



## COVERSHEET

<b>Minister</b>	Hon Kris Faafoi	<b>Portfolio</b>	Minister of Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Residential Earthquake Prone Buildings Loan Scheme: Request from Kāinga Ora for an Exemption under the Credit Contracts and Consumer Finance Act 2003	<b>Date to be published</b>	22 July 2020

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
17 June 2020	Residential Earthquake Prone Buildings Loan Scheme: Request from Kāinga Ora for an Exemption under the Credit Contracts and Consumer Finance Act 2003	<i>Office of the Minister of Commerce and Consumer Affairs</i>
17 June 2020	Cabinet Economic Development Committee Minute of Decision - Residential Earthquake Prone Buildings Loan Scheme: Request from Kāinga Ora for an Exemption under the Credit Contracts and Consumer Finance Act 2003	<i>Cabinet Office</i>
28 May 2020	Impact Summary: Residential Earthquake Prone Buildings Loan Scheme: Kāinga Ora CCCFA Exemption	<i>MBIE</i>

### Information redacted

**YES / NO** [select one]

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# Cabinet Economic Development Committee

## Minute of Decision

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### Residential Earthquake Prone Buildings Loan Scheme: Request from Kāinga Ora for an Exemption under the Credit Contracts and Consumer Finance Act 2003

**Portfolio** Commerce and Consumer Affairs

On 17 June 2020, the Cabinet Economic Development Committee:

- 1 **noted** that on 28 January 2020, the Cabinet Business Committee agreed to the settings and parameters for a Residential Earthquake-Prone Building Financial Assistance Scheme (REPB loans scheme) and for Kāinga Ora to be the delivery agent for the REPB loans scheme [CBC-20-MIN-0002];
- 2 **noted** that loans made under the REPB loans scheme fall within the definition of consumer credit contracts, and are therefore subject to the Credit Contracts and Consumer Finance Act 2003 (CCCFA);
- 3 **noted** that Kāinga Ora has requested an exemption from the CCCFA on the grounds that:
  - 3.1 full compliance with the current and future obligations under the CCCFA would be onerous and burdensome in the light of the small number of loans (likely to be no more than 80) expected to be made under the REPB loans scheme;
  - 3.2 the CCCFA obligations are inappropriate for non-commercial organisations such as Kāinga Ora;
- 4 **noted** that section 138(1A) of the CCCFA provides that exempting regulations may be made on that recommendation of the Minister of Commerce and Consumer Affairs (the Minister), and that the Minister may make a recommendation only if the Minister is satisfied that the criteria set out in section 138(1A) are met;
- 5 **noted** that after considering the analysis of Kāinga Ora's request provided by the Ministry of Business, Innovation and Employment, the Minister is satisfied that the criteria set out in section 138(1A) of the CCCFA are met;
- 6 **agreed** to provide an exemption from the CCCFA for credit contracts entered into under the REPB loans scheme, subject to the following obligations:
  - 6.1 the loan agreement and loan terms and conditions must be in plain language;
  - 6.2 Kāinga Ora will disclose to the debtor a subset of information from Schedule 1 of the CCCFA (key information concerning consumer credit contract) that is ascertainable and relevant to credit contracts under the scheme;

- 6.3 Kāinga Ora will provide six-monthly account statements to the debtor containing the information from section 19 of the CCCFA (content of continuing disclosure statement) that is ascertainable and relevant to credit contracts under the scheme;
- 7 **noted** that Kāinga Ora will continue to be subject to other parts of the CCCFA that apply to all credit contracts, including Part 4 (enforcement and remedies) and Part 5 (reopening of oppressive contracts);
- 8 **invited** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 9 **authorised** the Minister of Commerce and Consumer Affairs to approve changes to the conditions, together with any minor and technical issues that may be necessary to deal with issues that arise during drafting of the exemption regulations, provided any such changes are consistent with the exemption powers in the CCCFA.

Janine Harvey  
Committee Secretary

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**Present:**

Rt Hon Winston Peters (Chair)  
Hon Kelvin Davis  
Hon Phil Twyford  
Hon David Parker  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Shane Jones  
Hon James Shaw  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV