND

Secured Debts and Unsecured Debts are different

If you suffer from financial hardship and seek the advice of a budget advisor, you should understand the difference between a secured creditor (as Real Finance will most likely be) and any unsecured debts you might have.

Entering No Asset Procedure (NAP) or full bankruptcy will **NOT** remove your obligation to deal with your Lender over secured debts.