

**Credit disclosure documents
ACL - credit assistance providers**

As soon as practicable after it becomes apparent that you are likely to provide the consumer with credit assistance

- The licensee's name and contact details
- ACL number
- Information about your fees and charges
 - payable by the consumer to the licensee for credit assistance
 - the method for working out the amount of fees and charges for matters associated with credit assistance
- The names of the credit providers you conduct business with
 - If < 6 credit providers: the names of all 6 credit providers
 - If > 6 credit providers: the names of the 6 credit providers with which you conduct the most business
- Information about the commissions that you, an employee, director or credit representative is likely to receive from credit providers in relation to credit contracts for which you have provided credit assistance
 - a reasonable estimate of the amounts, or the range, of those commissions; and
 - the method for working out those amounts
- Your IDR procedure
 - process for making complaint
 - contact details
- Your EDR scheme membership and contact details
- Information about your obligations under sec 120 of the Act
 - provide consumer with copy of preliminary unsuitability assessment
- Information about your obligations under sec 123 of the Act
 - prohibition on providing consumers with credit assistance in relation to an unsuitable contract

Must include

You have provided a consumer with the contact details of your EDR scheme in writing

From 1 April 2011 if - Otherwise, from 1 January 2011

- credit representative's name and contact details
- credit representative number
- fees and charges payable by the consumer to the credit representative and the method of calculation
 - If < 6 credit licensees: the names of all 6 credit licensees
 - If > 6 credit licensees: the names of the 6 credit licensees with which you conduct the most business
- the name of licensee which you regularly conduct business with
- commissions the credit representative will receive and the method of calculation
- IDR procedure
- EDR scheme membership and contact details
- credit representative is franchisee of licensee
- previous dealings with consumer

You must give the consumer the quote and the consumer must sign and date the quote before you can provide credit assistance

- Information about the credit assistance and services that the quote covers
- The maximum amount payable by the consumer in relation to the credit assistance and services referred to in the quote
 - the maximum amount of your fees
 - the maximum amount of charged that you will incur
 - the maximum amount of fees and charges that you will pay to another person on behalf of the consumer
- Information about what the amount relates to including
 - the maximum amount of your fees
 - the maximum amount of charged that you will incur
 - the maximum amount of fees and charges that you will pay to another person on behalf of the consumer
- State whether the maximum (or any other) amount will be payable by the consumer to the licensee if the credit contract is not entered into
- Cannot demand or request payment before credit assistance is provided
- Not required if the licensee's credit guide includes a statement that the licensee does not impose fees and charges for providing credit assistance (reg 28C (amendment no.4))
- You have entered into a written contract with the consumer setting out the maximum amount that the consumer must pay to you for your credit assistance before you provide credit assistance

From 1 April 2011 if

When?

- From 1 January 2011
- OR
- From 1 April 2011
- if certain requirements are met (Info sheet 137)

reg 28L(3), (4) & (5) (amendment no.4) and CO 10/1230

A credit guide, quote and/or credit/lease disclosure document can be given to the consumer electronically, if the consumer consents

Within 7 years of the date of the credit assistance quote

not required to be given if the licensee does not provide credit assistance to the consumer

s 120

Not required if the licensee does not provide credit assistance to the consumer

Written preliminary unsuitability assessment (if requested)

- The period which the assessment covers
- The client's requirements and objectives in relation to the credit contract
- The client's financial situation
- Must provide assessment to consumer
 - within 7 days (if request made within 2 years of receiving quote)
 - otherwise, within 21 days

s 121 credit contract

s 144 lease

Credit contract or lease proposal disclosure document

- The total amount of fees payable by the consumer to the licensee in relation to the credit contract
 - Method for working out that amount
- A reasonable estimate of the total commissions that the licensee, an employee, director or credit representative is likely to receive in relation to the credit contract
 - Method used for working out that amount
- A reasonable estimate of the total amount of any fees and charges payable by the consumer
 - to the credit provider in relation to applying for the credit contract
 - to any other person in relation to applying for the credit contract
- If the credit is to be applied to any of the amounts above, an estimate of the credit that will be available once those payments have been paid

From 1 January 2011

At the same time as providing credit assistance

You can combine your credit guide, quote and/or credit proposal documents into the one document - provided that the requirements for each document are met

reg 28L(9) (amendment no.4) and CO 10/1230

HOLLEY NETHERCOTE
COMMERCIAL LAWYERS

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