ezifinance
Consolidation Experts

Making it EZI since 1996
ezifinance.co.nz

Key terms that may be used in your loan agreement

ADMINISTRATION FEE

This fee covers the **administration** costs incurred by Ezi Finance for your loan, such as transaction fees we incur from banks and the specialised systems and staff needed to manage your loan account. The Administration Fee is charged with every paid instalment.

ARREARS

When you have missed one or more instalments, your account with us is in **'arrears'** (i.e., over-due). If you need help paying your instalments, contact us as soon as possible so we can work out an arrangement that will fit your circumstances.

BORROWER

If you have taken out a loan, you are a **borrower.** Every borrower who takes out a loan with Ezi Finance is required to sign a loan agreement setting out how and when they will repay the debt.

CREDITORS

The **creditor** is the person or business that you owe money to. Once you have entered into a loan agreement with us, Ezi Finance is the creditor. If a debt collector buys your unpaid debt from us, they will become your new creditor.

CREDIT RECORD

Your **credit record** is a summary of your credit history. This will sometimes include a credit rating or score. Ezi Finance will ask to conduct a credit record check before offering you a loan.

CREDIT HISTORY

Your **credit history** is a list of all your loan transactions, including payments and missed payments, defaults, bill payments, mortgages, hire purchases, etc. It also includes information on any inquiries made about your credit history ('credit record check') regardless of whether credit was provided or not.

As a general rule, any application you make for financing will generate a credit record check. Examples include:

- Applying for a loan.
- Requesting a bank overdraft.
- Applying for a credit card (including store credit cards).
- Payday advances
- Hire purchase agreements (including 0% interest financing).
- Signing up with a utility provider (e.g., power, telephone, etc.).
- Entering into a tenancy contract.

DEBT CONSOLIDATION

A **Debt Consolidation** Loan involves combining multiple high-interest loans into one bigger loan with lower interest, but generally paid over a longer term. This allows you to make smaller weekly repayments while saving you money in default fees and extra interest. A Debt Consolidation Loan also simplifies repayment by allowing you to repay one single lender instead of managing multiple repayments and lenders.

DEBTOR

A **debt** is when you owe money. If your debt is overdue because you have not made your required loan re-payments, the law generally refers to you as the 'debtor' and the person or company to whom you owe the money as the 'creditor'.

ESTABLISHMENT FEE

The **Establishment Fee** is an extra fee charged at the start of a loan to cover our costs for processing your application and setting up the loan (e.g., conducting affordability assessments, writing loan documentation, etc.). The fee amount will depend on the total amount of new money borrowed and can range from $95.00 to $495.00.

GUARANTOR

A **guarantor** is a person who promises to pay and meet all the obligations of the borrower if the borrower fails to pay or meet those obligations. This means that the guarantor must repay the debt if the borrower stops paying back the loan or breaks any other rules of their loan agreement. A guarantor is different to being a co-borrower, who helps make regular payments on the loan.

INDEMNITY

An **indemnity** clause sets out the protections for the creditor and the borrower when entering into a loan agreement. It is usually included to limit responsibility for any loss or damage (i.e., the borrower agrees to 'indemnify' the creditor). No matter what the indemnity clause says, you still have rights under consumer laws if something goes wrong.

INSTALMENTS

An **instalment** loan is a type of loan where you borrow a set amount of money all at one time. You then repay the loan over a fixed number of payments, called instalments.

INTEREST RATE

Interest is the amount we charge a borrower for the ability to take out a loan. Interest will be charged on every loan you take out and referred to as an annual ('per annum') percentage in your loan agreement. The interest rate is calculated on the loan amount and the period of the loan. The law sets out how interest is calculated.

LENDING CRITERIA

Ezi Finance has a set of factors we use to decide whether or not to approve a new loan. These factors are called our **Lending Criteria** and can differ depending on the type of loan you apply for.

PAYMENT PROTECTION PROTECTION

Payment Protection Insurance takes care of your loan repayments should you be unable to make the payment for covered reasons (e.g., illness, disability, loss of employment, etc.). The insurance will pay off your loan in the event of your death. There are different options available to you and we would be happy to assist you in selecting the most appropriate cover.

Per annum refers to an annual period of time that is usually associated with a yearly interest rate (e.g., 17.95% per annum).

PERSONAL LOAN

A **personal loan** allows you to borrow a lump sum from Ezi Finance. You are charged interest on the amount of the loan and repay the loan amount (the 'principle'), plus the interest over the term of the loan. The loan repayments are made in a fixed instalment schedule and depend on how you set up your loan, including your loan term and payment frequency.

SECURED LOANS

We may require that a loan be **'secured'** against some or all of a borrower's assets. If the borrower fails to make repayments, Ezi Finance may recover some or all of those assets to cover the outstanding loan amount. This gives us confidence that you will pay off your outstanding loan balance. Securing a loan can have an impact on things such as the total amount we are willing to lend to you and the interest rate for your loan.

UNSECURED LOANS

When a **loan is unsecured** it means the loan is not secured against any of the borrower's assets. This means there is more risk for Ezi Finance, which may reflect in a higher Interest Rate for the loan.

VARIATION FEE: If the terms of your loan agreement are formally changed (i.e., 'varied') during the course of the loan, we may charge you a one-time fee to cover the costs of making the variation.

Contact Us
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