

## [DISCLOSURE STATEMENT]

### Welcome to Finlay Abbot Mortgage Broker Limited (Finlay)

We are pleased to provide this document that has been prepared to provide complete transparency in our business relationship with you.

We specialise in residential property finance to home owners and property investors predominantly in Wellington.

The core focus of our business is to continuously act in your best interests by providing top quality, independent financial advice and service.

Our goal is to become your long term financial adviser, working with our business partners, to allow you to focus on your lifestyle.

### Finlay's Experience, Awards & Corporate Citizenship

- :: Over 20 years of continuous banking and financial experience in residential and business lending
- :: A variety of lending and credit management roles in specialist Banks and Finance Companies in Wellington, Palmerston North, Auckland and London
- :: Commenced mortgage brokering on 1 April 1999 and have arranged over \$250 million of loans

### Recognition of professionalism and achievement is evidenced by the following awards:

- :: Winner – 2008-2009 NZMBA New Zealand Mortgage Broker of the Year
- :: Winner – 2007, 2006 & 2003 PLAN NZ Mortgage Broker of the Year
- :: Winner – 2008, 2007 & 2006 NZMBA Greater Wellington Regional Broker of the Year.

### We promote good corporate citizenship by:

- :: Recycling paper and general office waste
- :: Reducing energy consumption
- :: Donating to the Karori Wildlife Sanctuary, Life Flight - Wellington, Wellington SPCA, Red Cross New Zealand, Royal New Zealand Plunket Society, WWF New Zealand and Greenpeace New Zealand

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### Our Process = Your Stress Reduction

Focus on your financial solution for the medium term by discussing your needs, goals and lifestyle.

#### Educate you about:

- :: General products and services
- :: The Interest Rate market and change
- :: (1st Home Buyers) The Purchase Process and Property Market
- :: Property Investors) Property Investment including Analysis, Structure and Tax issues

#### Selecting the best Lender for your needs – issues to consider include:

- :: Pricing (interest rates and fees)
- :: Service
- :: Fixed rate features and benefits
- :: Future charges and ease of effecting change

Provide you with your Excel loan model and report summarising our meeting (by e-mail) and regularly communicate progress to you.

Work with the Lender to obtain timely loan approval and efficient settlement of your funding with your professional advisers.

Provide a thorough Personal Risk Assessment to give you peace of mind.

#### Providing you with a future business relationship including regularly communicating with you and:

- :: Correcting any Lender errors
- :: Fixed rate reviews
- :: Loan re-structures
- :: Future loan applications

Our preferred form of communication, unless urgent, is by e-mail.

### Our Result = Your Referral

We do not advertise. All of our business is by word of mouth referral only.  
Your support is greatly appreciated.

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### The Fine Print

#### Professional Memberships

##### NZMBA (New Zealand Mortgage Brokers Association)

Finlay is a full member of the NZMBA. The NZMBA is a self-regulatory body dedicated to ensuring high ethical standards and professionalism within its members for the protection of lenders and clients. Finlay's business complies with the NZMBA's Membership Rules and Code of Ethics and Standards. A copy of the Rules is available on the website below. The NZMBA has a formal complaints process for the protection of clients. Complaints or otherwise must be made in writing to:

New Zealand Mortgage Brokers Association  
Private Box 109 453  
Newmarket  
Auckland  
[www.nzmba.co.nz](http://www.nzmba.co.nz)

##### PLAN (Professional Lenders Association Network of New Zealand)

Finlay is a member of PLAN. There are approximately 2,200 PLAN members throughout Australasia. PLAN is a valuable business partner to Finlay, providing Administrative Systems, Technical Support and Business Aggregation in return for a small portion of any loan commission paid to Finlay by the Lender.

PLAN's contact details are:

Level 3  
Building 10  
666 Great South Road  
Central Park Corporate Centre  
Ellerslie, Auckland

Level 16  
461 Bourke Street  
Melbourne  
Victoria 3000  
Australia

Please note that PLAN will receive information from lenders disclosing your name and the amount you borrow as part of the commission distribution. You are assured that this information is subject to the Privacy Act 1993 and will remain private and confidential. PLAN will not contact you directly at any time.

### Remuneration

In the normal course of business, Finlay receives commission from the lenders that Finlay places clients loans with. This is confirmed by the Authority & Declaration signed by client(s) on the standard NZMBA application form/loan application form. A copy is presented to Finlay's clients at the time of application and includes the words:

*"I understand that the broker does not charge me for the services (unless specifically negotiated in advance), but receives a commission from the lender providing the loan".*

The nature of this commission can be a single up front commission (percentage of the loan facility), and ongoing (trail) commission (percentage of the loan facility), or a mix of both.

Finlay may charge a one off fee for work completed for clients which does not attract a broker payment from the lender. This charge, if applied, will be agreed in advance with you using Finlay's Client Fee Mandate before any work is started.

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Similarly, Finlay may make payments to those who refer clients. Such payments are made solely at Finlay's discretion and are in no way detrimental to Finlay's clients.

From time to time, Finlay may receive certain monetary or non-monetary benefits from lenders. Under the NZMBA's Membership Rules (Code of Ethics & Standards), such regular benefits must not influence the placement of client applications.

The lending relationships Finlay has with lenders and the current commission rates Finlay receives from each of them are set out in the following table:

<b>Prime Lenders</b>	<b>Up Front %</b>	<b>Trail%</b>
ANZ Bank	0.65	Nil
ASB Bank	0.60	Nil
National Bank	0.60	Nil
Sovereign Home Loans	0.45	0.20
Westpac	0.65	Nil
<b>Other Lenders</b>		
Liberty Financial	0.60	0.30
NZF	0.55	0.20
No.8 Mortgages	0.60	Nil

*\* The above Prime Lenders also pay a bonus which is typically subject to Quality, Volume and Drawdown Ratio conditions.*

### Claw Back

Up-front commission can be "clawed back" by all lenders if a minimum qualification period has not been met.

I/we are aware that in the event that Finlay receives a claw back of any commission paid relative to facilities drawn (due to my/our early repayment or refinance of facilities), then I/we will personally be indebted to reimburse Finlay for the amount of the claw back and will pay Finlay within 7 days of the provision of an invoice for such amount.

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### Your Privacy

All discussions and information shared are subject to the Privacy Act 1993.

You are entitled to have access to and information from your files upon request. A detailed description of the authorised use of the information you supply is covered in the Authority & Declaration you sign with each application you make with Finlay.

Original supporting documentation you supply will be copied and returned to you in a timely fashion. The copies will be held on your file so that they can be used in any future loan applications. Any and all surplus paper which records your personal information is shredded.

We use an Excel based application form, which we complete on your behalf from the information you provide to us. We can use this form with any Lender but will not do so without your express permission. You will be supplied with a full copy of the Excel Loan Application Form plus your Loan Recommendation upon settlement of your loan/s.

### Your Protection

Finlay has professional indemnity cover for your ultimate protection. The maximum cover is \$1 million per claim. In proven cases, this protects Finlay's clients from financial loss due to fraud, gross negligence, gross misrepresentation, etc. (if perpetrated by Finlay). The Policy is held with QBE Insurance (International) Ltd and is managed by Pine Financial Ltd, Wellington, Ph 04 – 499 2664.

#### Finlay certifies that he has never been:

- :: The subject of any claim (for dishonesty, negligence or misrepresentation) under any Professional Indemnity Policy.
- :: Convicted of an offence of dishonesty or any relevant offence under any Act or law applying in New Zealand, nor been a director of a company so convicted.
- :: Adjudicated bankrupt, nor is an undischarged bankrupt, nor has had a bankruptcy discharged.
- :: Prohibited by law from taking part in the management of a company.
- :: Nor are there any proceedings currently being taken against him, (or any company of which Finlay is a director).

### Conflict of Interest

At all times, Finlay operates in the best interests of Finlay's clients, operating without conflicts of interest and with objectivity. The 'Nature of Business' has been fully described above and clients are therefore aware of the options available to them, when appointing Finlay as their mortgage broker.

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### Specialist Advisers

#### Insurance

It is strongly recommended that you seek independent advice on the following areas of risk when you borrow money secured by property:

- :: Fire and Material Damage Cover
- :: Term Life Cover, Income Protection and Trauma Cover

Finlay owns 50% of Leitch Abbot Ltd (LAL) with Peter Leitch (Peter) an insurance specialist.

Peter will provide you with a thorough assessment of your Insurance Risk. Any commissions generated from your Insurance by Peter will be paid to LAL.

Peter will separately disclose to you his credentials, experience, qualifications and other matters relative to Peter's profession.

#### Legal and Accounting

Finlay will make you aware of legal and accounting matters that may require your further attention, and it is strongly recommended that you seek advice in respect to such matters.

Finlay's advice on legal and accounting issues does not replace advice and Finlay will not be held accountable for such advice.

Recommended advisers (Finlay will not be paid any referral fees by these advisers):

- :: Legal - Scott Moran (Partner) and Robyn Daghish (Associate) Duncan Cotterill Solicitors ph 04-499 3280 or [www.duncancotterill.com](http://www.duncancotterill.com)
- :: Accounting – Andrew Johnston (Principal), BDO Spicers ph 04-472 5850 or [www.bdo.net.nz](http://www.bdo.net.nz)

### Disclaimer

- :: Finlay will make recommendations in relation to your funding requirements.
- :: Finlay will use “Best Endeavours” from his experience, knowledge & technical expertise in making these recommendations.
- :: Finlay will not be held accountable for any subsequent changes in Law, Lending Criteria and Financial Markets after settlement of your loan/s.

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### Declaration

I declare that this Mortgage Brokers Personal Disclosure Statement incorporated the minimum disclosure requirements of the NZMBA's Membership Rules (Code of Ethics & Standards) and that a master copy of this Statement is on file at the National Office of the NZMBA.

Signed by the Mortgage Broker (*Finlay Abbot Mortgage Broker Limited*)

.....  
Dated        /        /

I/We have read and accept the above Disclosure Statement and we have been provided with a copy for our records.

*We authorise Finlay to disclose our personal and financial information to Peter Leitch to facilitate a personal risk assessment.*

Signed .....

Signed .....

Name .....

Name .....

Dated        /        /

*NZMBA members must give this completed statement to every client and retain a copy on file.*