

Document: Terms of Engagement

Terms of Engagement for Mortgage Time Clients

A few things about who we are and the services we offer:

Who we are...

Mortgage Time is New Zealand owned and operated by qualified Financial Advisers.

So if you're a First Home Buyer, Refinancing, or looking to finance Investment Properties, we are able to provide professional advice, regardless of where you're based, across New Zealand, or even overseas

Our holistic advice is provided by our team of professional Financial Advisers, who are equipped to provide you with expert advice on how much you can borrow and the appropriate mortgage structure for your set of circumstances.

Unbiased Advice...

We offer unbiased advice to Clients in relation to finance for property, across a large number of both Banks and non-Bank Lenders. As part of providing holistic advice, with regard to your insurance needs, we refer you to our professional specialists – 'Insurance People' -who can provide you with recommendations from a large panel of insurance providers. They can assess your personal circumstances and financial exposure, whilst reviewing your insurance needs and make recommendations for solutions that will help meet your situation and objectives.

Scope of Service...

Buying a property is a big financial commitment and so we work for you to ensure that you have access to all the important information you may need to be able to make informed decisions about the right structure and provider for your situation and objectives.

We are committed to treating you and all our Clients fairly and to providing the highest standard of service possible. Our scope of service does not end on settlement. Our Advisers are available to help you in the future with any Mortgage queries and aim to keep in regular contact for reviews.

How we get paid...

Mortgage Time is paid a single 'upfront' commission (percentage of the loan facility), an ongoing (trail) commission (percentage of the loan facility), or a mix of both. This is paid to us by the Lender, when arranging finance. Mortgage Time reserves the right to charge a one-off Broker fee for work completed for Mortgage clients. This fee, if applicable, only applies to non-Bank lending and is in no way associated with the commission Mortgage Time may earn, or commission clawback.

Mortgage Time's role as Financial Advisers is to secure a loan offer as per your application. In the event that you choose not to accept the offer provided, Mortgage Time reserves the right to charge \$1,250* for cost recovery of the time spent in advice, negotiation, and administration of the loan offer.

**This has been calculated on an average of 5 hours of advice, negotiation and administration to complete and submit your loan to the provider, at our hourly rate of \$250.00 per hour (no GST added).*

Clawbacks (Repayment of Mortgage commissions) ...

If a mortgage is repaid within 27 months of your mortgage settlement, Mortgage Time will have to repay some of the 'upfront' commission received. This has to be repaid to the Lender. This is known as 'commission clawback'. If Mortgage Time is charged with a commission clawback, due to early settlement of the mortgage arranged for you, then Mortgage Time will ask you to repay Mortgage Time the commission that has become repayable to the Lender, to a maximum of \$2,500.00* (no GST added), as cost recovery for the service provided.

**This has been calculated on an average of 10 hours of advice, negotiation, and administration to complete and submit your loan application to the provider, at our hourly rate of \$250.00.00 per hour.*

Cost recovery **only** applies if Mortgage Time is not given the opportunity to arrange the refinance. There will be no fee payable if:

- Mortgage Time was given the opportunity but was unable to get a subsequent finance approval.
- An upfront fee was agreed and paid by the Client when the mortgage was originally drawn, and no commission was received. This would be the case

with most short-term loan contracts.

- In Mortgage Time's opinion, the early repayment of the mortgage was driven by an exceptional change of circumstance for the Client.

Commission clawbacks are in no way associated with any Broker fee Mortgage Time may have charged for arranging Non-Bank lending.

Reviews...

Our Advisers will review your personal circumstances with you annually, or more frequently, if necessary, to ensure the solution we helped you implement, remains appropriate for your needs and objectives.

Privacy Act...

Any information that you provide us, either verbally or in writing, stays secure and confidential. So if you want access from us to any information you have provided, then all you need to do is ask.

You have the right to ask us to correct any information we hold on you, if you believe it is incorrect.

The information provided by you will be used by Mortgage Time for the purpose of providing advice to you and may also be used by any Lender or Insurer when referring to them on your behalf, so as to obtain the best recommendations for your finance and or insurance.

We may release information to other professionals, such as solicitors, accountants, finance brokers or financial planners, when such services are required to complement this advice and as required.

Queries?...

Should you have any queries relating to the above information, please contact your Mortgage Time Adviser who will be able to help and answer any query you may have.

Email: lending@mortgagetime.co.nz