

The Lending Team

Public Disclosure

Important information about our business:

The Lending Team (FSP1002447) is a Financial Advice Provider (FAP) who holds a full FAP license and is regulated to give financial advice under the Financial Markets Authority (FMA).

Contact details

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Website: www.thelendingteam.co.nz

The information below aims to help you understand the financial advice The Lending Team can provide, fees for our services and our obligations as a Financial Advice Provider.

Nature and Scope of financial advice services

We can provide financial advice about:

- **Residential Mortgages (Home Loans)**
Includes (but is not limited to) first mortgages, preapprovals, refinances, top ups, bridging finance, investment properties, mortgage reviews, restructures and refixes.
- **Commercial Property Loans**
Includes (but is not limited to) arranging and managing loans for commercial properties.
- **Construction Loans**
Includes (but is not limited to) construction loans, pre-development costs and pre-development finance.
- **Business Finance**
Includes (but is not limited to) asset finance, business loans, cash flow finance, import finance and private equity finance.
- **Personal Loans**
Includes (but is not limited to) car loans and other personal loans.

We DO NOT provide financial advice about:

- **Investment Services:** This includes (but is not limited to) investment products such as Kiwisaver, shares, bonds and manage funds.
- **Insurance Services:** This includes (but is not limited to) fire & general insurance, life, health & risk insurance and business insurance.
- **Legal Advice and Services:** This includes (but is not limited to) estate planning services, conveyancing, property law, trust development, will and powers of attorney services. We strongly recommend consulting your solicitor.
- **Tax and Accounting Services:** We strongly recommend consulting your accountant.

Product providers (Banks and Lenders) we might recommend:

- ANZ
- ASB
- BNZ
- Westpac
- Kiwibank
- ASAP Finance
- Avanti
- Basecorp
- The Co-operative Bank
- Funding Partners (CMFL loans)
- Bank of China
- Bluestone
- China Construction Bank
- TSB
- Unity
- Cressida Capital
- DBR
- First Mortgage Trust
- Funding Partners
- Heartland Bank
- Liberty
- Pepper Money
- Plus Finance
- Prospa
- Resimac
- SBS
- Pallas Capital
- Southern Cross Partners
- Private Lenders when circumstances dictate

We may in specific circumstances work with other providers, however we do not work with all bank and finance companies within the New Zealand market.

The product provider we work with will depend on each clients individual situation and lending requirements.

Commission, Fees and Costs

The following section outlines Commission, Fees and Other Costs that may apply.

Commission

For services in relation to loan products, commissions may be paid by the product provider (bank or lender) as follows:

*Initial (upfront) Commission

A percentage of the value of the initial loan balance.

The initial (upfront) commission is between 0.55% and 0.85% of the initial mortgage balance or amount funded, however it varies between providers.

*Ongoing (Trail) Commission

A percentage of the value of your outstanding loan amount, usually calculated at the end of each month in which you hold the loan.

We also may receive ongoing (Trail) commission from some loan providers. The rate is normally 0.15% to 0.20% of outstanding loan amount annually.

For fixed rate rollovers and maintenance requests, we may receive an upfront commission of \$150 and/or in some cases receive ongoing (Trail) commission as set out above.

Commission received is shared with The Lending Team Limited for providing compliance support, training, and back-office support.

Important: Generally, most product providers cover our fees by paying us a commission when your loan settles. However, there are T&C's regarding this called a commission reversal (clawback) which can result in a cost recovery fee. We may also charge an adviser fee under certain circumstances.

Cost Recovery Fee

It's important to note that if you cancel, refinance or repay a significant proportion of your mortgage within 3 years of settlement, The Lending Team will have to repay some or all of the upfront commission received. This is repaid to the product provider. This is known as a commission reversal (Clawback).

If a product provider charges The Lending Team with a commission reversal (Clawback), you agree and acknowledge that The Lending Team can charge you a cost recovery fee for the services provided to which the Clawback relates.

In such circumstances, The Lending Team will issue an invoice to you for the relevant fee to which the Clawback relates, and such fee will be due and payable within 21 days from the date of our invoice.

The relevant cost recovery fee is determined on case-by-case basis. Our maximum cost recovery fees are outlined below.

| Initial Loan Amount | Maximum Cost Recovery Fee |
|-----------------------|---------------------------|
| Up to \$249,000 | \$2,000 |
| \$250,000 – 749,000 | \$6,000 |
| \$750,000 - 999,999 | \$8,000 |
| \$1 million and above | \$15,000 |

The cost recovery fee will not exceed the commission clawback issued by the product provider to The Lending Team.

We may not charge a cost recovery fee when an upfront adviser fee was agreed and paid when the initial lending was arranged, or we were given the opportunity and unable to secure subsequent lending or refinance approval.

We strongly encourage our clients to contact us if they're considering selling or refinancing during the first 3 years after their loan settles to discuss.

Commission clawbacks are in no way associated with any adviser fee that may have been charged for our service.

Adviser Fees

In some circumstances we will charge you a fee for our service. Where this applies, we will advise you of our fee upfront and the services to which our fee relates before an application is undertaken. However, any delay in our part to do so does not invalidate our right to charge you the fees for services provided to you.

The actual fee is assessed on a case by case basis as it depends on the time investment, nature and scope of the advice and service provided.

Fees may apply in the following circumstances, but are not limited to:

- For commercial, business, property finance, bridging finance and loans arranged through nonbank lenders, we may charge you an adviser fee where the lender does not pay any or upfront commission that meets our minimum fee for the service. Our

fee for these services range from 0.85 to 3.0% of the initial mortgage loan or amount funded.

- Assisting with requests relating to existing lending where no upfront commission is paid by the lender, or the upfront commission does not meet our minimum fee for the service provided. This may include restructures, interest only applications, mortgage discharges, security swaps and top-up applications.
- If you have already secured an approval from a product provider, then approach us for our services and expertise, we will charge a fee when we do not receive commission from the lender.
- At the beginning of the process, you must disclose to us if you have/are engaging with banks directly or with other brokers. In this circumstance, we may charge a fee for our time if we have secured an approval or, spent a considerable time on a proposal and you source finance from a bank directly or another broker within 6 months of engaging with us.

This also applies to non-disclosure of critical information that hinders our ability to obtain a solution causing additional work. Our fee in this instance, would be capped at \$1,500 based on the time spent to get an application prepared to be submitted to a Lender.

- Where we provide consultation services for you where there is no new lending, but time is taken and formal advice is provided. An adviser hourly rate of \$350 applies. This does not include the initial Fact Find review.

Other Costs

You are liable for other costs such as legal, valuation, building inspection fees and other independent costs incurred in the process.

Conflicts of Interest

We are here for our clients and to advise you as best we can, your interests are our priority and we take managing any potential conflicts of interests seriously.

In certain instances, we may pay a referral fee to third parties who introduce clients to our business (if we successfully arrange finance for the client). The referral fee will be paid by us to the referring party, and will not be charged to the client. We pay referral fees as a way of thanking the referring party for their support and for introducing clients to our business. Referral fees will be disclosed in your Nature and Scope of Advice and Mortgage Advice Summary.

From time to time product providers assist us with funding so we can bring our advisers together for conferences and professional development training. This may include discounted CRM, subsidised training for advisers or other non-monetary benefits.

We also have referral partnerships with the following referral partners:

- Marble Insurance Limited

- Tower Fire & General Insurance
- Simplify
- XE
- Partners Life

This means we may receive a referral fee in the form of commission if we refer you to these providers and you are successful. This is usually a percentage based commission and can be either upfront and/or Trail commission.

These referral agreements are a way to build relationships with other product providers to help our clients get specialised advice as this is outside The Lending Team's scope.

How we manage conflicts of Interest

To ensure our advisers prioritise our clients' interests:

- We are bound by our code of conduct and ensure that we prioritise our clients' interests by following a regulated advice process that considers your specific circumstances and goals.
- We take the time to research suitable products and providers to ensure we provide quality advice that meets each individual client's needs.
- We undergo annual training on how to manage any conflicts of interest
- We maintain registers of conflicts of interest and the gifts and incentives we receive. These registers are monitored regularly, and additional training is provided as required.
- We undertake an annual independent Compliance Assurance Review
- The payment of referral fees does not influence or affect any advice we provide or the recommendations we make to our clients.

Our duties and obligations to you

The Lending Team and our financial advisers, are bound by the duties of the Financial Markets Conduct Act 2013 (431I, 431K, 431L and 431M) to:

- Meet the standards of competence, knowledge, and skill set out in the Code of Conduct
- Give priority to the clients' interest, and
- Exercise care, diligence and skill, and

- Meet the standards of ethical behaviour, conduct, and client care set out in the Code of Conduct.

Our internal complaints process

If you have a problem, concern, or complaint about any part of our advice or service, please let us know so we can try to resolve the problem.

Our internal complaints manager is Keagan Modlin who can be reached via email at keagan@thelendingteam.co.nz or 0204488009. Keagan will reply to you within 48 hours.

You can make a complaint through the following methods:

- By logging into your Trail client portal and pressing the "Make a Complaint" button on the bottom right of the page.
- By contacting your adviser directly
- By sending an email to our complaints manager, Keagan Modlin.

Once we receive a complaint, we follow an internal procedure to ensure we address the issue. Our process will:

- Acknowledge your complaint within 2 working days
- Inform you how we will address the complaint
- Gather any information that will help us resolve the complaint
- Aim to resolve the complaint within 20 business days of receiving the complaint
- If we cannot resolve the complaint within this timeframe, we will update you regarding the next steps.

Our external complaints process

If you are not satisfied with how we addressed or resolved your complaint, you can contact our external disputes resolution scheme, Financial Services Complaints Ltd (FSCL) – A Financial Ombudsman Service. They are an independent dispute resolution service that costs you nothing to use and will help us resolve any disagreements or finalise outstanding complaints.

You can contact Financial Services Complaints Ltd (FSCL) – A Financial Ombudsman Service as per below:

- Address:** Level 4, 101 Lambton Quay, Wellington 6011
- Phone number:** 0800 347 257
- Email address:** complaints@fscl.org.nz
- Website:** fscl.org.nz