

**Reprint
as at 30 August 2011**



**Credit Contracts and Consumer
Finance (Student Loan Contract
Exemption) Regulations 2010**

(SR 2010/341)

Credit Contracts and Consumer Finance (Student Loan Contract Exemption) Regulations 2010: revoked, on 30 August 2011, by section 226(1) of the Student Loan Scheme Act 2011 (2011 No 62).

Anand Satyanand, Governor-General

Order in Council

At Wellington this 23rd day of September 2010

Present:

His Excellency the Governor-General in Council

Pursuant to section 138(1)(a) of the Credit Contracts and Consumer Finance Act 2003, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

These regulations are administered by the Ministry of Consumer Affairs.

Contents

	Page
1 Title	2
2 Commencement	2
3 Interpretation	2
4 Student loan contracts exempted	2
5 Initial disclosure	3
6 Continuing disclosure of information	3
7 Content of information disclosed	3
8 Disclosure of changes to obligations under student loan contract	4
9 Direct disclosure of information and changes	4
10 Public disclosure of changes	5
11 Satisfaction of requirements to disclose	5
12 Cap on student loan establishment fees	5

Regulations

- 1 Title**
These regulations are the Credit Contracts and Consumer Finance (Student Loan Contract Exemption) Regulations 2010.
- 2 Commencement**
These regulations come into force on 4 November 2010.
- 3 Interpretation**
- (1) In these regulations, unless the context otherwise requires, **student loan contract** means any loan agreement or contract entered into by the lender and a borrower under the student loan scheme on or after 4 November 2010.
 - (2) Any term or expression that is defined in the Student Loan Scheme Act 1992 and used, but not defined, in these regulations has the same meaning as in the Student Loan Scheme Act 1992.
- 4 Student loan contracts exempted**
- (1) Student loan contracts are prescribed as a class of credit contract that is exempted from being a consumer credit contract under the Credit Contracts and Consumer Finance Act 2003.

- (2) However, the exemption only applies to a student loan contract if the terms and conditions in regulations 5 to 12 are complied with in relation to that contract.

5 Initial disclosure

The loan manager must provide a borrower with a copy of the borrower's student loan contract—

- (a) before the contract is entered into; or
- (b) before the day that is 6 working days after the day on which the contract is entered into.

6 Continuing disclosure of information

- (1) The loan manager or the Commissioner must disclose the information set out in regulation 7 to the borrower under a student loan contract.

(2) The information must—

- (a) be disclosed at least once in each 6-month period following the day on which the contract is entered into; and
- (b) relate to the previous 6-month period.

7 Content of information disclosed

Each disclosure of information in accordance with regulation 6 must contain as much of the following information as is applicable to the borrower or the student loan contract:

- (a) the opening and closing dates of the period covered by the disclosure (the **opening and closing dates**); and
- (b) the loan balance on the opening and closing dates; and
- (c) the date and amount, and a description, of each amount advanced to the borrower under the contract during the period covered by the disclosure; and
- (d) the date and amount of any interest charged to the borrower during the period covered by the disclosure; and
- (e) the total interest rate that applies during the period covered by the disclosure; and
- (f) the date and amount, and a description, of each fee charged to the borrower during the period covered by the disclosure; and

- (g) the date and amount, and a description, of each penalty charged to the borrower during the period covered by the disclosure.

8 Disclosure of changes to obligations under student loan contract

- (1) Subclause (2) applies if—
 - (a) a change is made to a borrower’s obligations under a student loan contract; and
 - (b) that change increases the borrower’s obligations under that contract in a more than minor way, including a change to—
 - (i) the borrower’s repayment obligations; or
 - (ii) the repayment percentage; or
 - (iii) the total interest rate; and
 - (c) that change is made—
 - (i) without the borrower’s prior agreement; or
 - (ii) by, or as a consequence of, an enactment.
- (2) Details of the change must be disclosed to the borrower within 7 months after the day on which the change is made.

9 Direct disclosure of information and changes

- (1) Disclosure under regulations 6 to 8 must be made—
 - (a) by means of information that is printed, typewritten, or otherwise visibly represented, copied, or reproduced on paper and is given by personal delivery or post; or
 - (b) by an electronic means, if the person making the disclosure complies with the Electronic Transactions Act 2002, including by email, the Internet (if the borrower for whom the disclosure is intended is directly alerted to it in some manner), or fax.
- (2) Despite subclause (1)(b) of this regulation and section 16 of the Electronic Transactions Act 2002, the consent of a borrower is not required in order for disclosure to be made in an electronic form.
- (3) However, subclause (1) does not apply if the loan manager or the Commissioner, as applicable, cannot reasonably locate the borrower.

10 Public disclosure of changes

Disclosure under regulation 8 must also be made—

- (a) by providing the information free of charge on an Internet site that allows a borrower to access the information at all reasonable times; and
- (b) by giving public notice that the information is available on that Internet site.

11 Satisfaction of requirements to disclose

If disclosure is made in accordance with regulations 6 to 10, the requirements to disclose under those regulations are satisfied regardless of whether the borrower receives the information that was disclosed.

12 Cap on student loan establishment fees

A student loan establishment fee charged by the loan manager to a borrower under a student loan contract must not exceed \$60.

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 4 November 2010, exempt student loan contracts entered into on or after 4 November 2010 from being consumer credit contracts under the Credit Contracts and Consumer Finance Act 2003 (the **Act**).

This exemption is made because student loan contracts have their own statutory regime under the Student Loan Scheme Act 1992.

The exemption for student loan contracts is subject to terms and conditions that ensure that the disclosures required for those contracts are of a similar standard to those required under the Act.

**Credit Contracts and Consumer Finance
(Student Loan Contract Exemption)
Regulations 2010**

Reprinted as at
30 August 2011

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 24 September 2010.

Contents

- 1 General
 - 2 Status of reprints
 - 3 How reprints are prepared
 - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
 - 5 List of amendments incorporated in this reprint (most recent first)
-

Notes

1 *General*

This is a reprint of the Credit Contracts and Consumer Finance (Student Loan Contract Exemption) Regulations 2010. The reprint incorporates all the amendments to the regulations as at 30 August 2011, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

2 *Status of reprints*

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 *How reprints are prepared*

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not

included in Acts, and provisions that are repealed or revoked are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

**5 *List of amendments incorporated in this reprint
(most recent first)***

Student Loan Scheme Act 2011 (2011 No 62): section 226(1)
