

IMPORTANT NEW INFORMATION for applicants

HBRC has reviewed the lending criteria for the HBRC Sustainable Homes Programme because of recent changes to the *Credit Contracts and Consumer Finance Act 2003 (CCCFA)*

Since the Sustainable Homes programme started, eligibility has been conditional on the following:

- Application is signed by the legal homeowner(s)
- Good rates history for the last three years (no arrears, no penalties for late payment)
- Providing a quote from an HBRC approved supplier
- Signing a direct debit form for payment
- Providing a credit check for applications \$10,000+ (Score 500+)

HBRC is now required when entering a ‘targeted rate’ contract with ratepayers to ensure “*they (HBRC) are satisfied on reasonable grounds that it is likely the borrower will make the payments under the agreement without suffering substantial financial hardship...*” and “*...The lender must keep records about the inquiries made by the lender under section 9C (including the results of those inquiries). Those records must demonstrate how the lender has satisfied itself as to the matters in section 9CA of the CCCFA as amended December 2021.*”

Following receipt of legal opinion, to comply with the requirements of the CCCFA the following HBRC changes will be implemented for future applications.

New or additional criteria from 15th May 2022:

- The interest rate on term borrowing will be 6% for Sustainable Homes, and 3% for Heatsmart
- Any funding or combined funding application of \$5000.00 or more will now require a credit check. The required score for HBRC approval will be 700 or higher.
 - Customers can check their credit score (free of charge) on the following web site <https://www.centrix.co.nz/my-credit-score/>
- Any new homeowners will need to provide a credit check with a score of 700+ or an address of a previously owned property in Hawke’s Bay to verify Rates payment history.
- Early settlement (within 12 months of taking on the VTR) will include a \$100 settlement fee*
- Adding another product to an existing VTR will include a \$100 refinancing fee*
 - * HBRC will not make a profit from charging fees. The fee is calculated to recover the costs associated with reviewing each application including the cost of staff time, systems and overheads. They will be deducted for early settlements and added for refinancing.

Regards

The Sustainable Homes Team