



AFD Retail and Lifestyle Waivers

The AFD Waivers provide you with a range of options if the Vehicle is stolen or destroyed, or you are unable to make repayments under the Loan because of death, Terminal Illness, Accident or sickness, redundancy, or bankruptcy.

This document records the terms and conditions of the Waivers that may be available to you. The purpose of the Waivers is for us to be able to forgive certain amounts you owe us under the Agreement when Events occur. By you agreeing to pay the Consideration, we will agree to waive our rights to collect payments from you under certain circumstances as detailed below.

Section A: Retail waiver

1. **Total loss**
 - (a) If you have paid the Consideration and you have, at your cost, obtained and maintained a Comprehensive Motor Vehicle Insurance Policy then, if:
 - (i) The Vehicle becomes a Total Loss before the Agreement has been repaid in full: and
 - (ii) We receive a Total Loss Payment for the Vehicle under a Comprehensive Motor Vehicle Insurance Policy you will not have to pay any shortfall between the Balance Outstanding and the Total Loss Payment unless that shortfall exceeds \$5,000.00. If that shortfall exceeds \$5,000.00 you must pay the excess of the shortfall to AFD immediately,
 - (b) You must also immediately pay the policy excess on the Comprehensive Motor Vehicle Insurance Policy and any arrears of or additional premiums due under that policy, as well as any amounts payable under the Agreement because of default by you
2. **Added benefits**

Should you choose a replacement vehicle following the Total Loss through our authorized dealer network and seek finance through us, we will also make allowances for up to \$500.00 towards:

 - The excess paid by you under the Comprehensive Motor Vehicle Insurance Policy.
 - A deposit, the delivery charges and registration costs of the replacement vehicle
3. **Notification**

Immediately following a Total Loss, you must notify us in writing at P O Box 137252, Parnell, Auckland 1151 or email claims@autofinancedirect.co.nz.

Section B: Lifestyle waiver:

1. **Death repayment waiver**
 - (a) Should you die during the term of your Agreement and before your 70th birthday, we will waive any repayments owing under the Agreement as at the date of death, excluding any arrears at the date of death.
 - (b) The executor of your estate must notify us that you have died within 6 months of your death. A death certificate must be provided to us.
2. **Terminal illness repayment waiver**
 - (a) Should you be diagnosed with a Terminal Illness at any time during the term of your Agreement and before your 70th birthday, we will allow you to return the Vehicle to us and we will waive all future payments as from the date the Vehicle is received by us. Any arrears, default interest and [credit and/or default?] fees are specifically excluded from the Waiver and remain payable by you.
 - (b) To establish Terminal Illness, you must produce a written certificate from an independent Registered Medical Practitioner recording the diagnosis. No Application will be considered under this Waiver unless and until you have provided this written certificate.
3. **Accident & sickness repayment waiver**
 - (a) Should you suffer an Accident or contract an illness after the Commencement Date which prevents you from engaging in or attending full time employment for more than 7 consecutive days from the date when you first consulted a registered medical practitioner about the Accident or illness, we will waive the daily amount payable under the Agreement commencing from the 8th day after you first consulted a registered medical practitioner about the Accident or illness for each day you are prevented from engaging in or attending full-time employment until the Agreement is repaid or discharged.
 - (b) the daily amount payable will be calculated by dividing the total amount of the monthly, fortnightly or weekly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Agreement up to a maximum amount of \$5,000.00 or the balance of the amount outstanding under the Agreement (whichever is the lesser).
4. **Redundancy repayment waiver**
 - (a) Should you be made redundant (and this was unforeseen) from your full-time employment at any time during the term of your Agreement and prior to your 70th birthday (subject to clause c of this section 4), we will waive our rights to collect the daily amount payable under the Agreement for each day you are unemployed until the Agreement is repaid or discharged after the first 30 days of unemployment.
 - (b) Redundancy means where your position of full-time employment has become superfluous to the needs of the employer. Redundancy begins when you register as unemployed with Work and Income New Zealand and ends when you commence full-time employment with another or the same employer.
 - (c) The daily amount payable will be calculated by dividing the total amount of the monthly, fortnightly or weekly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Agreement, up to a maximum of:
 - (i) 180 days of redundancy or the sum of \$10,000.00 (whichever is the lesser) where you have been engaged in full-time

- employment for at least 12 consecutive months before you registered as unemployed with Work and Income New Zealand: or
- (ii) 90 days of redundancy or the sum of \$5,000.00 (whichever is the lesser) where you have been engaged in full-time employment for less than 6 consecutive months before you registered as unemployed with Work and Income New Zealand.
- 5. Bankruptcy repayment waiver**
- (a) If you are Self-employed and during the term of your Agreement you are adjudicated bankrupt by a court, or if you are employed by a company over which you have direct financial control and that company goes into liquidation, we will waive the repayment of the daily amount payable under the Agreement for each day you are bankrupt or the company is in liquidation.
- (b) The daily amount payable will be calculated by dividing the total amount of the monthly, fortnightly or weekly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Agreement, up to a maximum of 180 days from the date of adjudication or liquidation or earlier if the Agreement is repaid or discharged. The maximum amount we will waive under this section is \$10,000.00 or the balance of the contract whichever is the lesser.
- 6. Exclusions**
- (a) No Application will be accepted for an Event occurring while you are residing or working outside of New Zealand.
- (b) No Application will be considered for death, Terminal Illness, or Accident and sickness, caused directly or indirectly by:
- (i) Uncomplicated pregnancy or childbirth.
 - (ii) Suicide, attempted suicide or self-inflicted injury or illness.
 - (iii) AIDS or infection with a human immune-deficiency virus including suicide while infected.
 - (iv) Any sexually transmitted disease.
 - (v) Any bodily injury or physical defect, or any illness, disease or degenerative condition, or symptom of any illness, disease or degenerative condition which you knew existed at the Commencement Date, which you have sought or received medical advice within 6 months preceding the Commencement Date.
 - (vi) Any psychological, psychiatric or nervous condition or disorder, including mental stress.
 - (vii) Asbestos, asbestosis or related disease.
 - (viii) Any bodily injury suffered while under the influence of alcohol or drugs.
 - (ix) Alcoholism or drug addiction.
 - (x) Involvement in a criminal activity, whether a conviction is entered or not.
 - (xi) Involvement in parachuting, hang gliding, competitive motor or water sport of any kind, or any professional sporting activity.
 - (xii) Air travel except as a fare paying or ticket holding passenger in an aircraft fully licensed for the carriage of passengers for hire or reward and operated by a regular airline or established charter service.
- (c) No Waiver will be considered for redundancy if:
- (i) Redundancy is voluntary.
 - (ii) Redundancy occurs within 30 days of the Commencement Date.
 - (iii) You are Self-employed or a working director.
 - (iv) Redundancy is the result of your dismissal, resignation or retirement.
 - (x) Where the work is for a fixed or defined period, upon the occurrence of the fixed completion date or end of the defined period.
 - (xi) Where the work is of a seasonal nature, including but not restricted to fruit picking, shearing, working at a freezing works, upon the occurrence of the work season ending.
- (d) No Waiver will be considered for bankruptcy if:
- (i) The adjudication of bankruptcy is on your own application.
 - (ii) If the application for liquidation was filed by you or on behalf of you by an associated person.

Section C: Terms and conditions applying to retail waiver and lifestyle waiver

- 1. Conditions**
- (a) These Waivers have been offered to you on the basis that you have disclosed all relevant information to us. If you fail to provide all relevant information, or have given any information incorrectly or untruthfully, we may void these Waivers and refuse to consider any Application.
- (b) When making an Application you must disclose to us all information relevant to the Event. If you fail to provide all relevant information, or have given any information incorrectly or untruthfully, we may refuse your Application for a Waiver. If any Application is made fraudulently, the Waiver agreement will be voided and you will forfeit any entitlement to a Waiver.
- 2. Applications for a Waiver**
- (a) You should make an Application for a Retail Waiver immediately and for a Lifestyle Waiver as soon as possible but no later than 28 days after an Event (except for Death: refer to clause 1b.). To make an Application, contact us at PO Box 137252, Parnell, Auckland 1151 or e-mail claims@autofinan@direct.co.nz.
- (b) To apply for a Waiver, you must complete an Application and provide us with all the information we require. You must assist us with your Application in any way we request. You are responsible for providing any certificates or other evidence we may ask for to support your Application at your expense. We may require you to undertake a separate or additional medical examination for our confidential information at our expense.
- (c) As soon as possible after sustaining an injury or contracting an illness you must consult a registered medical practitioner and follow their advice and treatment at your expense.
- (d) All successful Applications for a Waiver(s) are a forgiving of payment due under the Agreement between you and us: therefore, there will be no payments of any kind made to you.
- (e) We may amend the terms and conditions of this Waiver with your written consent. We can make amendments required by law without your consent.
- 3. Termination**
- (a) The availability of this Waiver will automatically terminate if:
- The Agreement expires or is repaid early.
 - Ownership of the Vehicle is transferred to a third party not named on the Agreement.

- (b) In addition, we are entitled to immediately, and at our sole discretion, void this Waiver from the Commencement Date or terminate this Waiver immediately and decline any Application if:
- You breach the duty of disclosure you owe to us:
 - Before this Waiver comes into force you make a material misrepresentation to us:
 - You fail to comply with a provision of this Waiver: or
 - You make, or anyone acting on your behalf, makes a dishonest application under this Waiver. If we do so, we will credit a proportional rebate of the Consideration against the Balance Outstanding.

4. Cancellation

- (a) By you:
You may cancel the Waiver by writing to us within 7 days of signing the Agreement and we will credit the Consideration against the Balance Outstanding. You may cancel the Waiver at any time by giving us notice in writing. We will credit a proportional rebate of the Consideration against the Balance Outstanding; however, no rebate will be given if a claim has already been paid under the Waiver.
- (b) By us:
We may cancel this Waiver at any time by giving 14 days' notice in writing to you and we will credit a proportional rebate of the Consideration against the Balance Outstanding.

5. Definitions

Accident means something that happens or a series of things that happen resulting from, or are attributable to, one source or original cause. What happens must be unexpected and unforeseen by you. Further, what happens must be violent, external (to your body) and visible. It does not include a sickness or disease.

Agreement means the consumer credit contract you entered with us and includes any Waiver entered by you.

Application means the application form completed by you and all assisting documentation to apply for a Waiver

Balance Outstanding means the amount owing to us under the Agreement at the date of the Total Loss, less debatable items (if any) plus default interest (if any). It does not include amounts payable under the Agreement because of default by you.

Commencement Date means the date the Agreement between you and us was signed.

Comprehensive Motor Vehicle Insurance Policy means a comprehensive insurance policy insuring the Vehicle for its full market value at the time of purchase against theft and accidental loss and damage and remaining in force at the date of the Total Loss that notes our interest as an additional insured and loss payee in respect of the Agreement.

Consideration means the amount listed as the price of the Waiver on the Schedule.

Event means an event giving rise to an Application for a Waiver.

Full-time employment means working for salary, wages, commission, compensation, fees or other financial gain for at least 25 hours per week, or self-employment involving work for the sole purpose of a business for more than 25 hours a week.

Registered Medical Practitioner means a person registered as a medical practitioner with the Medical Council of New Zealand.

Schedule means the Schedule attached to the Agreement.

Self-employed means carrying on business as a sole trader or as a partner in a partnership.

Terminal Illness means the final stage of a fatal disease which is incurable and irreversible and is likely in our opinion to result in your death within 6 months of the date you apply for a Waiver.

Total Loss means either the Vehicle is stolen and not recovered or it is damaged beyond economical repair, and the Vehicle is deemed a Total Loss under the Comprehensive Motor Vehicle Insurance policy held by you.

Total Loss Payment means a payment made under the Comprehensive Motor Vehicle Insurance Policy for the Total Loss without adjustments or deductions because of a breach of the Comprehensive Motor Vehicle Insurance Policy.

You/Your means the person(s) specified as Borrower in the Agreement.

Us/we/our means Auto Finance Direct Limited or its assignees.

Vehicle means the motor vehicle identified in the Agreement including its standard equipment, tools and accessories at the Waiver start date/the Commencement Date.

Waiver means the Retail Waiver or Lifestyle Waiver (as applicable) as detailed in this document and forms part of your Agreement.

Statement of right to cancel

The Credit Contracts and Consumer Finance Act 2003 gives You a right for a short time after the terms of this Agreement have been disclosed to You to cancel this Agreement.

How to cancel

If You want to cancel this contract You must give written notice to the Lender.

You must also return to the Lender any advance and any other property received by You under this Agreement.

Time limits for cancellation

If the disclosure documents are handed to You Directly You must give notice that You intend to cancel within 5 Working Days after You receive the documents.

If the disclosure documents are sent to You by electronic means (for example, email) You must give notice that You intend to cancel within 5 Working Days after the electronic communication is sent.

If the documents are mailed to You, You must give the notice within 7 Working Days after they were posted. Saturdays, Sundays, and national public holidays are not counted as Working Days.

What You may have to pay if You cancel

If You cancel the contract the Lender can charge You:

- (a) the amount of any reasonable expenses the Lender had to pay in connection with this Agreement and its cancellation (including legal fees and fees for credit reports, etc.); and
- (b) interest for the period from the day You received the advance until the day You repay the advance.

This statement only contains a summary of Your rights and obligations about the right to cancel. If there is anything about Your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that You do not understand, if there is a dispute about Your rights, or if You think that the Lender is being unreasonable in any way, you should seek legal advice immediately.