

Credit Guide

A Credit Guide sets out important information about the services that we provide as a broker, any fees and commission payable to us, our responsible lending obligations and our internal and external dispute resolution procedures and how you can access them.

We are required to provide this Credit Guide to you as soon as practicable after it becomes apparent that we are likely to provide credit assistance to you.

Financial Holdings LTD (fhlnz.co.nz) herein referred to as "FHL"

What is credit assistance

We provide credit assistance when we:

- Suggest or assist you to apply for a particular credit contract; or
- Suggest or assist you to apply for an increase to the credit limit; or
- Suggest you remain in a particular credit contract; or
- Suggest the insurance products provided under the contract will meet the borrower's requirements and objectives;

Which providers do we utilise when providing credit assistance

We source credit products from a limited number of banks, lenders and insurance providers. At present, we can write loans with the following banks, lenders and insurance providers:

- ASB Bank (commercial division)
- Aotea Finance
- Autosure
- Provident Insurance
- Protecta

How will I pay for the credit assistance

Fees depend on the extent of work we need to undertake on your behalf. The actual amount will be confirmed in the credit proposal we present to you prior to your acceptance of the credit obtained. This fee is only payable if you accept the credit proposal.

We will provide you with a credit quote containing details of fees and any payments made to us before we provide you with credit assistance.

What information is required to receive credit assistance

Before we provide you with credit assistance, we are required to complete a Preliminary Assessment. This preliminary assessment makes enquiries about:

- your requirements and objectives for seeking a credit product;
- your requirements and objectives for seeking an insurance product;
- your financial and relevant personal situation; and
- your repayment capacity.

We may also request documentation in order to verify the information contained in the preliminary assessment. This will normally involve requesting copies of recent bank statements, pay slips, letter of employment, and your current drivers licence, and in some cases entry visas.

What information is kept on my credit file and can I examine my file.

We maintain a record of your personal profile including details gathered as part of our preliminary assessment. You are entitled to request a copy of this assessment, and we must give you a copy if requested.

There is no charge for requesting or receiving a copy of the Preliminary Assessment:

- at any time during the first 2 years - we must provide it within 7 business days; or
- between 2 years and 7 years after it was conducted - we must provide it within 21 business days.

Are commissions, fees or other benefits paid to FHL by the credit provider

When we provide you with credit assistance, we (or our directors, employees and authorised credit representatives) may receive commissions from the credit providers involved. These fees and commissions are only received should you take up the credit proposal. We may receive the following commissions when we provide credit assistance to you:

- Brokerage commissions.
- Insurance commission from the Insurers whom we act as agents; and
- Finance commissions based on the volume of business placed with the credit provider.

We can provide, on request, a reasonable estimate of the commission, fees and benefits and how they are calculated.

Are commissions paid by FHL to other parties

We may pay a referral fee to people or organisations that refer clients to us who receive credit assistance. All amounts paid to the referrer are from our share of the commissions. A referral fee is

paid to the referrer by FHL on settlement. We can provide, on request, a reasonable estimate of the commission and how it is calculated.

What is a suitability assessment

By law, we must not provide you with credit assistance if the credit contract is unsuitable for you. If unsuitable, we cannot:

- Suggest or assist you to apply for a particular credit contract with a particular credit provider; or
- Suggest or assist you to apply for an increase to the credit limit of a particular credit contract with a particular credit provider; or
- Suggest that you remain in your particular credit contract with your particular credit provider; or
- Suggest insurance products with a particular insurance provider
- Assist you to reach an informed decision as to whether or not to enter into the contract and to be reasonably aware of the full implications of entering into the contract, including by ensuring that—

“(i) any advertising distributed by the credit provider, and insurance provider is not, or is not likely to be, misleading, deceptive, or confusing; and

“(ii) any information provided by the credit provider, and insurance provider to you is not presented in a manner that is, or is likely to be, misleading, deceptive, or confusing.

When is a credit contract unsuitable?

A credit contract will be unsuitable if:

- It is likely that you will be unable to comply with the financial obligations under the credit contract; or
- It is likely that you could only comply with the financial obligations with substantial hardship (such as having to sell your principal place of residence); or
- It is likely that the credit contract will not meet your stated requirements or objectives; or
- The insurance products provided under the contract do not meet the your requirements and objectives
- If you are required to take out income-protection insurance and the credit provider knew that you were unemployed; or
- If you were required to take our insurance for goods bought on credit and the credit provider reasonably ought to have known you already had contents insurance that would cover the goods; or
- You were sold a warranty that simply duplicates the manufacturer's warranty, such as a 12 month warranty on goods that have an 18 month manufacturer's warranty.

We want to ensure that the credit products you select with us are suitable for your needs. It is important that you openly and honestly discuss with us your requirements, objectives, preferences, financial situation and repayment capacity.

Does a borrower have to buy any of these services?

Maybe. Sometimes, a credit provider won't provide credit unless you buy one or all of these products. But a credit provider can't require you to buy credit-related insurance, extended warranty or a

repayment waiver, if it's not reasonable in the circumstances. Buying any of these services is optional.

Depending on your circumstances it may be unreasonable for a credit provider, or insurance provider to sell these services. In this case you and the credit provider have to make a choice. The credit provider can provide credit (without the protections these services would provide) or not give the credit at all. If the credit provider extends the credit, then they may modify the original terms. This may involve reducing the credit limit, increasing the interest rate on the credit proposal, or both. Credit providers don't have to give credit to everybody - they can choose who to lend to and who not to lend to.

What should I do if I have a complaint about the Credit Licensee

If you have a complaint or concern about the service provided to you by us, please contact our Complaints Resolution Manager. As part of the Internal Dispute Resolution policy they will investigate the matter and endeavour to address it as quickly as possible.