

# Changes to Disclosure Requirements under the *National Consumer Protection Act 2009*

Discussion Paper  
April 2013

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## CONSULTATION PROCESS

### Request for feedback and comments

Interested parties are invited to comment on the discussion paper.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

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### Closing date for submissions: 13 May 2013

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## SUMMARY

This Discussion Paper invites comments on possible changes to the format, content and timing of disclosure requirements under the *National Consumer Credit Protection Act 2009* on both credit providers and lessors.

The changes are largely based on empirical research into precontractual disclosure that was commissioned by the Standing Committee of Officials on Consumer Affairs. The proposals are framed by the following policy objectives:

- Making changes that will improve consumer understanding.
- Highlighting key pricing information in a new Table, called the Financial Summary Table.
- Repealing existing unnecessary disclosure requirements.

# 1. CONTEXT

- 1.1. This Discussion Paper seeks comments in relation to possible changes to the disclosure requirements under the National Credit Code (the Code).
- 1.2. The changes are based on research commissioned by the Standing Committee of Officials on Consumer Affairs (SCOCA). SCOCA commissioned UniQuest Pty Limited to conduct research into precontractual disclosure under the UCCC, to develop an evidence-based disclosure model to meet the information needs of consumers and provide them with a better understanding of the cost and features of their credit contracts.
- 1.3. The subsequent report, Simplification of Disclosure Regulation for the Consumer Credit Code: Empirical Research and Redesign — Final Report (the Uniquist report), was released in March 2010. The findings of the Uniquist report are based upon comprehensive research into consumer credit disclosure.
- 1.4. A key recommendation in the Uniquist report was the introduction of a Financial Summary Table. This is a targeted and high-impact version of the existing financial table that is restricted to key pricing information (relative to the more exhaustive range of matters that can be currently included; see Credit Regulation 72).
- 1.5. The objective of the Financial Summary Tables is to change the presentation of some of the matters or items required to be disclosed under section 17. If adopted it is envisaged that the balance of the matters could still be disclosed separately, below or following the Financial Summary Table. The intention is to minimise changes to the content of the matters required to be disclosed by section 17, and to allow the majority of matters to be disclosed separately from the Financial Summary Table.
- 1.6. The Uniquist report proposed product-specific disclosure for the following four categories of products: home loans; credit cards; car loans; and store cards. In previous Treasury consultations the list of products for which product-specific disclosure could be developed was extended to include: reverse mortgages; small amount credit contracts; consumer leases; and personal loans.
- 1.7. The draft Financial Summary Table for consumer leases has been the subject of separate consultation with a specialist Working Group. Accordingly, no questions have been included with this Attachment, although stakeholders are free to comment.
- 1.8. No draft Financial Summary Table has been included for small amount credit contracts, as these have different disclosure requirements, following the changes introduced by the Consumer Credit Legislation Amendment (Enhancements) Act 2012.
- 1.9. Contemporaneously, Treasury has been consulting on a draft Information Statement in respect of Lenders Mortgage Insurance. This product is typically provided with home loans. Comments are also sought on the draft Information Statement.

- 1.10. This paper therefore has draft Financial Summary Tables for the following products:
- home Loans (Attachment A) — with the draft Information Statement in respect of Lenders Mortgage Insurance (Attachment B);
  - credit cards, including store cards (Attachment C);
  - personal loans, including car loans (Attachment D);
  - reverse mortgages (Attachment E); and
  - consumer leases (Attachment F).
- 1.11. Specific questions for stakeholders are included in relation to the Attachments, other than that for consumer leases.
- 1.12. In addition to seeking comments on the draft Financial Summary Tables, this paper seeks views on the following three issues:
- Whether credit providers should continue to be required to provide an Information Statement to borrowers under section 16 of the National Credit Code (the Code).
  - Whether any of the matters required to be disclosed in section 17 of the Code should be altered (in particular, the way in which commissions are disclosed).
  - Whether credit providers should be required to provide pre-contractual disclosure documents, where practical, at an earlier point in time than is currently the case.
- 1.13. The Discussion Paper therefore includes a number of specific questions in respect of these issues. Stakeholders are of course free to address other matters in their responses.
- 1.14. Treasury's view is that there should be a minimum period of 12 months to implement any changes from passage of the law (both Acts and Regulations as necessary) finalising the new requirements.

## ISSUE 1 REMOVING THE REQUIREMENT TO PROVIDE THE INFORMATION STATEMENT

- 1.15. Lenders are currently required to provide an Information Statement of the debtor's statutory rights and obligations to borrowers; see section 16 of the Code and Form 5 as prescribed by Regulation 70. Previous Treasury consultations suggested that there was little point in retaining this requirement (noting that the Information Statement includes disclosure of the credit provider's membership of an External Dispute Resolution scheme, with this disclosure replicated in the Credit Guide).
- 1.16. Treasury therefore considers that the requirement to provide the Information Statement should be repealed.
- 1.17. It is noted that there is no equivalent statutory obligation for lessors.

## Question

- If the requirement to provide the Information Statement is repealed, is there any information in this document that credit providers should still be required to disclose (for example, in the Credit Guide)?

## ISSUE 2 CHANGES TO DISCLOSURE REQUIREMENTS IN SECTION 17

1.18. Lenders are currently required to provide pre-contractual disclosure of a range of matters as set out in section 17 of the Code. Apart from matters included in the draft Financial Summary Tables this includes disclosure of:

- frequency of statements of account;
- information about any mortgage or guarantee provided with the credit contract;
- information about any default rate of interest;
- a statement as to when enforcement expenses become payable;
- details of credit-related insurance contracts that are financed by the credit contract; and
- information in relation to commissions.

1.19. Having reviewed these matters, Treasury's view is that that the only item (other than disclosure in respect of LMI as discussed below) where possible changes to the requirements in section 17 should be considered further is in relation to the disclosure of commissions by credit providers. Treasury also considers that the same issue arises for lessors, given that they are currently under no equivalent obligations.

1.20. Section 17(14) requires a credit provider to disclose the fact that a commission is to be paid by or to the credit provider for the introduction of credit business or business financed by the contract, and disclosure of the amount of commission, but only if it is ascertainable.

1.21. Commissions payable in connection with a credit-related insurance contract are required to be disclosed in accordance with section 17(15). Again, the provision requires disclosure of the existence of a commission in all cases, but disclosure of the amount of commission only if it is ascertainable.

1.22. The requirement in section 17(15) is in the following terms:

*(d) if the credit provider knows of any commission to be paid by the insurer for the introduction of the insurance business--a statement that it is to be paid and, if ascertainable, the amount of the commission expressed either as a monetary amount or as a proportion of the premium.*



*In the case of consumer credit insurance that includes a contract of general insurance within the meaning of the Insurance Contracts Act 1984:*

*... (f) it is sufficient compliance with paragraph (d) relating to the amount of commission if the contract document contains the total amount of commission (expressed as a monetary amount or as a proportion of the premium) to be paid by the insurers.*

- 1.23. The obligation on credit providers is to be contrasted with the obligation on persons providing credit assistance. Section 121(2)(b) of the Credit Act requires these persons to disclose ***“a reasonable estimate of the total amount of any commissions that the licensee, or an employee, director or credit representative of the licensee, is likely to receive in relation to the credit contract and the method used for working out that amount”***. Regulations further clarify the way in which this information should be disclosed; see Credit Regulation 28G.
- 1.24. Persons providing credit assistance are therefore required to provide a reasonable estimate of commissions, including, in some cases, the same commissions where the credit provider is under a more limited disclosure obligation. Treasury’s preliminary view is that there should be consistency in the disclosure obligations between persons providing credit assistance and credit providers, and that accordingly there should be disclosure in relation to the amount of the commission, even where it may not be ascertainable.
- 1.25. It is not proposed to change the definition of commission that acts as a trigger for disclosure, so that any disclosure obligation would continue to operate only if a commission as described in subsections (14) and (15) of sections 17 is payable.

### Questions

- Where the amount of the commission is not ascertainable, should a credit provider be under an obligation to provide a reasonable estimate of the amount of any such commissions? If so, should this disclosure be in accordance with the methods used for calculating this amount for providers of credit assistance?
- Should lessors be under the same obligation as credit providers to disclose commissions? Alternatively, are there any differences in relation to commission arrangements for lessors that would prevent disclosure or require a different approach to be taken to disclosure of commissions?
- Should there be any other changes to the matters required to be disclosed by section 17?

### ISSUE 3 TIMING OF PRECONTRACTUAL DISCLOSURE

- 1.26. Section 16 of the National Credit Code currently requires credit providers to give the precontractual summary of the contract (the financial table) to the consumer *at any time before entering into the contract*. In practice this means that consumers are usually provided with the summary at the same time as they enter into the contract. This limits a consumer’s opportunity to understand the exact terms of the offer.
- 1.27. The Uniquist report suggests that consumers, when provided with disclosure at an early stage of the transaction, tended to choose lower risk products with a lower overall

cost of credit. Their confidence in their choice and level of comprehension also increased.

1.28. Changes in technology, particularly the availability of emails, now make it easier for lenders to communicate quickly and directly with consumers.

1.29. Consequent on the findings in the Uniquist report Treasury's view is that the earlier disclosure is provided the more this will assist consumer comprehension, and that options for mandating earlier disclosure should be considered.

1.30. The requirement to provide precontractual disclosure earlier could be reformulated as either a requirement to provide the specified information under:

- A flexible approach — such as within a reasonable time before the contract is entered into.
- A more prescriptive approach — for example, as soon as practicable once the provider has determined the terms on which it is prepared to enter into a contract with the consumer.

1.31. Such reformulation would generally have a greater impact on home loans and loans for large amounts of credit, where there is usually a longer gap between approval and the borrower entering into the contract. It is unlikely to make a significant difference to, for example, retail credit in cases where there is a minimal difference in time between applying for credit, eligibility being determined and the consumer entering into a contract (so that a reasonable time before entering into the contract would be shortly before entering into the contract).

1.32. However, any change based on a requirement to provide documents 'within a reasonable time' or 'as soon as practicable' may have some initial degree of uncertainty requiring further guidance for credit providers. This change may also result in increased compliance costs for industry.

### Questions

- What are stakeholders' views on the advantages and disadvantages of changing the timing for disclosure in relation to credit contracts?
- Are the phrases 'a reasonable time before the contract is entered' and 'as soon as practicable' sufficiently certain for credit providers to be able to readily comply with a requirement based on such terms? If not, are there any other more precise ways to articulate the trigger for compliance?
- What costs might industry incur if they were required to provide the precontractual summary of the contract to the consumer within a reasonable time before the contract is entered?
- Should any such obligation apply to all credit products, or only to particular categories?

# ATTACHMENT A

## INTRODUCTION

This attachment has the following draft Financial Summary Tables for home loans:

- the Uniquist model (Model A.3);
- the Uniquist model modified to reflect changes introduced by the Home Loan key Facts Sheet (Model A.1) — this is Treasury’s preferred model; and
- a further version of Attachment A, but outlining which disclosure items are currently required by section 17, and which have been imported from the Key Facts Sheet (Model A.2).

## Questions for Stakeholders

1. The requirement to provide a Home Loans Key Facts Sheet only applies to *standard home loans*, as defined in section 133AA of the Credit Act and Credit Regulation 28LA; in general terms this refers to contracts where the repayments will meet both principal and interest. It follows that the requirement to provide a Financial Summary Table, to the extent it imports known concepts from the Home Loans Key Facts Sheet, could easily apply to standard home loans. What are stakeholder’s views on what modifications, if any, would be necessary to enable the Financial Summary Table to apply to other home loans (particularly those where the consumer is not obliged to make repayments that will repay principal and interest for the full term of the home loan, such as loans where the repayments only meet interest with a lump sum repayment after a number of years)?
2. The draft Financial Summary Tables address a scenario in which the home loan has a simple variable interest rate. There are a range of other ways in which interest rates can operate, for example, honeymoon periods. It is considered that these alternatives could be encompassed within the existing template, consistently with the disclosure developed for the Home Loans Key Facts Sheets, as in the example below. Are there any difficulties in using the Financial Summary Table to address home loans where the interest rate applies in this way?

Items	Details of your contract	Important information
Interest rate	[variable interest rate] per annum	<b>This varies according to the Better Home Loans Pty Ltd Discount Variable Rate.</b>
	[fixed interest rate] per annum fixed for [number] years, then a variable rate currently [variable interest rate] per annum	<b>After [number] years, a variable interest rate applies, changing according to the Better Home Loans Pty Ltd Discount Variable Rate.</b>
	[variable interest rate] per annum for [number] years, then [discount interest rate] per annum	<b>For [number] years, a variable interest rate applies, changing according to the Better Home Loans Pty Ltd Discount Variable Rate.</b>
	[introductory interest rate] per annum for [number] years, then a variable rate currently [variable interest rate] per annum	<b>After [number] years, a variable interest rate applies, changing according to the Better Home Loans Pty Ltd Discount Variable Rate.</b>

3. What are stakeholder's views on the advantages and disadvantages of introducing new requirements to disclose the following matters (noting that these matters are required to be disclosed in the Home Loans Key Facts Sheet):
  - 3.1. The Name (if any) of the Credit Facility.
  - 3.2. The Estimated Cost of Credit.
  - 3.3. The Estimated Total Amount To Be Paid Back.
  - 3.4. A Personalised Comparison Rate.
  - 3.5. The Term of the Loan.
4. The Uniquist report only proposed including a statement of the amount of credit, and not a breakdown of how it was paid. Currently Section 17(3)(a)(ii) requires a credit provider to disclose "*the persons, bodies or agents (including the credit provider) to whom it is to be paid and the amounts payable to each of them, but only if both the person, body or agent and the amount are ascertainable*". Should this information be disclosed in the Financial Summary Table or separately?
5. The Financial Summary Table refers to both 'Fees and Charges', noting that section 17(8) of the Code refers to credit fees and charges. Is there any distinction between fees and charges, or could the disclosure in the Financial Summary Table be simplified by only referring to fees?
6. Should Late Payment Fees and Early Termination Fees be specifically disclosed in the Financial Summary Table, or should they be included in the list of all fees and charges to be separately disclosed?

MODEL A.1 (PREFERRED OPTION): MODIFIED VERSION OF THE UNIQUEST TEMPLATE (USING SAME LANGUAGE AS IN THE HOME LOANS KEY FACTS SHEET, AND MINOR CHANGES)

**Better home loans PTY LTD ('The Credit Provider') — financial summary table**

Items	Details of your contract	Important information
Name of credit facility	Standard Variable Home Loan	
Loan amount	\$332,400.00	
Estimated cost of credit	+ \$695,243.00	The calculation of these amounts assumes you will pay the monthly payments on time over the full term of the loan, that the Interest Rate will not change and you will only be charged the known Fees and Charges.
Estimated total amount to be paid back	= \$1,027,643.00	
By repayments of	\$2,854.57 per month	If the Interest Rate changes then the amount of the Repayments will also change.
Interest rate	9.0 per cent	<b>This varies according to the Better Home Loans Pty Ltd Discount Variable Rate.</b>
Personalised comparison rate	9.14 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
With known fees and charges of	\$840.00 establishment fee \$540 each year in ongoing fees	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below.  Better Home Loans Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
Late payment fee	\$10	
Term of loan	30 years	
Early termination fee	Minimum of \$400	Plus an amount calculated by the credit provider to reflect any additional loss incurred due to early termination.

## MODEL A.2: SAME AS MODEL A.1 BUT IDENTIFIES WHICH REQUIREMENTS ARE NEW

### Better Home Loans PTY LTD ('The Credit Provider')<sup>1</sup> – financial summary table

Items	Details of your contract	Important information
Name of credit facility <sup>2</sup>	Standard Variable Home Loan	
Loan amount <sup>3</sup>	\$332,400.00	
Estimated cost of credit <sup>4</sup>	+ \$695,243.00	The calculation of these amounts assumes you will pay the monthly payments on time over the full term of the loan, that the Interest Rate will not change and you will only be charged the known Fees and Charges.
Estimated total amount to be paid back <sup>5</sup>	= \$1,027,643.00	
By repayments of	\$2,854.57 per month <sup>6</sup>	If the Interest Rate changes then the amount of the Repayments will also change.
Interest rate <sup>7</sup>	9.0 per cent	<b>This varies according to the Better Home Loans Pty Ltd Discount Variable Rate.<sup>8</sup></b>
Personalised comparison rate <sup>9</sup>	9.14 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
With known fees and charges of <sup>10</sup>	\$840.00 establishment fee \$540 each year in ongoing fees	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below. Better Home Loans Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
Late payment fee <sup>11</sup>	\$10	
Term of loan <sup>12</sup>	30 years	
Early termination fee	Minimum of \$400	Plus an amount calculated by the credit provider to reflect any additional loss incurred due to early termination.

1 Section 17(2): credit provider's name.

2 New requirement; but equivalent to a requirement in respect of a Home Loans Key Facts Sheet to state the name of the product.

3 Section 17(3)(a): amount of credit being provided (if ascertainable, otherwise maximum amount).

4 New requirement: section 17(6) does not apply to loans with a term of more than 7 years; the amount can be calculated once an estimate of the total amount to be paid back is calculated.

5 New requirement: section 17(6) would not apply to home loans; but equivalent to a requirement in respect of Home Loans Key Facts Sheets to state the total amount to be paid back.

6 Section 17(7): the number and frequency of the repayments.

7 Section 17(4)(a): the annual percentage rate under the contract.

8 Section 17(4)(c)(i): the name of the rate or a description of it.

9 New requirement: but equivalent to a requirement in respect of Home Loans Key Facts Sheets.

10 Section 17(8)(c): the total amount of credit fees and charges payable under the contract to the extent that it is ascertainable.

11 Section 17(8): requires a statement of all credit fees and charges that are, or may become, payable under the contract, and the amount of any such fee or charge if ascertainable, but, if not, the method of calculation of the fee or charge, if ascertainable.

12 New requirement: the term of the loan would only need to be disclosed if it was ascertainable.

## MODEL A.3: TEMPLATE IN UNIQUEST REPORT

### Better Home Loans PTY LTD ('The Credit Provider') — financial summary table

Items	Amounts	Important references
Type of credit facility	Standard Variable Home Loan	
Amount of credit	\$332,400.00	
+ Estimated cost of credit	\$695,243.00	Based on minimum monthly payments over the full term of the loan at the current Annual Percentage Rate and current Fees and Charges
= Estimated total amount payable	\$1,027,643.00	Estimate based on above
By repayments of	\$2,854.57 per month	If the Annual percentage rate changes then the Repayments change.
At annual percentage rate of interest	9.0 per cent per year	<b>This varies according to the Better Home Loans Pty Ltd Discount Variable Rate</b>
With fees and charges of	\$840.00 up front \$540 each year	<b>On 20 days notice</b> , the Fees and Charges may change and new Fees and Charges may be imposed. Additional government charges may require payment and these have not been included. Stamp duty on transfer of land has not been included.
Late payment fee	\$10	
Term of loan	30 years	
Early termination fee	Minimum of \$400	Plus an amount calculated by the credit provider to reflect any loss incurred due to early termination.

## ATTACHMENT B

### INTRODUCTION

The introduction of an Information Statement in relation to Lenders Mortgage Insurance (LMI) is intended to help consumers understand the way in which this product operates, the benefits to borrowers (even though they are not covered by the insurance), and the consequences for them when a claim is made by the lender.

### Questions for Stakeholders

1. It is proposed that credit providers would be obliged to give the debtor the Information Statement, and that it would be badged as a document of the credit provider, as it would include their name and Australian Credit Licence number. Given this, should the Statement replace the references to 'the lender' with either 'us' or the name of the credit provider (as appropriate)?
2. The Information Statement refers to the borrower paying an LMI premium. Will it always be the cases that the premium is deducted from the amount of credit, or do some credit providers have business models in which the cost is not paid in this way? If the latter, how should this type of arrangement be disclosed in the Information Statement?
3. The draft encourages a borrower to contact the LMI insurer if they want more information about LMI. Stakeholders' views are sought on whether it would be better to direct the borrower to their lender, given that it is unusual for LMI providers to have such direct contact?
4. Section 17 does not specifically address disclosure in relation to LMI products currently disclosure is covered by section 17(3)(a)(ii), which requires a credit provider to disclose "*the persons, bodies or agents (including the credit provider) to whom it is to be paid and the amounts payable to each of them, but only if both the person, body or agent and the amount are ascertainable.*" Credit providers may have models where the LMI premium is not deducted from the amount of credit. If this is the case, should there be any new disclosure requirements in relation to the existence of an LMI policy, or is disclosure sufficiently addressed in the Information Statement?



## LMI Information Statement

Credit provider's name and Australian Credit Licence Number
---

### IMPORTANT FACTS ABOUT LENDERS' MORTGAGE INSURANCE

#### What is lenders' mortgage insurance (LMI)?

LMI is insurance that a lender takes out to insure itself against the risk of not recovering the full loan balance should you, the borrower, be unable to meet your loan payments. **It is important to understand that LMI covers the lender, not you.**

In other words, LMI:

- Provides consumers with a benefit as it allows **lenders** to provide home loans to those who otherwise meet their lending requirements but who may still be rejected for a loan because they are seeking to borrow more than 80 per cent of the value of the property; and
- Means that if you, the **borrower**, can't meet your loan payments (and all other options are exhausted), and there needs to be a forced sale of the property, the LMI insurer will pay to the lender any shortfall, if any, on the outstanding amount of the loan.

You will still have to repay any shortfall on the amount owing to the LMI insurer, instead of the lender — see the example below.

#### What is the cost of LMI?

The LMI premium is payable when you, the borrower, enter into the loan. The cost varies depending on the lender, how much is borrowed and the size of the deposit. The premium may be able to be included as part of the loan amount or as an upfront cash sum. Your lender can provide details of the likely costs after you have applied for the loan. On refinancing, LMI may be payable again (especially if you are increasing your loan amount).

#### What happens if I default and my property is sold?

If you have problems and cannot make repayments and no other resolution is found, your lender may need to sell your property to cover the outstanding loan amount. In this situation sometimes the house is sold for less than the amount owing. The LMI insurer will pay your lender the difference between the amount outstanding and the sale price, and will then ask you, the borrower, to repay this sum, plus any enforcement expenses, directly to them.

### **Example**

John borrows \$450,000 to buy a home valued at \$500,000. As John's deposit is less than the lender's requirements, John pays the cost of the LMI which for him is included in the amount borrowed. John then becomes unemployed and defaults on his repayments. The lender repossesses the home and sells it for only \$400,000, leaving a difference of \$50,000. The LMI insurer under the policy pays the lender \$50,000, and then requires John to repay this amount to them.

**Important:** If you experience problems making your repayments, you need to contact your lender as soon as possible as you may be able to arrange a payment variation on the grounds of hardship.

### **Is LMI refundable?**

LMI may be partially refundable if the loan is terminated early in the life of the loan (usually the first year or two only). Each lender can provide details of their own refund arrangements.

### **Where can I find out more information about LMI?**

You can contact your lender, the LMI insurer (your lender can advise their details), or the consumer credit regulator, the Australian Securities and Investments Commission on 1300 300 630, or through their consumer website at [www.moneySMART.gov.au](http://www.moneySMART.gov.au).

# ATTACHMENT C

## INTRODUCTION

This attachment has the following draft Financial Summary Tables for credit cards, including store cards:

- the Uniquist models for credit cards (Model C.3) and store cards (Model C.4);
- the Uniquist model modified to reflect changes introduced by the Credit Cards Key Facts Sheet, and capable of applying to both credit cards and store cards (Model C.1) — this is Treasury's preferred model; and
- a version of Model C.1 that outlines which disclosure items are currently required by section 17, and which have been imported from the Key Facts Sheet (Model C.2).

The same template has been used for store cards and credit cards, given that there are minimal differences in the two Uniquist templates.

The Uniquist report found that comprehension levels across demographics were significantly increased when information was presented using the Uniquist proposed disclosure model.

The models all propose disclosure of the Interest free arrangements in relation to the product. It is envisaged that these could be disclosed consistently with those being considered in relation to credit cards more generally (noting that these are still to be finalised).

## Questions for Stakeholders

1. The models all refer to disclosure of an annual fee. However, this row of the Table could be adapted to allow for the disclosure of either monthly or annual fees (or both), according to how the credit provider charges fees. Do stakeholders have any comments on this approach?
2. Stakeholders' views are sought on whether other common fees (for example, cash advance fees and foreign transaction fees) should be disclosed in the Table, or only separately below the Table?
3. The Uniquist templates (Models C.3 and C.4) include a minimum repayment warning above the table. Stakeholders' views are sought on whether this requirement should be retained, given that a similar requirement has already been mandated in relation to monthly statements on credit cards.
4. What are stakeholder's views on the advantages and disadvantages of introducing new requirements to disclose the following matters:
  - 4.1. The Name (if any) of the Credit Facility.
  - 4.2. The Term of the Loan.

**MODEL C.1 (PREFERRED OPTION): MODIFIED VERSION OF THE UNIQUEST TEMPLATE (USING SAME LANGUAGE AS IN THE CREDIT CARDS KEY FACTS SHEET, AND MINOR CHANGES)**

**Cards PTY LTD ('The Credit Provider') — financial summary table**

Items	Details of your contract	Important information
Type of credit facility	Low Rate Mastercard (Silver)	
Credit limit	\$4,000	
Interest rates	Interest Rate on purchases: 14.99 per cent	
	Introductory Interest Rate on purchases for the first 6 months: 4.99 per cent	
	Balance Transfer Interest Rate for the first 6 months: 0 per cent	
	Cash Advance Interest Rate: 20.49 per cent	
Interest free period	Up to 55 days on purchases only	Applies only if the outstanding balance is repaid by the due date. Cash advances or payment will attract interest from the date of the advance.
Annual fee	\$75 each year	This fee may be varied by the credit provider.
Minimum repayments	Maximum of \$88.80	This is the minimum repayment you would be required to make if you had used all the credit available under your limit.
Term of loan	Until cancelled	The credit provider reserves the right to call up the loan in certain circumstances and cancel the facility
Late payment fee	\$10	

MODEL C.2: SAME AS MODEL C.1 BUT IDENTIFIES WHICH REQUIREMENTS ARE NEW

Cards PTY LTD ('The Credit Provider')<sup>13</sup> — financial summary table

Items	Details of your contract	Important information
Name of Credit Facility <sup>14</sup>	Low Rate Mastercard (Silver)	
Credit Limit <sup>15</sup>	\$4,000	
Interest Rates <sup>16</sup>	Interest Rate on purchases: 14.99 per cent	
	Introductory Interest Rate on purchases for the first 6 months: 4.99 per cent	
	Balance Transfer Interest Rate for the first 6 months: 0 per cent	
	Cash Advance Interest Rate: 20.49 per cent	
Interest Free Period <sup>17</sup>	Up to 55 days on purchases only	Applies only if the outstanding balance is repaid by the due date. Cash advances or payment will attract interest from the date of the advance.
Annual Fee <sup>18</sup>	\$75 each year	This fee may be varied by the credit provider.
Minimum Repayments <sup>19</sup>	Maximum of \$80. 2 per cent of the outstanding balance.	This is the minimum repayment you would be required to make if you had used all the credit available under your limit.
Term of Loan <sup>20</sup>	Until cancelled	The credit provider reserves the right to call up the loan in certain circumstances and cancel the facility
Late Payment Fee <sup>21</sup>	\$10	

13 Section 17(2): credit provider's name.

14 New requirement; but equivalent to a requirement in respect of a Credit Card Key Facts Sheet to state the name of the product.

15 Section 17(3)(b): the maximum amount of credit agreed to be provided, or the credit limit under the contract.

16 Section 17(4)(a): the annual percentage rate or rates under the contract.

17 New requirement; but equivalent to a requirement in respect of a Credit Card Key Facts Sheet to provide a description of the interest free period.

18 Section 17(8): requires a statement of all credit fees and charges that are, or may become, payable under the contract, and the amount of any such fee or charge if ascertainable, but, if not, the method of calculation of the fee or charge, if ascertainable.

19 Section 17(7)(b) : if the contract provides for a minimum repayment, the amount of that repayment, if ascertainable, but, if not, the method of calculation of the minimum repayments.

20 New requirement.

21 Section 17(8): requires a statement of all credit fees and charges that are, or may become, payable under the contract, and the amount of any such fee or charge if ascertainable, but, if not, the method of calculation of the fee or charge, if ascertainable.

## MODEL C.3: TEMPLATE IN UNIQUEST REPORT — CREDIT CARDS

### Cards PTY LTD ('The Credit Provider') — financial summary table

Warning: if you pay only the minimum monthly payments of \$124 on the credit limit which is \$5,000 you will have to make 90 payments over approximately 7 years and 6 months and will pay \$1,185 in fees and an estimated \$6,112 in interest at the Standard Annual Rate.

<b>Type of credit facility</b>	<b>Standard rate MasterCard</b>	
<b>Credit limit</b>	<b>\$5,000</b>	
<b>Annual percentage rates</b>	Standard Annual percentage rate: 24.99 per cent Retail Annual percentage rate for first 12 months: 4.99 per cent Balance Transfer Annual percentage rate for the first 12 months: 0 per cent Cash Advances Annual percentage rate: 24.99 per cent	
<b>Interest free period</b>	Up to <b>55 days</b> on purchases only	Applies only if the outstanding balance is repaid by the due date. Cash advances or payment will attract interest from the date of the advance.
<b>Fees and charges</b>	<b>\$158 each year</b>	These, including the annual fee, may be varied by the credit provider.
<b>Minimum repayments</b>	<b>\$124.00</b>	This is the minimum repayment on the fully drawn credit limit.
<b>Term of loan</b>	<b>Until cancelled</b>	The credit provider reserves the right to call up the loan in certain circumstances and cancel the facility
<b>Late payment fee</b>	<b>\$100</b>	

## MODEL C.4: TEMPLATE IN UNIQUEST REPORT — STORE CARDS

### Cards PTY LTD ('The Credit Provider') — financial summary table

WARNING: If you have reached the credit limit of \$4,000 and only make the required minimum monthly payments, which will then be \$120, you will have to make 69 payments over approximately 5 years and 9 months. You will then pay \$297.55 in fees and an estimated \$4,345.70 in interest after the conclusion of any promotional interest free period.

Items	Amounts	Important References
<b>Credit Limit</b>	<b>\$4,000</b>	
<b>Annual percentage rates</b>	<b>Purchase rate: 29.49 per cent</b> <b>Cash Advances Annual percentage rate: 29.49 per cent</b>	
<b>Interest Free Period</b>	<b>12 months</b>	Only applies to purchasers with promotional offers. Cash advances will attract interest from the date of the advance.
<b>Fees and Charges</b>	<b>\$25.00 establishment fee.</b> <b>\$3.95 per month.</b>	Other Fees and Charges may apply in certain circumstances These may be varied by the credit provider.
<b>Minimum Repayments</b>	<b>3 per cent of the balance or \$40 whichever is greater.</b>  <b>Example: \$120 on fully drawn credit limit</b>	Minimum repayments must be made during the interest free period unless covered by a Buy Now Pay Later promotional offer.
<b>Term of Loan</b>	<b>Until cancelled</b>	The credit provider reserves the right to call up the loan in certain circumstances and cancel the facility.
<b>Late Payment Fee</b>	<b>\$35.00</b>	

## ATTACHMENT D

### INTRODUCTION

This attachment has the following draft Financial Summary Tables for personal loans, including car loans:

- the Uniquet models for car loans (Model D.3);
- the Uniquet model modified to be consistent with the preferred model for Home Loans (Model D.1); and
- a version of Model D.1 that outlines which disclosure items are currently required by section 17, and which are new (Model D.2).

Treasury considers that the template developed for car loans (Model D.3) can be used for both personal loans and for car loans, given the overlap between these two products.

There are differences in the content and presentation of information between the Uniquet templates for car loans and home loans, as set out in Attachment A. The differences relate to the following matters:

- inclusion of components of total cost of credit; and
- presentation of ascertainable fees and charges as a total, or with a breakdown.

#### *Inclusion of components of total cost of credit*

The Uniquet template in Model C.3 sets out costs as a two-step model as follows:

- Interest Charges + Total Fees and Charges = Total Cost of Credit; and
- Total Cost of Credit + Amount of Credit = Total Amount Payable.

The home loan Table presents costs as follows:

- Loan Amount + Estimated Cost of Credit = Estimated Total Amount To Be Paid Back.

#### *Presentation of ascertainable fees and charges*

The Uniquet template in Model C.3 sets out costs as follows:

- as a total amount (\$596.74 in the example in Model C.3); and
- as a breakdown of the amount of the individual fees (304.24 up front and \$2.25 each fortnight in the example).

The Table for home loans only sets out the ascertainable fees and charges as a breakdown of the amount of the individual fees (both upfront and ongoing), and not as a total amount.

Treasury does not have any strong preference for one approach or the other, although it notes that there may be merit in a consistent approach to disclosure between home loans and personal loans.



## Questions for Stakeholders

1. Stakeholders' views are sought on the differences in disclosure in relation to the components of the total cost of credit and the ascertainable fees and charges, and whether they have a preference for a particular disclosure model.
2. Model C.1 only has a statement of the amount of credit, and not a breakdown of how it was paid. Currently Section 17(3)(a)(ii) requires a credit provider to disclose *"the persons, bodies or agents (including the credit provider) to whom it is to be paid and the amounts payable to each of them, but only if both the person, body or agent and the amount are ascertainable."* However, in relation to car loans, it is not uncommon for the amount borrowed to also finance a range of financial products (for example, comprehensive insurance, gap insurance, tyre and rim insurance, consumer credit insurance and warranties). In some cases a significant percentage of the amount borrowed can be attributed to these expenses.

In relation to loans for the purchase of a motor vehicle, stakeholders' views are sought on the advantages and disadvantages of including separate statements of the amount of credit provided to purchase the motor vehicle, and the amount of credit provided for other purposes. Stakeholders' views are also sought on whether any such disclosure should be in the Financial Summary Table, or separately, with other items.

An example of how this disclosure could operate is set out below (presented as it might appear if included in the Financial Summary Table). The example assumes a credit contract in which 25 per cent of the amount borrowed is used to pay for costs other than the purchase of the motor vehicle itself.

<b>Total cost of credit</b>	<b>\$4,968.56</b>	
<b>+ Amount of credit</b>	<b>\$18,388.39</b>	
<b>= Total amount payable</b>	<b>\$23,356.95</b>	
<b>Amount borrowed for motor vehicle (including registration and stamp duty)</b>	<b>75 per cent of the amount of credit (\$13,791.29)</b>	This means the total amount you will pay for the motor vehicle, including interest charges, is \$17,517.71
<b>Amount borrowed for all other costs</b>	<b>25 per cent of the amount of credit (\$4,597.10)</b>	This means the total amount you will pay for other costs, including interest charges, is \$5,839.24

3. What are stakeholder's views on the advantages and disadvantages of introducing new requirements to disclose the following matters (noting that these matters are required to be disclosed in the Home Loans Key Facts Sheet):
  - 3.1. The Name (if any) of the Credit Facility.
  - 3.2. A Personalised Comparison Rate.
  - 3.3. The Term of the Loan.

MODEL D.1: MODIFIED VERSION OF THE UNIQUEST TEMPLATE (BASED ON THE LANGUAGE AND FORMAT IN MODEL A.1)

Car Finance PTY LTD ('the Credit Provider') — financial summary table

Items	Details of your contract	Important Information
Name of credit facility	Consumer Loan Contract	
Loan amount	\$18,388.39	
Estimated cost of credit	\$4,968.56	The calculation of these amounts assumes you will pay the monthly payments on time over the full term of the loan, that the Interest Rate will not change and you will only be charged the known Fees and Charges.
Estimated total amount to be paid back	\$23,356.95	
By repayments of	\$203.61 each fortnight	If the Interest Rate changes then the amount of the Repayments will also change.
Interest rate	8.8 per cent	<b>The interest rate is fixed for the term of your loan.</b>
Personalised comparison rate	8.9 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
With known fees and charges of	\$304.24 up front \$2.25 each fortnight	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below. Car Finance Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
Late payment fee	\$40	
Term of loan	5 years	
Early termination fee	\$750 + (Number of months left x \$750)/60	Imposed when the Loan Contract ends early whether by choice or by default.

MODEL D.2: SAME AS MODEL D.1 BUT IDENTIFIES WHICH REQUIREMENTS ARE NEW

Car Finance PTY LTD ('the Credit Provider')<sup>22</sup> – financial summary table

Items	Details of your contract	Important information
Name of credit facility <sup>23</sup>	Consumer Loan Contract	
Loan amount <sup>24</sup>	\$18,388.39	
Estimated cost of credit <sup>25</sup>	\$4,968.56	The calculation of these amounts assumes you will pay the monthly payments on time over the full term of the loan, that the Interest Rate will not change and you will only be charged the known Fees and Charges.
Estimated total amount to be paid back <sup>26</sup>	\$23,356.95	
By repayments of	\$203.61 each fortnight <sup>27</sup>	If the Interest Rate changes then the amount of the Repayments will also change.
Interest rate <sup>28</sup>	8.8 per cent	<b>The interest rate is fixed for the term of your loan.</b>
Personalised comparison rate <sup>29</sup>	8.9 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
With known fees and charges of <sup>30</sup>	\$304.24 up front \$2.25 each fortnight	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below.  Car Finance Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
Late payment fee <sup>31</sup>	\$40	
Term of loan <sup>32</sup>	5 years	
Early termination fee <sup>33</sup>	\$750 + (Number of months left x \$750)/ 60	Imposed when the Loan Contract ends early whether by choice or by default.

22 Section 17(2): credit provider's name.

23 New requirement; but equivalent to a requirement in respect of a Home Loans Key Facts Sheet to state the name of the product.

24 Section 17(3)(a): amount of credit being provided (if ascertainable, otherwise maximum amount).

25 Section 17(6) applies to contracts with a term of less than 7 years, and requires a statement of the total amount of interest charges.

26 Section 17(7) applies to contracts with a term of less than 7 years, and requires a statement of the total amount of the repayments due under the contract.

27 Section 17(7): the number and frequency of the repayments.

28 Section 17(4)(a): the annual percentage rate under the contract.

29 New requirement: but equivalent to a requirement in respect of Home Loans Key Facts Sheets.

30 Section 17(8)(c): the total amount of credit fees and charges payable under the contract to the extent that it is ascertainable.

31 Section 17(8): requires a statement of all credit fees and charges that are, or may become, payable under the contract, and the amount of any such fee or charge if ascertainable, but, if not, the method of calculation of the fee or charge, if ascertainable.

32 New requirement.

33 See section 17(8) above.

## MODEL D.3: UNIQUEST MODEL

### Car Finance PTY LTD ('the Credit Provider') — financial summary table

Type of credit facility	Consumer Loan Contract	
Total of interest charges	\$4,371.82	
+ Total fees and charges	\$596.74	\$304.24 up front \$2.25 each fortnight New fees and charges may be imposed or existing fees and charges changed without your consent
= Total cost of credit	\$4,968.56	
+ Amount of credit	\$18,388.39	
= Total amount payable	\$23,356.95	
By repayments of	\$203.61 each fortnight	
For the term of the loan	5 Years	
Early termination fee	\$750 + (Number of months left x \$750) 60	Imposed when the Loan Contract ends early whether by choice or by default.
Annual percentage interest rate	8.8 per cent	Fixed
Late payment fee	\$40.00	

# ATTACHMENT E

## INTRODUCTION

This attachment has draft Financial Summary Tables for reverse mortgages developed so as to be consistent with the preferred model for Home Loans. Two versions are set out: a clean copy (Model E.1), and a version that outlines which disclosure items are currently required by section 17, and which are new (Model E.2).

## Questions for Stakeholders

1. Where the contract has a fixed interest rate, should the credit provider be provided to include an example of the break fee that would be charged after a specified period (for example, five years), given that the amount of these fees can be extremely high?
2. What are stakeholder's views on the advantages and disadvantages of introducing new requirements to disclose the following matters (noting that these matters are required to be disclosed in the Home Loans Key Facts Sheet):
  - 2.1. The Name (if any) of the Credit Facility.
  - 2.2. A Personalised Comparison Rate (including whether this is feasible where the end date of the contract is not known).

## MODEL E.1: MODEL ADAPTING MODEL A.1 FOR HOME LOANS

### Senior Home Loans PTY LTD ('The Credit Provider') – financial summary table

Items	Details of your contract	Important information
<b>Name of credit facility</b>	Standard Reverse Mortgage	
<b>Loan amount</b>	\$20,000.00	
<b>Estimated cost of credit</b>	Unknown	It is not known how much you will have to repay. This will depend on how long you have the loan and the interest rate.
<b>Estimated total amount to be paid back</b>	Unknown	By law, lenders must guarantee that when your reverse mortgage has to be repaid you will not have to pay back more than the value of your home. This is known as a 'no negative equity guarantee'. There are a few exceptions to this rule (for example, if the house is sold for less than its market value).
<b>Repayments</b>	Lump sum repayment required as the contract ends	
<b>Interest rate</b>	7.0 per cent	This varies according to the Senior Home Loans Pty Ltd Reverse Mortgage Variable Rate. <sup>34</sup>
<b>Personalised comparison rate</b>	7.14 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
<b>With known fees and charges of</b>	\$10 each month in ongoing fees \$300 valuation fee payable every 3 years	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below. Senior Home Loans Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
<b>Early termination fee</b>	Minimum of \$400	Plus an amount calculated by the credit provider to reflect any additional loss incurred due to early termination.

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<sup>34</sup> Section 17(4)(c)(i): the name of the rate or a description of it.

## MODEL E.2: SAME AS MODEL E.1 BUT IDENTIFIES WHICH REQUIREMENTS ARE NEW

### Senior Home Loans PTY LTD ('The Credit Provider')<sup>35</sup> — financial summary table

Items	Details of your contract	Important information
<b>Name of credit facility</b> <sup>36</sup>	Standard Reverse Mortgage	
<b>Loan amount</b> <sup>37</sup>	\$20,000.00	
<b>Estimated cost of credit</b> <sup>38</sup>	Unknown	It is not known how much you will have to repay. This will depend on how long you have the loan and the interest rate.
<b>Estimated total amount to be paid back</b> <sup>39</sup>	Unknown	By law, lenders must guarantee that when your reverse mortgage contract ends you will not have to pay back more than the value of your home. This is known as a 'no negative equity guarantee'. There are a few exceptions to this rule (for example, if the house is sold for less than its market value).
<b>Repayments</b> <sup>40</sup>	Lump sum repayment required as the contract ends	
<b>Interest rate</b> <sup>41</sup>	7.0 per cent	This varies according to the Senior Home Loans Pty Ltd Reverse Mortgage Variable Rate.
<b>Personalised comparison rate</b> <sup>42</sup>	7.14 per cent	The personalised comparison rate includes known fees and charges that will apply (other than government fees, charges or duties).
<b>With known fees and charges of</b> <sup>43</sup>	\$10 each month in ongoing fees \$300 valuation fee payable every 3 years	This does not include Fees and Charges which are dependent on events that may not occur. These Fees and Charges are listed below. Better Home Loans Pty Ltd can change the amount of these Fees and Charges, and can also introduce new Fees and Charges. It will give you notice of any changes.
<b>Early termination fee</b> <sup>44</sup>	Minimum of \$400	Plus an amount calculated by the credit provider to reflect any additional loss incurred due to early termination.

35 Section 17(2): credit provider's name.

36 New requirement: equivalent to a requirement in respect of Home Loans Key Facts Sheet to state the name of the product.

37 Section 17(3)(a): amount of credit being provided (if ascertainable, otherwise maximum amount).

38 New requirement: section 17(6) does not apply to loans with a term of more than 7 years; the amount can be calculated once an estimate of the total amount to be paid back is calculated.

39 New requirement: to state that this amount is unascertainable.

40 Section 17(7): the amount of the and timing of the repayment, or the method of calculating the amount..

41 Section 17(4)(a): the annual percentage rate under the contract.

42 New requirement: but equivalent to a requirement in respect of Home Loans Key Facts Sheets.

43 Section 17(8)(c): the total amount of credit fees and charges payable under the contract to the extent that it is ascertainable.

44 Section 17(8): requires a statement of all credit fees and charges that are, or may become, payable under the contract, and the amount of any such fee or charge if ascertainable, but, if not, the method of calculation of the fee or charge, if ascertainable.

# ATTACHMENT F

## INTRODUCTION

This attachment has draft Financial Summary Tables for consumer leases developed so as to be consistent with the other templates. Two versions are set out: a clean copy (Model F.1), and a version that outlines which disclosure items are currently required by section 17, and which are new (Model F.2).

The templates include new lease-specific disclosure requirements in respect of the following matters:

- The cash value of goods — this is to enable consumers to be informed about the amount they are paying to lease the goods relative to their cash value.
- The amount payable under the contract relative to cash value of the goods — again, this is to ensure consumers are clearly informed about the amount they are paying to lease the goods relative to their cash value. This information is presented in two different ways, as a dollar value and as a percentage, as the amount paid for each dollar of the cash value of the goods.
- The cost of the lease expressed as an interest rate — this is to enable consumers to compare the cost of a lease with a credit contract, and to understand whether the cost of the finance is, in simple terms, high or low. An interest rate could be derived through the use of an ‘assumed or notional interest rate’, that is, an interest rate determined on the following key assumptions:
  - the cash price of the goods is equivalent to the amount financed;
  - the amount by which the rental payments due under the contract exceed the cash price of the goods is equivalent to the credit charges; and
  - the repayments to be used are those stipulated in the contract.

Given the product-specific nature of these requirements Treasury has been separately consulting with a specialist leases Working Group on whether or not these matters should be disclosed. There has been no decision yet as to whether the new disclosure requirements will be pursued.



MODEL F.1: TEMPLATE DEVELOPED ON BASIS OF PRINCIPLES IN THE UNIQUEST REPORT WITH ADDITIONAL LEASE-SPECIFIC REQUIREMENTS

XYZ Leases Pty Ltd ('The Lessor') — financial summary table

Items	Details of your contract	Important information
Goods being leased:	106cm HD TV	
Cash value of goods	\$998	This is the lessor's estimate of what it would cost to purchase the goods for cash
Total rental payments	\$1646	
Number, amount and timing of rental payments	24 payments of \$72 a month	
Total fees and charges	\$72	
Deposit	\$0	
Total amount payable	\$1728	
Amount paid in excess of cash value	\$646	This means you will pay back \$1.73 for every \$1 of the cash value of the goods
Term of the lease	2 years	
Assumed or notional interest rate	48 per cent	A lease is not a credit contract. The interest rate comparison is based on assumptions that you borrowed \$998 to purchase the goods and made the same repayments
Early termination fee		This amount is calculated to reflect any loss incurred by XYZ Leases Pty Ltd as a result of you terminating the contract early.
Late payment fee		Varies according to how late the payment is.

MODEL F.2: SAME AS MODEL F.1 BUT IDENTIFIES WHICH REQUIREMENTS ARE NEW

XYZ Leases Pty Ltd ('The Lessor') — financial summary table

Items	Details of your contract	Important information
Goods being leased <sup>45</sup>	106cm HD TV	
Cash value of goods <sup>46</sup>	\$998	This is the lessor's estimate of what it would cost to purchase the goods for cash
Total rental payments <sup>47</sup>	\$1646	
Number, amount and timing of rental payments <sup>48</sup>	24 payments of \$72 a month	
Total fees and charges <sup>49</sup>	\$72	
Deposit <sup>50</sup>	\$0	
Total amount payable <sup>51</sup>	\$1728	
Amount Paid in excess of cash value <sup>52</sup>	\$646	This means you will pay back \$1.73 for every \$1 of the cash value of the goods
Term of the lease <sup>53</sup>	2 years	
Assumed or notional interest rate <sup>54</sup>	48 per cent	A lease is not a credit contract. The interest rate comparison is based on assumptions that you borrowed \$998 to purchase the goods and made the same repayments
Early termination fee <sup>55</sup>		This amount is calculated to reflect any loss incurred by XYZ Leases Pty Ltd as a result of you terminating the contract early.
Late payment fee <sup>56</sup>		Varies according to how late the payment is.

45 174(1)(a): a description or identification of the goods hired under the lease.

46 New disclosure requirement.

47 174(1)(f): the total amount of rental payable under the lease.

48 174(1)(e): the amount of each rental payment to be made by the lessee under the lease. 174(1)(f): the number of rental payments to be made by the lessee.

49 174(1)(c): the amount of any stamp duty or other government charge (other than on receipts or withdrawals) payable by the lessee in respect of the lease. 174(1)(d): the amount of any other charges not included in the rental payable under the lease, and a description of those charges.

50 174(1)(b): the amount or value of any consideration to be paid or provided by the lessee before the delivery of those goods.

51 New disclosure requirement.

52 New disclosure requirement.

53 New disclosure requirement.

54 New disclosure requirement.

55 174(1)(h): a statement of the liabilities (if any) of the lessee on termination of the lease

56 New disclosure requirement.