

Nadia Jones

From: Consumer Policy

From: Richard dreaneen

Sent: Tuesday, 31 July 2018 11:46 a.m.

To: Consumer Policy

Subject: Re: Feedback sought on discussion paper: review of consumer credit regulation - submissions due 1 August 2018 [UNCLASSIFIED]

Submission of Consumer Credit Regulation Discussion Paper.

Background

I have been involved in the Lending Industry since 1976 as both an employee of a Lending Institution and as a Lender in my own right.

During this time Skills and Knowledge have been obtained which have enabled me to view how the Industry operates as a whole and also for various specific organisations.

During the application process the Lender needs to apply the Principles of Lending and promote the organisations Code of Ethics for "Any Fool can lend money But Skill is required to obtain The Return of Capital".

Therefore during the assessment of the application care must be exercised to ensure that adequate checks are made to satisfy the Lender that the applicant has the ability to repay the loan on the payments required.

Submission

While it can be understood the reasoning behind some of the ideas for fixing the problems the result of this type of legislation could very easily adversely affect the very people that the legislation is try to protect. It could drive a lot of the bad lenders underground.

An effective add-on to the proposed legislation is for ALL Lending Organisations and their Employees to be licensed (as in the case of Real Estate Agents) PROVIDED any licensing to incorporate BOTH Principles of Lending and Code of Ethics. As Lending has been around for centuries the Review of The Credit Law provides a Golden Opportunity to install a Degree of Professionalism to the Lending Industry and provided severe penalties were imposed on the Bad Lenders then ALL participants both Lenders and Borrowers would greatly benefit.

Summary

There are many complex issues regarding Lending and Borrowing for all participants involved and it would be an advantage in preparing such law changes that a small discussion group consisting of Lenders in the Field and Budgeters could assist with helping to protect borrowers from them selves.

As mentioned earlier I have been involved in Lending for over 40 years and as such my skills are available to assist anyway I can to improve the image of the Lending environment for both Lenders and Borrowers. Accordingly if the Ministry believes I can offer support please advise me accordingly.

Thank you for allowing me to share my thoughts.

Richard Dreaneen

for Andard Investments Limited

On 28 June 2018 at 16:49 Consumer Policy <consumer@mbie.govt.nz> wrote:

Good afternoon,

We would like your feedback on potential changes to consumer credit regulation.

You're receiving this e-mail because you or your organisation are registered on the Financial Service Providers Register as a creditor under a credit contract.

MBIE yesterday published a discussion paper on issues and options related to the Credit Contracts and Consumer Finance Act 2003. We are asking for feedback on:

- a. issues around consumer credit, and
- b. the benefits and costs of potential legislative changes.

You can obtain a copy of the discussion paper and further information on our website (mbie.govt.nz/info-services/consumer-protection/review-of-consumer-credit-law).

We value your input, and encourage you to make a submission on the discussion paper by **5pm on Wednesday 1 August 2018**.

Recommended templates for your submission can be found here: mbie.govt.nz/info-services/consumer-protection/review-of-consumer-credit-law/consultation.

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