

**CREDIT PRODUCT PRE-CONTRACTUAL DISCLOSURE FORM FOR LICENSED
FINANCIAL INSTITUTIONS IN FIJI**

The Consumer Credit Product Pre-Contractual Disclosure Form was issued to all the licensed financial institutions (LFIs) in Fiji in July 2014. The form is a mandatory requirement for the LFIs with the objective of strengthening consumers understanding of their credit responsibilities. The standardization format of disclosure requirements ensures transparency and enables comparability of the interest rates, fees and charges by members of the public. The template is to be issued to any customer who in the assessment of the loans officer is making a genuine enquiry.

CONSUMER CREDIT PRODUCT PRE-CONTRACTUAL DISCLOSURE

LFI's logo

This is not an offer of credit. This form is provided to help you compare similar credit product offered by lending institutions.

Customers Name:

Date Produced:

Your Request

Loan Amount:

Term of the Loan:

Repayment Method: (eg Principal and interest or interest payment for a number of year then P&I)

Purpose of the Loan: (eg Owner occupy, investment loan)

Description of the loan

Your Credit Provider: (ABC Bank)

Product Name:

Loan to Valuation Ratio:

Value of the property:

Interest Rate:

Fixed Interest Rate - (state the number of years of the fixed rate)

Variable Interest Rate -

Effective Interest Rate¹ - (the actual amount of interest that is paid on a loan. *Refer to footnote for details.*)

Calculation of Interest: (e.g. calculated on daily balance and credited to account monthly)

Product Features: (some special features accompany to this home loan)

Fees and Charges:

Establishment Fee and other fees required to be paid upfront - (state all related fees)

Ongoing fees (per month) -

Cost of the (Product Name) Home Loan and Effect of Increase in Interest Rate

	Today: interest = k%	If interest rate = k% + 2%	If interest rate = k% + 5%
Total Loan Amount			
Repayment per month (including fees)			
Total cost of Interest at end of tenure			
Total sum to be repaid at end of the loan tenure (including the loan amount, interest and fees)			
Payback to borrowing ratio	(payback \$1.25 for every \$1.00 borrowed)		

Note: interest rate is subject to change for long term credit products.

In the Event of Default

Default Fee: (monthly or a higher interest rate)

Demand Notice: (number of consecutive defaults leading the Bank to issue Demand Notice)

¹ The total interest paid or earned in a year expressed as a percentage of the principal amount at the beginning of the year. (2) The interest rate on a loan or a deposit that takes into account the effects of compounding. The formula is: $r = [(1+i/n)^n] - 1$, where r is the effective interest rate, i is the nominal interest rate and n is the number of times in a year interest is compounded.

Mortgagee Sale: (when the Bank exercise’s their right to sell the subject property under mortgage)
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How can I repay my loan faster?
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What if I fully settle the loan before its maturity?

Where can I get further information?

<i>It is important to read carefully and shop around comparing interest rates, fees and charges before you purchase a credit product.</i>
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Customer Signature:

Date:

Loan Officer Name and Signature:

Date:

As per requirement of section 6 of the Banking Supervision Policy Statements 8A and 8B, licensed financial institution personnel must ensure that customer are fully aware of the total costs of borrowing and licensed financial institutions must ensure that customers are offered a product that suits the expressed need.