

20 October 2022

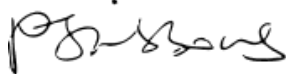
Consumer Policy Team
Building, Resources and Markets
Ministry of Business, Innovation and Employment
Wellington 6140
Via email: consumer@mbie.govt.nz

To whom it may concern

Submission on the Exposure draft of Credit Contracts and Consumer Finance Amendment Regulations (No 2) 2022 and updated Responsible Lending Code

1. Heartland Bank Limited (**Heartland**) welcomes the opportunity to submit on the Ministry of Business, Innovation and Employment (**MBIE**) Exposure Draft of the Credit Contracts and Consumer Finance Amendment Regulations (No 2) 2022 and updated Responsible Lending Code (**Exposure Draft**).
2. The New Zealand Banking Association (**NZBA**), of which Heartland is a member, has submitted separately on the Exposure Draft. Heartland reiterates its support of the points made in those submissions.
3. However, Heartland wishes to make its own submission in relation to the proposed changes relating to variations and replacements of existing credit contracts:
 - a. Like NZBA we support and acknowledge the intent of widening the exemption in Regulation 4AH to allow refinancing of contracts with other lenders.
 - b. In its submission, the NZBA does not express an opinion as to which exemption option is preferred by its members.
 - c. Heartland's preferred exemption option is option 1, as amended by NZBA in its submission (**Amended Option 1**). Amended Option 1 provides the greatest flexibility to borrowers in respect of variations or replacements of existing credit contracts.
 - d. It would help ease and address some of the unintended consequences of the December 2021 changes to the Credit Contracts and Consumer Finance Act 2003.
 - e. Heartland supports the remainder of the NZBA submissions in respect of Amended Option 1.
4. Heartland is willing to engage further with MBIE with respect to the Exposure Draft and, if considered appropriate, to meet and discuss our submissions. If you would like to discuss any aspect of these submissions further, please do not hesitate to contact the sender of this submission.

Kind regards,



Phoebe Gibbons
HEARTLAND GROUP | GENERAL COUNSEL

Privacy of natural persons