

15 September 2021



## Hi Michael

You will be aware that New Zealand's consumer credit laws are being updated. The intended date for the introduction of the new amendments to NZ's Credit Contracts and Consumer Finance Act 2003 (the Act) has moved from the 1<sup>st</sup> October 2021 to now be the 1<sup>st</sup> December 2021, which is due to the disruption of the country being in various states of lockdown caused by our latest COVID outbreak.

The new Responsible Lending changes increase responsibilities on lenders (and their agents) to make sure that consumers are getting credit that they can afford, that they understand the detail and costs involved and that the credit provided meets their needs.

There are a few important things we need to remind you of which are prominent in the new legislation and are currently a key requirement for you to meet in your Introducer Agreement with us.

### Advertising

You may not create or use any advertising material referencing Finance Now or our financial products, without obtaining our written consent and sign off. The new legislative amendments have introduced prescriptive requirements for how financial services must be advertised. Any advertising you use must either come from Finance Now or be approved by us.

### Application Verification

We are now required by the Act to verify information provided by the customer. This therefore may see us asking for income verification along with expense verification. We are attempting to simplify this impact for you and the customer by utilising Bank

Statement verification tools that automatically provide the information we need to fulfil these requirements

## Insurance

You must follow the processes provided by your credit related insurance provider. These will include how to identify that the product meets the customers' needs and the mandatory aspects of the policy you need to disclose to the customer before adding the premium to the loan.

As well as ensuring our processes and systems adhere to the new requirements, we have taken the opportunity to enhance our application and onboarding processes that provides an enhanced application flow. We are also introducing new digital tools to allow customers to easily automate verification of applicants details as required by the Act.

We will be providing training on these new processes and requirements before the changes take effect later this year and your Area/Regional manager will coordinate with your times for completion of training dependent on your requirements.

As always, we're here to help and support your business as we transition to these changes. Please don't hesitate to contact your Area/Regional Manager with any questions you may have.

Kind regards,



**Hadyn Halls**

GENERAL MANAGER CARDS & INTERMEDIARIES

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