



Disclosure Statement

Important information about our business

Kea Financial Services Limited is a Licensed Financial Advice Provider issued by the FMA to provide financial advice services.

René Artz is an adviser that provides advice on behalf of Kea Financial Services Limited.

Contact details for both the business and adviser are as follows:

Name of Financial Advice Provider: Kea Financial Services Limited

FSP Number: 1006928

Name of Registered Financial Adviser: René Artz

FSP Number: 1006927

Our office contact details:

Address: 60 Peter Street, Ashburton 7700

Phone: 021 025 42780

Email: info@keamortgages.co.nz

Website: www.keamortgages.co.nz

Nature and Scope of financial advice services

Products we can provide financial advice about:

- Home Loans – first mortgage, second mortgage, refinance, bridging finance, top-ups, pre-approvals, mortgage reviews
- Investment loans – for residential and commercial investment properties
- Personal loans – cars, trucks, debt consolidation, unsecured loans
- Asset Loans – vehicles, trucks, plant & equipment



- Business Loans – cashflow, commercial property loans

Product providers we might recommend:

We provide financial advice service about loan products from the following providers (also known as lenders):

- ANZ Bank New Zealand Limited
- ASB Bank Limited
- Bank of New Zealand
- Westpac New Zealand Limited
- Avanti Finance Limited
- Basecorp Finance Limited
- DBR Limited
- General Finance Limited
- Unity
- Pepper New Zealand Limited
- Resimac Financial Securities Limited
- Oxford Finance
- The Co-operative Bank Limited
- Cressida Capital One Limited
- ASAP Finance Limited
- Liberty Financial Limited
- Funding Partners Limited
- Southern Cross Finance Limited
- A Private lender should circumstance dictate



Any financial advice given to you on our behalf will be based on the information you have provided about your particular needs, financial situation or goals, therefore it is important you disclose your financial and personal position and goals to your best ability.

Our fees

The actual fee charged to you will depend on the nature and scope of the advice or service we provide. We will discuss and agree on the actual fees with you before we proceed and explain how they are payable.

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

Commissions

Generally, I won't charge you any fees for the financial advice I provide to you. This is possible because, on settlement of a loan, most mainstream Banks and some non-bank lenders will pay an Adviser an Initial (upfront) commission when the loan is drawdown. This is normally a percentage of the loan facility ranging from 0.40% - 0.85% depending on the product provider.

Ongoing (trail) commission - a percentage of the value of your outstanding loan amount, usually calculated at the end of each month of which you hold the loan. Only some product providers pay this ongoing commission, normally at a rate of 0.10% - 0.20%.

Any exceptions to this general position are explained below.

Fees

In some circumstances I will need to charge you a fee for my services. If this is the case, I will discuss this with you up front & we will agree on the fee and confirm in writing before any applications are undertaken.

This could be in the following circumstances, but not limited to:

- Arranging finance with a Lender on your behalf, who does not pay any commissions & I need to cover my time, service, and expertise. For example, this could apply to situations



such as commercial/business loans, small top ups, caveat/personal loans, 2nd mortgages, bridging finance, restructures, and adverse credit history

- Completing a restructure of your current lending, where no commission is paid by the Lender
- Where I provide consultation services for you where there is no new lending, but time is taken, and formal advice is provided
- Top ups on existing home loans where there is less than \$100,000 of new lending
- A full face to face review of your financial position & mortgage planning advice, goals and preparation for a home loan application in 6 or more months

Commission recovery policy

If a mortgage is repaid within 27 months of your mortgage settlement, Kea Financial Services Limited will have to repay some of the 'upfront' commission received. This has to be repaid to the Lender. This is known as 'commission clawback'.

If Kea Financial Services Limited is charged with a commission clawback, due to early settlement of the mortgage arranged for you, then Kea Financial Services Limited will ask you to repay Kea Financial Services Limited the commission that has become repayable to the Lender, to a maximum of \$2,500* as cost recovery for the service provided. This is commonly known as the clawback fee. The clawback fee I charge you will not exceed the amount of commission I have to repay to the lender.

*This has been calculated on an average of 10 hours of advice, negotiation and administration to complete and submit your loan/insurance application to the provider, at our hourly rate of \$250 per hour.

The above cost recovery applies if Kea Financial Services Limited is not given the opportunity to arrange the refinance.

There will be no fee payable if:

- Kea Financial Services Limited was given the opportunity, but was unable to get a subsequent finance approval



- An upfront fee was agreed and paid by the Client when the mortgage was originally drawn and no commission was received. This would be the case with most short-term loan contracts.
- In Kea Financial Services Limited opinion, the early repayment of the mortgage was driven by an exceptional change of circumstance for the Client

Commission clawbacks are in no way associated with any adviser fee Kea Financial Services Limited may have charged for arranging non-Bank lending.

You will be invoiced for the clawback fee and will be given 30 days to make payment.

Other fees

Please advise us at the start of the process if you are engaging other banks or brokers directly. In this instance I may charge an admin fee for my time should we obtain approval/or spend considerable time on a proposal and you source the finance elsewhere via another broker or bank directly within 7 months of this engagement. This includes non-disclosure of critical information that hinders our ability to obtain a solution causing additional work. Our admin fee would be capped at \$2,500 based on the time spent to get an application prepared to be submitted to a Lender.

You will be invoiced and will be given 30 days to make payment.

Adviser fees where lender commission is not payable

We may charge a fee (advised and agreed upfront) for complex work that does not earn a commission from the lender to sufficiently cover our time and expertise. That may include situations such as commercial/business loans, small top ups, caveat/personal loans, 2nd mortgages, bridging finance, restructures, mortgage planning advice and lending where there is adverse credit history. If anything is unclear, please discuss with me in the first instance.

You will be invoiced, and payment will be due upon settlement of the new loan.



Other costs (such as legal fees, valuation fees)

Where other costs such as legal, valuation, accountant fees are incurred in the process of providing our advice and services to you, you will be liable for these costs.

Conflicts of interest or other incentives

We are not aware of any conflicts of interest. We do not hold any shares or have any personal interest with our product providers.

We are here for our clients and to advise you as best we can. Your interests are our priority although we do have business relationships with product providers also. From time to time, we may receive a small gift from a product provider (e.g., taken out for lunch, movie tickets, a bottle of wine).

From time to time our product providers assist us with funding so we can bring our advisers together for conferences and professional development training.

Other examples include discounts on our CRM, subsidised training for advisers or other non-monetary benefits.

How we manage any conflicts of interest

To ensure our advisers prioritise our clients' interests:

- Following an advice process that ensures I understand your needs and goals so that I always recommend the best product for you regardless of the type and amount of commission I will receive.
- We follow an advice process that ensures our recommendations are made appropriately, based on Clients' goals and circumstances
- Ensuring the amount of any loan is in accordance with your identified needs
- By confirming to you how much commission I will receive, if any when making your loan recommendation
- By undergoing annual training about how to manage conflicts of interest



- We maintain registers of conflicts of interests 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

Our duties and obligations to you

We are bound by the duties of the Financial Markets Conduct Act (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 tell us so that we can try to fix the problem. Our internal complaints manager is René Artz who can be reached via email at info@keamortgages.co.nz or 021 025 42780. René will reply to you within 5 working days.

Our internal complaints handling process is as follows:

1. Existing clients can select the 'Complaint' button in their profile or at the bottom of the portal webpage. If you are not an existing Client, please email our internal complaints manager at info@keamortgages.co.nz
2. We will reply within 5 working days
3. We will resolve your complaint within 10 working days

If we cannot agree on how to fix the issue, or if you decide not to use the internal complaints scheme, you can contact our external disputes resolution scheme – Financial



Services Complaints Limited. This service will cost you nothing and will help us resolve any complaints.

You can contact Financial Services Complaints Limited at:

Address: PO Box 5967, Wellington 6140

Phone number: 0800 347 257 or +64 4 472 3725

Email address: info@fscl.org.nz