Anglican Financial Care
Te Maru Mihinare

Important information & application checklist

Loans for housing on Māori land

Important information

Please ensure you have completed the loan application fully and provided all the documentation required in order to process this application. If you fail to include all the required information, it could cause a delay in processing your application.

Allow 12 business days for the approval process once all the required documentation is received.

Process

1. Complete the loan application form and send it and your supporting documents to Anglican Financial Care (AFC).
2. AFC will assess whether your application meets our lending criteria.
3. AFC will notify our lawyer that we will provide a loan and the details of the loan.
4. If there is an existing licence to occupy then it is reviewed by AFC's lawyer to ensure it is sufficient for AFC's purposes.
5. AFC's lawyer will contact your lawyer and the landowner to have the Whenua Māori Housing Agreement prepared and executed.
6. Once the completed Whenua Māori Housing Agreement is returned to AFC, we will instruct our lawyer to prepare the loan agreement. It will then be sent to your lawyer.
7. Once the loan agreement has been signed and returned to our lawyer they will advise AFC and the money will be transferred for the settlement date.
8. AFC's lawyer will transfer the money to your lawyer's trust account.
9. AFC's lawyer registers the security on the Personal Property Securities Register on behalf of AFC.

Licence to occupy

You will require the permission of the landowner to live in a house on the land. Before submitting a loan application, you should discuss this with the landowner.

This arrangement must be formalised in a Licence to Occupy. The licence must be either granted by the landowner under:

a. the Whenua Māori Housing Agreement, through the terms in Section 3 of the Agreement; or

b. an existing separate agreement, which AFC must review and be comfortable with.

The licence to occupy does not need to be in place at the time of the loan application but must be granted before any money can be advanced under the loan.

Application

Complete ALL relevant sections of the application form. If you are unsure, please contact us.

All applicants must read, sign and date the declaration in section 24 of the application form.

Provide the following required documents:

- Bank statements - Three months worth for all accounts for all applicants. This includes savings accounts and credit cards.
- Copies of payslips and proof of other sources of income.
- A Statement of Income from your MyIR section if you are self-employed or if you are unable to supply payslips.
- If you are self-employed please provide accounts for the previous tax year and a statement of earnings you draw down. We must be able to confirm the salary you say you are receiving is actually in your bank accounts.
- Statements showing your deposit if not in a savings account
- Statements for any hire purchase, finance loans, store cards or other loan products.
- If refinancing a letter from your lender stating the balance owed as well as an agreed date for discharging the loan.

AFC application types

Purchase of a selected house

If you have selected a house you intend to purchase you will need to provide a valuation with your application. If you cannot provide a valuation at the time you apply your application will be assessed as a pre-approval application.

Build a house

AFC will lend for a build process. At the start of the loan lending will be limited to 33% of the projected value of the finished house. As the build progresses and more value is added, more funds will be released.

AFC cannot provide finance for the purchase of a home being built off-site and then moved onto the land.

Refinance of a house

When you are intending to refinance a property it is important you approach your current lender and determine any fees they may charge. You should also discuss with them how long they will require to discharge their loan.

Pre-approval

AFC will provide pre-approved lending, which is valid for six months. If you are unable to find a house in that time an extension will be considered.

You will be given a pre-approval range which is determined by using the highest and lowest interest rates being offered by AFC. You will be able to select an interest rate at the time you have found a house and are ready to draw down the money.

Renovations / repairs

If you need to do renovations or repairs to your house located on Māori land, AFC can provide loan finance to help with these costs.

Valuations and lending limits

AFC will allow a maximum of **33% of gross income** from all sources for debt servicing.

AFC will offer a maximum of 90% lending. This is based on the lesser of the purchase price or valuation.

For example: You have a Sale and Purchase agreement which has an agreed purchase price of $280,000. You supply a registered valuation which has a valuation of $295,000. AFC will lend you 90% of the purchase price as it is less than the valuation.

Please submit a valuation of the property which supports the requested additional lending. If you are not sure which valuation type you should submit please contact us.

» If you supply a **rating valuation** from the council we will lend a maximum of **80% of the capital value** shown on the rates valuation or the purchase price, whichever is less.

» If you supply a **registered valuation** we will lend a maximum of **90% of the value of the property minus the chattels** or the purchase price, whichever is less.

» **Builds**
Please contact us to discuss how AFC handle's valuation requirements for builds.

Costs

There is no fee to apply for an AFC loan, but there are costs you must cover: These include:

» Your legal costs
» AFC's legal costs
» Registered valuation (if applicable)
» Builder's report (not required by AFC but you might want to do one for your own due diligence)

Identity verification

To meet our requirement under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, we are required to verify your identity and address information. No funds will be advanced until this requirement has been met. AFC will contact you about this if your application is approved.

Credit check

Anglican Financial Care requires a credit check for all applications with lending over $50,000. If the applicant(s) do not wish a credit check to occur, the application must be withdrawn.

Privacy policy

At Anglican Financial Care, your privacy is important to us. Our Privacy Policy explains how we collect, use, and protect your personal information in accordance with the law. It outlines your rights and how we ensure your information is handled responsibly and securely. You can view our full Privacy Policy on the AFC website. If you have any questions or concerns, please feel free to contact us.

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Application checklist

Please use the checklist provided to ensure you have included all of the required documents with your application.
If anything is missing we will contact you and ask you for the information. This will add time to the processing

Property related documents

You must supply a copy of the following documents before any money will be advanced. These do not all need to be provided at the time of application submission.

in the case of a pre-approval application the Sale and Purchase Agreement will not be available until you have had an offer accepted on a property.

- [ ] Sale and Purchase agreement
- [ ] LIM report (if you have one)
- [ ] Valuation (If you are unsure what type of valuation you will need to provide, please contact us.)

Landowner

You must supply the details of the landowner, who must be an ahu whenua trust or Māori incorporation. We require the legal name of the landowner and the contact details of the land administrator.

Legal description

If known, provide the address, legal description of the land block and its record of title reference.

Proof of your income

We will need to be sure you have a regular income, so payments on your loan will not put you under financial pressure.

- [ ] Payslips for each applicant
- [ ] If you are self-employed, a copy of your most up to date financial statements prepared by an accountant.
- [ ] If you are self-employed, a copy of your Statement of Income from the MyIR website portal.
- [ ] If you have income from other sources besides your employment you should provide evidence of this regular income.
    - For example pension payments, rent or boarder income, regular gift from family, investment earning or funds received from a Trust.

      Evidence might include investment earnings statements, a letter from the source of the regular funds, bank statements highlighting the regular payments, statement from your property management company.

Your debts and outgoings

So that we can work out your outgoings, we'll need to see statements that show your current balance on loans, credit cards, any hire purchase arrangements and store cards etc.

Please provide statements for the previous two months for the following items. We should be able to see your current balance and your available credit limit as well as any transactions which occurred during the month such as payments and purchases.

- ☐ Bank statements
- ☐ Credit card statements
- ☐ Store cards
- ☐ Hire purchases
- ☐ Finance company loans

Refinance information

If this is a refinance application we will need a statement showing the balance of your current loan which also shows who holds the current loan.

- ☐ Statement of your loan balance
- ☐ Letter stating your current lender's acceptance of the settlement date.

Evidence of your deposit if purchasing a new property

We will need to see evidence showing you have the deposit available.

- ☐ Statement from your KiwiSaver provider or investment manager of your balance available (If you're using these savings towards the purchase).
- ☐ Bank statements showing savings being used towards deposit.
- ☐ Balance statement of managed funds.
- ☐ If you are receiving a gift from family a statement detailing the amount of the gift / loan and if applicable information about any repayment arrangements which might be in place.

Valuation

If you are know the property you are purchasing, or if this is a refinance application, a valuation is required to be submitted with your application. Depending on the amount of lending you need, you have the option of supplying a registered valuation or a council rates valuation. If you are submitting a pre-approval application you will need to supply the valuation once you have an offer accepted on a property.

Payments

Payments are made by direct debit. You have the option of making payments monthly or fortnightly. We will send you a direct debit authority once your application is approved and you have notified us of your settlement date.