

Submission on *Exposure draft of updated Credit Contracts and Consumer Finance Regulations 2004 and Responsible Lending Code*

Your name and organisation

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Organisation (if applicable)	Licensed Traders & Pawnbrokers Association of New Zealand
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[Double click on check boxes, then select 'checked' if you wish to select any of the following.]

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Responses to questions

1	Do you agree with the way that the draft Regulations are phrased? If not, what changes would you make?
	See "other comments" below.
2	Do you agree with the way that the guidance relating to expenses is communicated in the Draft Code? If not, how do you suggest it is improved?
3	Are there other practices for estimating expenses that the Code should endorse?
4	Is the new wording in the Draft Code on how lenders may apply a reasonable surplus to comply with regulation 4AF(2)(b)(i) relating to changes to expenses clear? If not, how do you suggest it is improved?
5	Do you have any other proposals for additional guidance on surpluses?
6	Is the updated guidance and examples on 'obvious' affordability helpful? If not, how could they be improved?
7	Do you have any other proposals for additional guidance and examples for 'obvious' affordability?
8	Would any of these initial changes require changes to lender systems before they could come into force? If so, what are the likely timeframes for making these changes?

Other comments

The Licensed Traders & Pawnbrokers Association of New Zealand remains of the view that pawnbroking as defined in the Secondhand Dealers and Pawnbrokers Act 2004 falls outside the Consumer Credit Contracts and Finance Act 2004 (CCCFA). Therefore, any references to pawnbroking in the Responsible Lending Code or the Regulations are incorrect and inconsistent with the CCCFA and should be removed.