



COVERSHEET

Minister	Hon Kris Faafoi	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Credit contracts and consumer finance (residential earthquake prone building financial assistance scheme) amendment regulations 2020	Date to be published	9 September 2020

List of documents that have been proactively released

Date	Title	Author
31 August 2020	<i>Credit contracts and consumer finance (residential earthquake prone building financial assistance scheme) amendment regulations 2020</i>	<i>Office of the Minister of Commerce and Consumer Affairs</i>
31 August 2020	<i>LEG-20-SUB-0124</i>	<i>Cabinet Legislation Committee</i>

Information redacted

~~YES~~ / NO

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Cabinet Legislation Committee

Minute of Decision

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Credit Contracts and Consumer Finance (Residential Earthquake-prone Building Financial Assistance Scheme) Amendment Regulations 2020

Portfolio Commerce and Consumer Affairs

On 28 July 2020, the Cabinet Legislation Committee:

- 1 **noted** that in January 2020, the Cabinet Business Committee agreed to the settings and parameters for a Residential Earthquake-Prone Building Financial Assistance Scheme and for Kāinga Ora to be the delivery agent for the loans scheme [CBC-20-MIN-0002];
- 2 **noted** that in June 2020, the Cabinet Economic Development Committee agreed to provide an exemption from the Credit Contracts and Consumer Finance Act 2003 (the Act) for credit contracts entered into under the Residential Earthquake-Prone Building Financial Assistance Scheme, subject to the following conditions:
 - 2.1 the loan agreement and loan terms and conditions must be in plain language;
 - 2.2 Kāinga Ora will disclose to the debtor a subset of information from Schedule 1 of the Act (key information concerning consumer credit contract) that is ascertainable and relevant to credit contracts under the scheme;
 - 2.3 Kāinga Ora will provide six-monthly account statements to the debtor containing the information from section 19 of the Act (content of continuing disclosure statement) that is ascertainable and relevant to credit contracts under the scheme;[DEV-20-MIN-0103]
- 3 **noted** that Kāinga Ora will continue to be subject to other parts of the Act that apply to all credit contracts, including Part 4 (enforcement and remedies) and Part 5 (reopening of oppressive contracts);
- 4 **noted** that the Credit Contracts and Consumer Finance (Residential Earthquake-prone Building Financial Assistance Scheme) Amendment Regulations 2020 (the Amendment Regulations) give effect to decisions referred to in paragraph 2 above;
- 5 **noted** that section 138(1A) of the Act provides that exempting regulations may be made on the recommendation of the Minister of Commerce and Consumer Affairs, and that the Minister may make a recommendation only if satisfied that the criteria set out in section 138(1A) are met;
- 6 **noted** that the Minister of Commerce and Consumer Affairs considers the criteria under section 138(1A) of the Act to have been met;

- 7 **authorised** the submission to the Executive Council of the Credit Contracts and Consumer Finance (Residential Earthquake-prone Building Financial Assistance Scheme) Amendment Regulations 2020 [PCO 22987/7.0];
- 8 **noted** that the Amendment Regulations come into force on 3 September 2020.

Charlotte Doyle
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon David Parker
Hon Stuart Nash
Hon Damien O'Connor
Hon Ron Mark
Hon Tracey Martin
Hon James Shaw
Hon Julie Anne Genter
Hon Eugenie Sage
Michael Woodhouse MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG