



## Investor FAQs

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### **Who can invest with ChangeFund?**

We are currently only accepting New Zealand tax residents over the age of 18 years as Investors.

### **What is the minimum investment?**

Investors can invest in loans, with a minimum of a \$100 investment. Although there is currently no maximum, ChangeFund reserves the right to cap the amount of your total investment.

### **How much interest can I expect to receive?**

Borrower interest rates are set based on their risk, individual circumstances and our responsible lending requirements. As such, the interest rate you receive as an Investor will vary depending on the loans you choose to invest in.

### **Are there any investing fees?**

ChangeFund charges a service fee for its loan administration services, 2% annually. This fee is deducted from Borrower repayments. 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 (1% annually)

### **What are the risks of investing & how are the risks managed?**

Lending through a peer-to-peer platform is not without its risks. 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. For this reason our Provision Fund has been set up to help minimise the risks of peer-to-peer lending.

Here at ChangeFund we are selective as to who we lend to. A higher credit class of borrower is what we are looking for. Identity checks, credit history checks, risk assessment and loan purpose are part of our loan approval process.

New Zealand legislation requires that Investor funds be ring-fenced, so these funds are held in trust until loans can be funded. All borrower repayments are also held in trust and paid back to Investors monthly. To satisfy our obligations under our peer-to-peer licence, several audits are conducted each year to ensure your funds are accounted for and our platform is operating correctly. For more information about investment risks please read our [Disclosure Statement](#).

## **How do we assess the credit risk of borrowers?**

ChangeFund makes 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

We ensure that borrowers can meet their monthly repayment obligations without suffering any [financial hardship](#).

## **Can loans I have invested in be cancelled?**

Yes. Borrowers have a cooling off period of 7days after settlement in which to advise us of cancellation of their contract.

## **What is the Provision fund and how does it work?**

The [Provision Fund](#) is a safeguard fund, provided for Investors in the instance of late payments or defaults by borrowers. Our 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.

## **Who does the Provision Fund belong to?**

Even though the Provision Fund is paid for by the borrowers, it is essentially set up for the benefit of the Investors. The assets of the Provision Fund do not form part of the property of ChangeFund Limited.

## **How much money is held in the Provision Fund?**

We intend to grow the Provision Fund over time. We look to ensuring sufficient reserves with regular reviews of Provision Fund value against loan book performance. We are starting with a rate of 1% of the loan book value.

## **How long does it take for borrower repayments to be credited to my account?**

Borrower repayments will be credited after 3 business days of receipt into our Trust account.

## **What happens when a borrower misses a payment?**

Sometimes borrowers will be late with their payments or even default on their loan. We will make contact immediately, via telephone, email or sms, to help get them back on track. ChangeFund 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.

Please refer to our Collections process for more information [click here](#)

**Can the funds be released early?**

Investor funds will only be released as borrower repayments are made or a successful claim is made to the Provision Fund. ChangeFund does not offer a secondary market for Investors to sell their investment.

**What happens in the event a borrower is deceased?**

If a customer has left an estate, we will lodge a claim for our debt against the estate. This will be handled by our collections department.

**What happens in the event of my death?**

Ownership of your account will be transferred to your estate.

**Will I have access to borrower information?**

No, you will not be provided with any information which would enable you to identify the Borrower. You cannot personally pursue the Borrower if the Borrower defaults on any of its obligations under the [Loan Contract](#).

**What happens to the funds if ChangeFund closes its doors?**

If we decide to cease trading as a company, we have an exit plan. Protecting our client's investment and the continuation of the recovery of funds borrowed through this period, is our first priority. We will achieve this by either selling the company or going through a solvent liquidation process. The receivables book will either be sold or managed by a third party servicer to oversee the completion of all existing loans.