

Information Statement

National Finance Code Section 16 (1)(b)

Things you should know about your proposed finance facility

This statement tells you about some of the rights and obligations of yourself and your finance provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the finance provider and, if you still have concerns, your finance provider's external dispute resolution scheme, or get legal advice.

The Contract

1. How can I get details of my proposed finance contract?

Your finance provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before:

- your contract is entered into; or
- you make an offer to enter into the contract; whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to your finance provider, you must be given a copy to keep.

Also, the finance provider must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply if the finance provider has previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to your finance provider and ask for one. Your finance provider may charge you a fee. Your finance provider has to give you a copy:

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the finance provider so long as:

- you have not obtained any finance under the contract; or
- a card or other means of obtaining finance given to you by your finance provider has not been used to acquire goods or services for which finance is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminate the contract.

4. Can I pay my finance contract out early?

Yes. Pay your finance provider the amount required to pay out your finance contract on the day you wish to end your contract.

5. How can I find out the pay out figure?

You can write to your finance provider at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask the details of how the amount is made up.

Your finance provider must give you the statement within 7 days after you give your request to the finance provider. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The rental facility fees you can be charged depend on the actual time money is advanced. However, you may have to pay an early termination charge (if your contract permits your finance provider to charge one) and other fees.

7. Can my contracts be changed by my finance provider?

Yes, but only if your contract says so.

8. Will I be told in advance if my finance provider is going to make a change in the contract?

That depends on the type of change. For example:

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 28 days advance written notice for:
 - a change in the way in which the rental facility fee is calculated; or
 - a change in finance fees and charges; or
 - any other changes by your finance provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your finance provider. Discuss the matter and see if you can come to some arrangement.

If that is not successful, you may contact your finance provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your finance provider's external dispute resolution provider is Credit & Investments Ombudsman, and can be contacted on telephone: 1800 138 422, fax: 02 9273 8440, post: PO Box A252, Sydney South, NSW 1235, email: info@cio.org.au, web: cio.org.au

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>

Insurance

10. Do I have to take out insurance?

Your finance provider can insist that you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the finance provider cannot insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer finance insurance and the premium is financed by your finance provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your finance provider then, within 14 days of that happening, your finance provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the finance contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

Your finance provider must give you a refund allowance unless the insurance is to be arranged with another insurer.

14. What happens if my finance contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

Mortgages

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give your finance provider certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the finance provider.

16. Should I get a copy of my mortgage?

Yes. It can be part of your finance contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the finance provider has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have your finance provider's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to questions 22 and 23. Otherwise you may:

- if the mortgaged property is goods, give the property back to your finance provider, together with a letter saying you want the finance provider to sell the property for you;
- sell the property, but only if your finance provider gives permission first; or
- give the property to someone who may then take over the repayments, but only if your finance provider gives permission first.

If your finance provider won't give permission, you can contact their external dispute resolution scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you. You should understand that you may owe money to your finance provider even after the mortgaged property is sold.

19. Can my finance provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my finance provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your finance provider's request to tell your finance provider. If you do not have the goods you must give your finance provider all the information you have so they can be traced.

21. When can my finance provider or its agent come into a residence to take possession of mortgaged goods?

Your finance provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

General

22. What do I do if I cannot make a repayment?

Get in touch with your finance provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your finance provider to change your contract in a number of ways:

- to extend the term of your contract and reduce payments; or
- to extend the term of your contract and delay payment for a set time; or
- to delay payments for a set time.

23. What if my finance provider and I cannot agree on a suitable agreement?

If the finance provider refuses your request to change the repayments, you can ask the finance provider to review this decision if you think it is wrong.

If the finance provider still refuses your request you can complain to the external dispute resolution scheme that your finance provider belongs to. Further details about this scheme are set out below in question 25.

24. Can my finance provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the finance provider's external dispute resolution scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes, the law will give you other rights and obligations. You should also **READ YOUR CONTRACT** carefully.

If you have any complaints about your finance contract, or want more information, contact your finance provider. You must attempt to resolve your complaint with your finance provider before contacting your finance provider's external dispute resolution scheme. If you have a complaint which remains unresolved after speaking to your finance provider you can contact your finance provider's external dispute resolution scheme or get legal advice.

External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your finance provider's external dispute resolution provider is: Credit & Investments Ombudsman, and can be contacted on Telephone: 1800 138 422, Fax: 02 9273 8440, Post: PO Box A252, Sydney South, NSW 1235, Email: info@cio.org.au, Web: cio.org.au

Please keep this information statement. You may want some information from it at a later date.

