

# What borrowers need to know

from 6 June 2015

## Before choosing a loan

### Do your research and shop around

- Whether online or in-store, lenders must make their interest rates, fees, and standard contract terms publicly available to help you make an informed decision.
- You have a choice, so shop around. For example, if you are buying a car, you don't have to take out your loan at that car dealership.



See *'What do I need to know?'* on our fact sheet for more details.

### Make sure the loan is right for you

- It's important that your loan is affordable and suitable for your circumstances.
- Your lender will need to make reasonable enquiries to be satisfied it's likely you can pay back your loan without facing substantial hardship.

See *'What you should expect from your lender'* on our fact sheet for more details.



### The lender must provide key information

- Key information about your loan including interest rates, fees, and any items included as security must be made clear to you before you sign a contract – so there are no surprises.



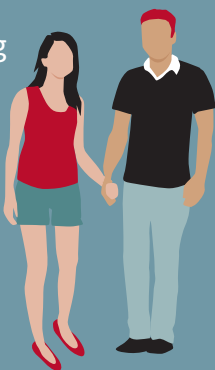
See *'What extra costs will I have to pay?'* on our fact sheet for more details.

## After securing a loan

### Act quickly if cancelling

- If you change your mind after signing up for a loan you may only have 5 working days to cancel.
- Keep in mind you may have to pay a cancellation fee.

See *'Can I get out of a contract?'* on our fact sheet for more details.



### Staying informed

- The lender must keep you informed of how your loan is progressing, generally by way of regular statements, at least every 6 months and every 45 days for revolving credit.

See *'What do I need to know?'* on our fact sheet for more details.



### What to do if you struggle with repayments

- Speak to your lender as soon as possible.
- If there is an unforeseen circumstance (e.g. illness, relationship breakdown or loss of employment) which reasonably affects your ability to pay your loan, you may be able to make a hardship application. If granted, your lender can change the terms of the loan.
- You can also seek budgeting advice from community agencies such as Citizen's Advice Bureau or The Federation of Family Budgeting Services.

See *'What happens if I miss a repayment?'* on our fact sheet for more details.



### What to do if there is a problem with the loan

- If there is a problem with your loan (e.g. hidden fees), the first step is to speak to your lender. If you can't resolve the issue with your lender then contact your lender's Dispute Resolution Service.
- Report the problem to the Commerce Commission, which is responsible for enforcing consumer credit laws.

See *'Got a problem?'* on our fact sheet for more details.



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If any of the above links do not work, or if you prefer to download the fact sheet as a PDF, please visit:  
[www.comcom.govt.nz/know-your-rights-credit/](http://www.comcom.govt.nz/know-your-rights-credit/)

See our fact sheet for how the rules affect contracts entered into before 6 June 2015:  
[www.comcom.govt.nz/how-the-changes-to-consumer-credit-law-apply-to-existing-contracts/](http://www.comcom.govt.nz/how-the-changes-to-consumer-credit-law-apply-to-existing-contracts/)