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## Disclosure Statement

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Version 1.5

# CHANGEFUND LIMITED

## Disclosure Statement

By law, we are required to provide a disclosure statement in respect of its licensed peer-to-peer lending service to retail investors who are investing using ChangeFund's service (Under the Financial Markets Conduct Act 2013 (Act) and the Regulations under the Act).

## Introduction

This document is a summary only, and therefore reference should be made to the ChangeFund website at [www.changefund.co.nz](http://www.changefund.co.nz) (Our Website) which sets out the detailed terms on which ChangeFund provides a peer-to-peer lending service in New Zealand.

## Licensing and registration

ChangeFund is licensed under the Act by the Financial Markets Authority to provide a peer-to-peer lending service in New Zealand.

ChangeFund is also registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 to provide a broking service.

## People powered funding - the services we offer

ChangeFund provides a peer-to-peer lending service, under which individuals may seek loans, which may be funded by retail investors through the Website.

ChangeFund provides an intermediary service only in respect of the peer-to-peer lending service, and does not participate itself in the borrowing or lending which occurs through the provision of that service.

ChangeFund will not itself provide any of the funding for loans which are sought through its service. One or more related parties of ChangeFund may provide an investment management service through which investors will participate in the service provided by ChangeFund.

Full details of the terms on which ChangeFund provides its peer-to-peer lending service are set out in the following documents, which are available on the Website as follows:

- [Privacy Policy](#)
- [Investor Agreement](#)
- [Borrower Agreement](#)
- [Fair Dealing Policy](#)
- [Conflict of Interest Policy](#)
- [Provision Fund Policy](#)
- [Terms & Conditions](#)
- [Unsecured Loan Agreement](#)
- [Fees and Charges](#)
- [Collections Policy](#)
- [Financial Hardship Policy](#)
- [Complaints Policy](#)

## How do potential investors apply for and obtain access to the ChangeFund service?

Investors must be individuals. Any person wishing to access and use the ChangeFund service as an Investor or as a Borrower must complete the relevant application process set out on the Website. To be accepted as a member of our Platform, a potential investor or borrower must:

1. Be a permanent New Zealand resident;
2. Be 18 years of age or older at the time of submitting the application;
3. Have a New Zealand domiciled bank account;
4. Fully and completely provide all of the information required in the application form;
5. Complete all verification processes in relation to their identity and personal information to our satisfaction (including three forms of identification); and
6. Meet any other requirements notified by us from time to time.
7. Acknowledge that they have received the Privacy Policy and Disclosure Statement (Disclosure Statement and Privacy Statement link will appear at the beginning of the application); and
8. Agree to the terms of the Investor Agreement and Borrower Agreement.

ChangeFund can refuse to accept any user registration if:

- they do not satisfy the eligibility criteria for being an Investor (as set out below).
- they do not satisfy the eligibility criteria for being a Borrower (as set out below).
- has not completed the registration process to ChangeFund's satisfaction.

The person must satisfy ChangeFund's "know your customer" requirements. In accordance with the Investor Agreement, ChangeFund may terminate (or in some circumstances, suspend) a person's status as an Investor at any time.

## Investment through Trustee

Investors can invest in loans, with a minimum of a \$100 investment.

All funds being invested in a particular loan by Investors will be pooled. ChangeFund Limited will act as the trustee to oversee the pooled funds to make and hold the loan, as bare trustee for the participating Investors.

Accordingly, each Investor who has invested in a loan will have a beneficial interest in that loan and in the underlying loan contract, in proportion to the amount that Investor invested in that loan. That beneficial interest entitles the Investor to a proportionate share of:

- the principal amount lent to and repaid by the Borrower; and
- any returns on that loan (including any interest on that loan paid by the Borrower).

The Trustee must account to the Investor for that Investor's share of the money received from the Borrower (net of permitted deductions) as set out in the Investor Agreement.

The Trustee is currently ChangeFund Limited.

## Replacement of ChangeFund

ChangeFund can in its discretion replace the Trustee with another entity it appoints to hold Loans as trustee for Participating Investors (and otherwise to act as trustee for Investors). Any such change will not affect your rights and obligations under this agreement. The replacement Trustee will have the same rights and obligations under this agreement as the Trustee it replaces, without further action being necessary.

If a ChangeFund Servicer Default occurs, a back-up servicer will be appointed to carry out the role of ChangeFund under this agreement. Any such appointment will not affect your rights and obligations under this agreement. The appointed back-up servicer from time to time will have the same rights as ChangeFund did, without further action being necessary.

## Loan Applications

A person who has successfully registered as a Borrower may apply for a loan.

Borrowers must be individuals only. Any person wishing to access and use the ChangeFund service as a Borrower must complete the relevant application process set out on the Website. For your application for a loan to be successful, a potential borrower must:

1. Be a permanent New Zealand resident;
2. Be 18 years of age or older at the time of submitting the application;
3. Have a New Zealand domiciled bank account;
4. Fully and completely provide all of the information required in the application form;

5. Complete all verification processes in relation to their identity and personal information to our satisfaction (including three forms of identification); and
6. Provide pay slips and agree to share their credit file from the credit bureau;
7. Acknowledge that they have received the Privacy Policy and Disclosure Statement (Disclosure Statement and Privacy Statement link will appear at the beginning of the application); and
8. Agree to the terms of the Borrower Agreement.

ChangeFund can refuse to accept any loan application if:

- they do not satisfy the eligibility criteria for being a Borrower (as set out above and below).
- has not completed the registration process to ChangeFund's satisfaction.

The Borrower's loan application will include:

- The loan amount
- The repayment term (which may be either 36 or 60 months)
- The purpose of the loan

Using the applicant's information along with their credit score from Veda Bureau (New Zealand Credit Bureau), ChangeFund will then generate a proprietary credit score for the Borrower. ChangeFund will use that credit score and the financial data provided by the Borrower to determine the maximum amount and term for the proposed loan to the Borrower, together with the applicable interest rate. The Borrower may then select the loan amount and term from the information provided by ChangeFund. Following this selection by the Borrower, the loan will be available to investments placed on the ChangeFund market.

## Funds Allocation

Investors are able to choose the types of loans they invest in. Once their fund allocation is put onto the ChangeFund market, loans will be matched to these funds. Before accepting the loans, details of the matched Borrower's loans will be listed on the Website. Only persons who are registered Investors will be able to view the complete details of that loan, which will include:

- the amount sought (and if applicable, any lesser amount the Borrower is prepared to accept)
- the interest rate which will be payable on the loan
- the monthly repayments on the loan
- the purpose of the loan

The Borrower's actual name and personal identifying details will not be made available to Investors in the loan listing, or at any other time.

Once the investment funds have been fully allocated, the investor will be notified. The allocated loan can be declined by the investors on the Website for 24 hours from this time. "Fully allocated" means that the investment balance has been completed allocated to the equivalent value of loans (if applicable), or a lesser amount which may be offered to the investor.

## Placing Investments

A person who has successfully registered as an Investor will be able to place investments on the ChangeFund market on the Website to be matched with relevant loans.

Investors may choose to decline to fund a portion of any loan, in the final confirmation of an market transaction through the Website. The Investor must have sufficient funding in the Investor Account with ChangeFund in order to place an order to the market. Any order, once made, is a legally binding offer and cannot be revoked by the Investor.

## Loan Contract

If a loan is fully funded (as defined above) and through the probation period from Investors within the 24 hour period, a loan contract will be formed between the Borrower and the Trustee (as bare trustee for the Investors who are funding that Loan) which is currently ChangeFund, under which the Borrower agrees to repay the loan amount plus interest at the specified interest rate, over the term of the loan.

Under the Investor Agreement, the Trustee (as directed by each Investor) appoints ChangeFund to settle the Loan and to provide collection services in respect of the loan. The Trustee (as bare trustee for the Investors) will pay certain fees to ChangeFund for providing those services. Those fees will be deducted from the payments the Trustee receives from the Borrowers. The Trustee will then hold the balance of those payments for the Investors in accordance with their proportionate shares.

Even though there will be a loan contract between the Borrower and the Trustee (for the benefit of each Investor who has funded that loan):

- the actual identity of the Borrower and the Investors who have funded the loan to the Borrower will not be made known to each other unless required by law (only ChangeFund will hold these details); and
- the Investors will not be able to enforce the Borrower's payment obligations directly against the Borrower; only ChangeFund (acting as the

Trustee) will be entitled to take any enforcement action against the Borrower.

None of the loans made through the ChangeFund service are guaranteed by ChangeFund. There is no guarantee that any Investor will recover any or all of the amount advanced to any Borrower and/or any interest on that amount advanced.

Both Investors and Borrowers will be able to access details about their loans on the Website. This information will include:

- The loan status
- The loan balance
- Any and all fees incurred (if applicable)
- Next scheduled repayment amount
- Next scheduled repayment date
- The amount lent
- The loan period and start date
- the interest rate which will be payable on the loan
- the monthly repayments on the loan
- the purpose of the loan

ChangeFund will not provide printed statements, but Investors and Borrowers will be able to print loan summaries from the Website.

### **How is money provided by Investors dealt with by ChangeFund?**

ChangeFund will hold an Investor Trust Account with ASB Bank, into which ChangeFund will deposit all funds it receives from investors for investment in loans. Any money paid to ChangeFund by an Investor will be received by ChangeFund into the Investor Trust Account for the benefit of that Investor.

If an Investor makes an offer to fund all or part of a loan, the amount which has been offered by that Investor will be 'locked' in the Investor Account until the offer is accepted (by the relevant loan being fully funded) or the loan listing expires. On settlement of a loan, the Investor's funds will be transferred by ChangeFund to an Advance Account, which is a trust account held ChangeFund with ASB Bank. Those funds will be aggregated with the funds of other Investors who are investing in that loan and whose funds are similarly held in the Advance Account. ChangeFund will then use the aggregated loan amount to settle the loan. ChangeFund will do this by:

(i) transferring the application fee (which the Borrower must pay ChangeFund at settlement) to ChangeFund's account; and

(ii) paying the balance of the loan amount to the Borrower.

A Borrower will make loan repayments to the Customer Repayment Account, which is a trust account held by ChangeFund for the benefit of all Investors who are invested in loans (to the extent of their entitlements) and which ChangeFund transacts on. Any recoveries made from a Borrower will similarly be paid into the Customer Repayment Account. ChangeFund will:

(i) deduct any [required tax withholdings](#), as well as the fees for ChangeFund's services in relation to the loan; and

(ii) then transfer each Investor's proportionate share of the balance of the amounts received from the Customer Repayment Account to the Investor Account for that Investor's benefit (where it will be available for reinvestment in other loans or for repayment to the Investor, depending on the Investor's instructions to ChangeFund).

An Investor may withdraw any available amounts from its Investor Account at any time (subject to any banking restrictions and any loan offers which are outstanding at that time).

ChangeFund is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 to provide a Peer-to-peer lending service, and are required to comply with that Act in respect of dealing with Investors' and Borrowers' money.

### **What checks and assessments are made by ChangeFund in relation to Borrowers?**

ChangeFund will carry out credit checks and identity verification steps in respect of persons who wish to be registered with ChangeFund as a Borrower. Details of these checks are set out on the Website.

ChangeFund does not attempt to verify the ability of a potential Borrower to service any specific loans. However, ChangeFund does make an assessment of the affordability of a loan for a potential Borrower based on the verified financial data provided by the potential Borrower. This includes:

- a) income and expenses
- b) net disposable income (net income available to meet all commitment)
- c) credit history check
- d) 3 month bank transaction history
- e) employment verification

It is important to note that a credit score attributed by ChangeFund to a Borrower in respect of a loan:

- represents ChangeFund subjective interpretation of the information which has been provided to ChangeFund by the Borrower and other information which has been obtained by ChangeFund itself or through third party credit report providers;
- does not guarantee that the Borrower will in fact be able to (or will) repay all or part of any loan or all or part of any interest charged on that loan; and
- is a reflection of the information available to ChangeFund at the relevant time and will not be updated by ChangeFund during the term of any loan.

**What happens if the Borrowers get into arrears?**

The following key steps are taken by ChangeFund (as the Trustee) to ensure effective collection of debts.

- All Borrowers are required to agree to a direct debit authority as part of signing up for a loan. Borrowers can update their direct debit authority at any time online or by contacting ChangeFund directly.
- Our Provision Fund adds a layer of security, to step in and make payments on behalf of delinquent borrowers. This is not meant to be a guarantee, but provides a layer of protection. As with any investment, there are still risks and you should consider your options carefully. A succinct and regimented debt collection procedure is systemised. ChangeFund's platform methodically tracks and monitors all arrears transactions through the arrears lifecycle, to ensure appropriate action is taken at the right time.
- Arrears reporting is updated daily and monitored by ChangeFund senior management.
- Regular internal reviews are undertaken by ChangeFund to ensure that procedures are followed and are effective.

- ChangeFund applies the use of automated technologies including e-mail and phone to maintain contact with Borrowers, to ensure efficiency and effectiveness is achieved in managing loans.
- Automated workflow tools direct collections activity, ensuring that items are actioned as per the collections plan.
- ChangeFund also applies propensity modelling to the debt collection process to ensure that the applied arrears treatment with each Borrower is efficient. This means that more resource can be applied to the Borrowers that require it.

## What checks and assessments are made by ChangeFund in relation to Supervisors?

Management, supervision and assessment are functions carried out by ChangeFund, which means executives and supervisors have critical roles to play in minimising risks, conflicts of interest and ensuring compliance. Our approach considers:

- A supervision policy
- A supervision group - team manager support
- We ensure continued training and skills development for professional supervision
- Previous roles in executive and supervision positions
- Competency analysis
- Vetting, which includes, face to face interviews, identification checks, qualifications checks, 2 independent professional references, criminal history checks, bankruptcy checks
- Assessment - we ensure supervisor self-assessment forms completed annually
- Peer and group supervisor assessments completed annually
- Providing a regular and safe environment for the managers to reflect on his/her work
- Helping to ensure that the investors receive the best possible service
- Encouraging managers in his/her professional development

- Assisting managers in planning and utilising his/her resources
- Being aware of and regularly monitoring ethical issues relating to peer-to-peer lending
- Ensuring managers are clear about their roles, responsibilities and boundaries

## What checks and assessments are made by ChangeFund in relation to Management?

We understand that performance is significantly impacted by a business' management.

Factors we consider when checking and assessing management:

- Appointment of Manager Procedure (criminal history check, bankruptcy check, sight original academic transcripts, review knowledge, skills and experience)
- Ongoing Assessment of Manager Procedure
- Annual Manager Plan Assessment Report (Summary, training, shortfalls)
- A Responsible Managers policy
- Leadership style
- Alignment of remuneration and incentives

## Management and Supervision of loan assessments

As a financial services provider, we have qualified managers in place to who oversee the loan approval process through responsible lending practices. A Responsible Manager will sign off the loan approval process ensuring staff have taken reasonable steps in making preliminary assessment to determine suitable, affordability, verifying information and final assessment. (A Responsible Manager is a manager responsible for ensuring that ChangeFund meets its organisational competency obligations)

## Investment risks

### Borrower late payment or default

A borrower or series of borrowers to whom your funds are lent may delay or stop payment on a loan or default on a loan. In such circumstances you may be protected by ChangeFund making a claim to the [Provision Fund](#), however, there is no guarantee or warranty as to any protection from the Provision Fund, and as such you may suffer financial loss.

### No provision fund compensation

We may make a claim to the Provision Fund to compensate you in the event of a borrower late payment or default. However, the Provision Fund is not an insurance product and we cannot guarantee nor warrant that you will be compensated in the event of a financial loss.

### No interest on funds not on loan

You do not earn any interest on funds in your holding account or funds which are on market.

### Dependence on third party service providers

Here at ChangeFund we use third party service providers, including for identity and credit history checks. There are risks attached to the use of third party service providers, including the risk that the third party fails to effectively provide the services that they have been contracted to provide.

### Regulatory Risk

Peer-to-peer lending is a reasonably new industry in New Zealand and the regulation of the industry may change, which may have an adverse impact on the costs and risk of your investment or result in you incurring financial loss.

## Early Repayment

A Borrower can repay their loan at any time. Should a Borrower decide to repay early, then an Investor will not receive the total interest income it anticipated when the loan was made.

## Concentration Risk

Investors who do not diversify their investment across a number of loans and risk grades could face exposure to a concentration of Borrowers of the same type.

Spreading of investments across various Borrowers and risk grades should reduce Borrower default rates.

## Cyber Risk

Cybercrime is a risk to anyone connected to the internet. ChangeFund is an online web-based business and we rely heavily on information technology and computer based-systems that operate to provide protection from illegal hackers. We are very aware of this risk and have security measures and systems in place that are designed to ensure the system's security. A security breach is a possibility and should this occur, it may materially affect ChangeFund's ability to operate and to provide access to loan information and loan recoveries.

## What checks and assessments are made by ChangeFund in relation to risks?

Risk is an inherent part of ChangeFund's business, and management of that risk is therefore critical to ChangeFund's financial strength. We have an operational risk policy outlines how ChangeFund identifies, monitors and mitigates its risks. We do this through:

- Identification and evaluation of key business and operational risks

- Mitigation and control - establishment of management accountabilities and compliance
- Information and communication
- Monitoring
- Risk categories include, operational risk, compliance risk, credit risk, IT risk

Credit Risk, we assess these categories for potential risk; capacity, character, capital, collateral and conditions

## **What will happen if ChangeFund goes into liquidation or fails to carry out its collection activities?**

If ChangeFund goes into liquidation or ceases to hold its licence to provide a peer-to-peer lending service in New Zealand for a period of 5 business days, a back-up servicer will be appointed to carry out collection services in respect of the loan portfolio, and will collect repayments from Borrowers and make payments to Investors as the Trustee's replacement agent.

## **What disclosures are made in respect of any loan?**

ChangeFund will make a formal loan disclosure to the Borrower in compliance with the requirements set out in the Credit Contracts and Consumer Finance Act 2003 when ChangeFund notifies the Borrower that its loan has been fully funded. The loan contract will be formed immediately after that loan disclosure has been provided to the Borrower. These key disclosure requirements include:

- Providing disclosure to whoever is legally responsible for making loan payment, including anyone who has guaranteed the debt.
- Disclosure must be clear, concise and not misleading
- Providing disclosure in writing, including by email, post

- Making extra disclosure if the contract is changed, if someone guarantees the loan or if the borrower asks for more information
- If disclosure is not made properly, we cannot enforce the contract and may have to pay damages or other compensation to borrowers and may face criminal conviction

## What charges are payable by Borrowers?

ChangeFund will charge Borrowers an application fee for using the ChangeFund service, which is a flat rate of \$300. The application fee is payable at settlement, by way of a deduction from the principal amount of the loan prior to the balance of the loan amount being advanced to the Borrower.

Borrowers will be liable to pay arrears fees or dishonour fees where loan repayments are late or dishonoured.

If enforcement action is required against a Borrower, any legal and associated third party costs incurred will be charged to the Borrower's account. The costs charged are due in the Borrower's next payment.

A list of the [current fees](#) charged to Borrowers is available on the Website. The amounts (or calculation methods) and the types of fees charged in connection with the ChangeFund service or under loan contracts are subject to modification from time to time in accordance with the [Borrower Agreement](#) and the [Loan Contract](#) (as applicable).

## What fees are charged to Investors?

ChangeFund will charge a service fee for its loan administration services. The service fee is calculated as a percentage of the amount of each loan repayment (principal and interest) made by a Borrower, 2% annually. The Trustee (as trustee for the Investors)

will pay the service fee to ChangeFund as a deduction from the loan repayments received from the Borrower, and will hold the balance of the loan repayments for the benefit of the participating Investors. ChangeFund is not entitled to payment of the service fees except out of loan repayments actually recovered from the Borrower.

Participation in our Provision Fund is mandatory in order to invest; the provision fund fee will be deducted from the Borrower repayments. A list of the [current fees](#) charged to Borrowers is available on the Website. The Trustee (as trustee for the Investors) will pay the provision fund fee to ChangeFund as a deduction from the repayments received.

A list of the current fees charged to Investors is available on the Website. The amounts (or calculation methods) and the types of fees charged are subject to modification from time to time in accordance with the Investor Agreement.

## Can ChangeFund use the service?

Directors, shareholders, employees and advisers (in their own capacities), may use the ChangeFund service as Investors at any time, subject to compliance with the ChangeFund [Conflicts of Interests Policy](#) set out on the Website.

ChangeFund directors, shareholders and employees, may also use the ChangeFund service as Borrowers.

The Financial Markets Conducts Regulations 2014 Section 215 (1)(l) states that we need to advise if we hold any interest which may impact our ability to provide a fair and transparent service.

## **What interests does ChangeFund have which may materially adversely impact on ChangeFund's ability to have fair, orderly and transparent systems and processes?**

- There are no relevant interests. We provide our customers and investors with reports in aim to show our authenticity and transparency in our performance which can be found on our Website.
- All applications made by ChangeFund employees will be Peer Reviewed by the ChangeFund Credit & Risk Committee as part of our management of our internal conflicts of interest.
- We do not have any shares in other companies which could cause a conflict of interest
- As at the date of this Disclosure Statement neither ChangeFund Ltd or any ChangeFund Ltd Associated Person has borrowed any monies as a Borrower or otherwise or by using the Website
- Should the situation change, ChangeFund will immediately update this Disclosure Statement

## **Monitoring of compliance by the Borrower with its obligations and enforcement on default**

Under the Investor Agreement, ChangeFund is appointed as the Trustee to receive repayments of principal and interest from the Borrower and to seek to recover any amounts owing where the Borrower is in default of its repayment obligations.

Importantly, an Investor does not have any right to pursue a Borrower directly where a default has arisen or at any other time.

For more details about the scope of these obligations, see the Investor Agreement on the Website.

## **Suspension or Cancellation of Website Access**

ChangeFund may at any time, and in its absolute discretion, do any one or more of the following, without giving any reasons or prior notice to a Lender or a Borrower:

- (a) Immediately terminate a Borrower Agreement and/or Investor Agreement
- (b) suspend all access to the Website to an Investor or a Borrower
- (c) remove an Investor or a Borrower
- (d) remove content from the Website
- (e) refuse to publish content on the Website
- (f) disclose any information on the Website or otherwise necessary to comply with this Disclosure Statement, the Investor Agreement, the Borrower Agreement and New Zealand law
- (g) publish a censure of, or statement relating to Investor or Borrower conduct, or the conduct of any of their Associated Persons if we consider such conduct warrants such a censure. Except where we have acted in bad faith, the Investor or Borrower waives all claims they or their Associated Persons may have in respect of such censure or statement and shall indemnify ChangeFund against any such claims.

## **Complaints and dispute resolution**

If you have a query or complaint about any aspect of ChangeFund's services, please contact ChangeFund at the contact details set out below.

ChangeFund is a member of the Financial Services Complaints Limited (FSCL) dispute resolution scheme. You may refer any dispute as to the provision of the Service by ChangeFund to that dispute resolution service, details of which are available at: <http://www.fscl.org.nz/>, telephone: 0800 347 257, in writing to FSCL: PO Box 5967 Wellington 6145 and email: [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)

## Provision of information and contact details

You may contact us at any time as set out below to obtain at no charge an electronic copy of your [Investor Agreement](#), this Disclosure Statement, and any other documents which relate to the licensed peer-to-peer lending service provided by ChangeFund.

You will be able to obtain print-outs of your transaction by emailing ChangeFund with your request at [info@changefund.co.nz](mailto:info@changefund.co.nz). Your statement will be emailed to you within 24 hours of your request. This information includes:

Borrowers Credit Profile		
ChangeFund Rating	Inquiries last 6 months	Debt/Income Ratio
ChangeFund Score	Lines of credit	Employment Status
Credit Bureau Score	Arrears	Length of employment
Credit Bureau Defaults	Home ownership	Occupation
Credit Bureau Bankruptcies	Home ownership verification	Income
Purpose of loan		Employment & income verification

Loan History	Payment History	Loan Details
Active/total loans	On-time	Loan Amount

Principal borrowed	<30 days late	Term
Principal balance	31+ days late	Borrower interest rate
	Total payments billed	Monthly payments
		Servicing Fee
		% of loan funded

Account Profile			
Names of the parties	Product Description	Date of transaction	Number of Loans with ChangeFund

## Definitions

Application Form	The application form which accompanies this Disclosure Statement (or the electronic Disclosure Statement) under which a person may apply for an Interest
Arrears	Legal term for any repayments that are currently overdue, having missed one or more scheduled repayment dates. If a payment goes into Arrears, Borrowers are charged a Dishonour Fee
Borrower	An individual or business that borrows funds or is extended credit via the ChangeFund Lending Platform
Business	An entity that carries on a lawful activity of any sort, whether or not for profit or gain, and includes any such corporation, trust, partnership or sole trader
ChangeFund Ltd	ChangeFund Ltd (CN5915311, NZBN9429042239697, FSP490907)
Compliance	the ability to act according to an order, set of rules or request.
Corporate Entities:	legal entity that is separate and distinct from its owners

<b>Credit Contracts and Consumer Finance Act 2003</b>	<b>This is the legislation we are subject to. It helps protect consumers when they're borrowing money. It helps ensure consumers can make informed choices, know what they're agreeing to, and can keep track of their debts.</b>
<b>Disclosure Statement</b>	<b>This document</b>
<b>Holding Account</b>	<b>A member's funds as shown in ChangeFund's New Zealand Trust Account and which are not on market to be matched a loan or series of loans</b>
<b>Identification</b>	<b>the action or process of identifying someone or something the fact of being identified</b>
<b>Individuals</b>	<b>a single person distinct or separate from a group</b>
<b>Interest</b>	<b>An 'Interest' in the ChangeFund's Lending Platform</b>
<b>Interest Rate</b>	<b>A rate which is charged or paid for the use of money</b>
<b>Invest</b>	<b>Act of funding loans in the marketplace</b>
<b>Loan</b>	<b>Generally, an agreement between a lender and a borrower for the borrower to repay an amount of money lent along with interest accrued. When specific to the ChangeFund Lending Platform, a sum of money that is lent by the Custodian to a borrower and repaid in accordance with a loan contract and any ancillary arrangements, where repayments may be monthly, or on some other basis as contractually agreed between the parties</b>
<b>Member</b>	<b>A person who is a member of the ChangeFund Lending Platform</b>
<b>Net Income</b>	<b>Income after all expenses and taxes have been deducted</b>
<b>On Loan</b>	<b>A member's funds lent to a borrower or borrowers</b>
<b>On Market</b>	<b>A member's funds comprising part of ChangeFund's New Zealand Trust Account that form part of an order the member has made, which may or may not be matched to a loan</b>
<b>Order</b>	<b>A member's request for a specific amount of their funds to be lent in the lending market and at a specific interest rate</b>
<b>Peer-to-Peer Lending</b>	<b>A general term commonly used to refer to the practice of lending money to borrowers without the direct</b>

	<b>intermediation of a traditional financial institution, such as a bank. Lenders and borrowers may be individuals, businesses or other legal entities</b>
<b>Platform</b>	Online service to manage client investments
<b>Principal</b>	Amount of money borrowed or invested excluding interest incurred or paid
<b>Probation Period</b>	<b>period of time between funds being placed on the market and loans being matched to those funds</b>
<b>Provision Fund</b>	<b>pool of money held in trust on which ChangeFund New Zealand may make a claim on behalf of a lender in the event of a borrower late payment or default</b>
<b>Registration and Dispute Resolution Act 2008</b>	<b>This act mandates that companies who provide financial services be registered on an electronic register to provide transparency for the public and to be a member of a dispute resolution scheme, which is an independent and impartial dispute resolution service to resolve complaints between consumers and financial service providers</b>
<b>Responsible Manager</b>	<b>A person nominated by us to the FMA to demonstrate our competence to provide financial services under our peer-to-peer license in accordance with the FMA's requirements</b>
<b>Retail Investors</b>	<b>individual investors (mum and dad investors) who purchase securities for his or her own personal portfolio rather than for an organisation. Retail Investors generally trade in smaller amounts</b>
<b>Trustee</b>	<b>Individual or company who manages assets in a trust on behalf of the beneficiary</b>
<b>Website</b>	The website located at <a href="http://www.changefund.co.nz">www.changefund.co.nz</a>
<b>You, your, I</b>	<b>A person applying for an Interest or a member, as applicable</b>

If you have any questions, you can contact ChangeFund Ltd as follows:

- by email at [support@changeFund.co.nz](mailto:support@changeFund.co.nz)
- by calling the ChangeFund helpdesk on +64 4 887 1222