



## COVERSHEET

<b>Minister</b>	Hon Dr David Clark	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020	<b>Date to be published</b>	14 December 2020

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
14 December 2020	<i>Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020</i>	<i>Office of the Minister of Commerce and Consumer Affairs</i>
14 December 2020	<i>CBC-20-MIN-0076</i>	<i>Cabinet Business Committee</i>

### Information redacted

### YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Business Committee

## Minute of Decision

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### Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020

**Portfolio**                      **Commerce and Consumer Affairs**

On 25 November 2020, the Cabinet Business Committee:

- 1        **noted** that on 18 September 2018, the Cabinet Economic Development Committee:
  - 1.1.     agreed to the development of prescriptive, binding requirements including around affordability, suitability and credit advertising standards and debt collection disclosure;
  - 1.2.     authorised the Minister of Commerce and Consumer Affairs to:
    - 1.2.1.   release an exposure draft of regulations for consultation;
    - 1.2.2.   make decisions on minor issues in response to feedback on the exposure draft;

[DEV-18-MIN-0204]
- 2        **noted** that the Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020 give effect to the decision above as it relates to affordability and suitability requirements;
- 3        **noted** that the Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020 come into force on 1 October 2021 to align with the commencement of the remaining provisions of the Credit Contracts Legislation Amendment Act 2019;
- 4        **noted**:
  - 4.1.     that section 138(1BA) of the Credit Contracts and Consumer Finance Act 2003 provides that the Minister may only recommend that regulations prescribing inquiries under section 9C be made after consulting the persons (or the representatives of the persons) who the Minister considers will be substantially affected by the regulations;
  - 4.2.     the advice of the Minister of Commerce and Consumer Affairs that this requirement has been met;

- 5 **authorised** the submission to the Executive Council of the Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020 [PCO 22683/4.0];
- 6 **authorised** the Minister of Commerce and Consumer Affairs to consult on the updated draft Responsible Lending Code once it is finalised.

Gerrard Carter  
Committee Secretary

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**Present:**

Rt Hon Jacinda Ardern (Chair)  
Hon Grant Robertson  
Hon Kelvin Davis  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon Carmel Sepuloni  
Hon Andrew Little  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Meka Whaitiri

**Officials present from:**

Office of the Prime Minister  
Department of the Prime Minister and Cabinet