

Commercial Broker News



Introduction

Welcome to the first edition of Commercial Broker News for 2012 where we outline how we are open for business with larger deals up to \$20M Total Business Limits. We also include an update on the operational commencement of changes to the *Personal Property Securities Act 2009 (Cth)* (PPSA), drafted to, amongst other things, better manage the registration of personal property security interests and increase business efficiency in dealing with security interests in personal property.

In addition, there will be changes to ANZ Broker systems effective Monday 23 January. This newsletter also contains important information on how to settle deals. If you have any questions about these important changes, please contact your ANZ Broker Manager.

Cosi De Angelis

ANZ

Head of Commercial Broker

P: +617 3228 3746

E: Cosi.DeAngelis@anz.com

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January 2012

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Commercial Broker News

1. ‘Open for Business’ for deals up to \$20M

We are pleased to advise that we are now receiving deals for Total Business Limits (TBL) up to \$20M. If you have any customers who are looking to grow or start something new, please contact your ANZ Broker Manager.

2. Personal Property Security Register (PPSR) – Live Monday January 30 2012

The Australian Government has introduced new legislation dealing with personal property and security interests in that property. The *Personal Property Securities Act 2009 (Cth)* has caused the repeal or amendment of existing legislation affecting security interests in personal property and establishes a national online register to record a large number of security interests created in personal property. This register will replace a number of the existing registers, including ASIC and each state based REVs. It will be available 24 hours/7 days a week for search, registration, amendment, renewal and discharge. Insolvency & Trustee Service Australia (ITSA) will be responsible for maintaining the new national Personal Property Security Register.

This new register, called the Personal Property Securities Register (PPSR) is a notice board which allows individuals and organisations to search and register security interests in personal property. The PPSA does provide that searching the PPSR in relation to an individual can only be undertaken in limited circumstances, otherwise penalties apply.

The introduction of the PPSA has resulted in minor changes to EsandaNet and the documentation that these systems generate.

Please take time to read the very important information in this Commercial Broker News that outlines the changes to EsandaNet and information regarding transitional finance applications.

The information outlined below is based on our interpretation of the new legislation.

2.1 Important Information about Transition Deals – Effective Monday 23 January 2012

The following timeline table details the very important information regarding transitional deals that will be impacted by the change in Broker documentation and the introduction of the new government fees.

The new interim process will involve an additional terms and conditions annexure being handed to the customer in conjunction with our existing terms and conditions for all facility types from Monday 23 January. The annexure needs to be signed by all customers (security providers) and submitted at settlement with all other documentation. A copy is also retained by the customer.

During this period you are advised to print contract documents for execution by the customer at the latest possible period, this will avoid any unnecessary reprinting of documents.

Timing	Impact on Broker documentation
Contracts printed, signed and submitted for Settlement prior to 22 January and settle before 25 January.	Contracts that fit this description will not be impacted and are covered under the business as usual process.
Contracts printed, signed and submitted for Settlement prior to 22 January and don't settle before 25 January.	Contracts that are submitted prior to 22 January and are suspended and don't settle before 25 January will need to <i>be re-documented</i> as the government fees charged to the customer will increase/decrease thus changing the total amount financed. The <i>additional terms and conditions annexure</i> in conjunction with our existing terms and conditions will need to be provided to the customer acknowledging the PPSR legislation changes. The annexure (including the customer copy) will need to be signed and dated by all parties on the

	contract and submitted with the contract documents at settlement.
Contracts printed, signed and submitted for Settlement from 23 January.	Contracts that are printed from the 23rd January will incorporate the new fees and updated contract documents. These contracts will still require the <i>additional annexure</i> to be signed and dated by the customer acknowledging the PPSR legislation changes that are not included in our Terms and Conditions. This annexure is then submitted with all documents at settlement, a copy is also provided to all customers.

Please Note - A very small number of commercial applications for finance that are approved prior to 22 January and are submitted for settlement from the 23 January may have to be modified due to the reduction in security registration fees.

2.2 Securing Lending against Specialised Assets

Where you are securing lending against specialists assets you must register each part of the asset separately. This means that one form will be required to register each part of the equipment being financed.

For example, marine assets where individual elements like the hull, outboard Motor, engines or trailer will need to be registered as individual items. Where we finance a Boat, Motor and Trailer we will require three registration forms.

The same would apply to a concrete pump where the truck and pump would need to be registered separately.

Please contact to your ANZ Broker Manager if you have any further queries.

2.3 Changes to EsandaNet – Commercial Broker

Two minor changes to EsandaNet will be visible when PPSR goes live on Monday 30 January 2012.

Supplier Type – Now required for NCC applications

The capturing of personal and asset details will change for consumer (NCC) applications when PPSR goes live on January 30. The capturing of the correct collateral/asset information is imperative to ensure a protected security interest where ANZ/Esanda has priority. The supplier type field (previously only required for commercial facilities) is now mandatory for every facility type (NCC and Commercial).

The supplier types that appear on EsandaNet are listed below;

F - Franchised Dealer

D - Other Dealer

P - Private Supplier

R - Refinance

S - Sale and Buyback

The correct supplier type that fits the transaction you are submitting will need to be selected.

Brokers will need to select the appropriate corresponding letter that accurately depicts the supplier type of the goods that are being financed.

The supplier type field is located in the goods description screen. The supplier type will now be a mandatory field when submitting a consumer or commercial application.

ESANDA

K BURNETT ESANDA'S ABACUS GOODS DESCRIPTION 3/11/11

Dealer: 589067979 City Holden

Supplier: City Holden Supplier Type: SA

Street: 223 Grenfell Street P/Code: 5000 State: SA

Suburb: Adelaide

New/Used/Demo: [N] Year: [11]

Make: HONDA Model: CITY VTI GM Type: SED

Eng. Type & CC's: [P: 1497] Trans: [5A]

Odometer Reading: [] Km

Cash Price: \$78,000.00 (incl GST)

Trade In Value: \$.00 Year: [] Desc: []

Use of Loan/Goods predominantly for business/investment purposes? [] (Y/N)

F3-Exit F10-Accessories F11-Comments F12-Previous

GOOD PURPOSE IS INCOMPATIBLE WITH FACILITY.

Reset Refresh Disconnect

The Supplier Type field will now be mandatory on all finance applications. As with other fields in EsandaNet a '?' can be inputted to review the options available.

2.4 PPSR Fee Changes

With the operational commencement of the Personal Property Security Register (PPSR), the registration fees that will be charged to customers will now become a fixed fee of \$7.40. This fixed fee will replace all existing fees that were charged to customers (REVS, ASIC etc) and will continue to appear on the same screen in EsandaNet with the code RS. The fee will be the same for consumer or commercial applications.

This new fee does not replace any establishment or origination fees charged by Esanda or the introducing Broker.

ESANDA

K BURNETT ESANDA'S ABACUS OTHER FINANCE QUOTES 6/07/11

Dealer: 589067979 City Holden

Quote No: []

State: [5] Facility: [CLB]

Total Customer Price: \$78,000.00 (incl GST)

Cash Deposit: \$.00

Trade In (after W/O): \$.00

Other Amounts	Financed	Paid in Cash
RE	\$7.40	\$.00
RF	\$350.00	\$.00
	\$.00	\$.00
	\$.00	\$.00
	\$.00	\$.00
	\$.00	\$.00
	\$.00	\$.00

F3-Exit F12-Previous F73-Sel Inv

Reset Refresh Disconnect

The new PPSR fixed fee will appear here

2.5 Changes to Customer Loan Contract Documentation - All Channels

The standard ANZ loan documents have been updated with some minor changes. The

establishment of the PPSR means that additional information is now mandatory, and must be collected and included in loan documents. The additional information is already "collected" by you when submitting an application for finance; it will require no further information gathering.

The following loan documents have been updated to display this information:

Loan Schedule (All facilities)

Guarantee and Indemnity

Declaration of Purpose

Annexure (C & D)

Terms and Conditions (All facilities)

The changes on the contract documents are in the Customer Section and the Goods Section.

2.6 NCC Facility, Chattel Mortgage Facility, Offer to Hire Facility, Finance Lease Facility, Declaration of Purpose.

There have been changes to the formatting of the Loan Contract.

On page 1 - Date of Birth field has been added for Consumers and Sole Traders. This new field has been placed next to the postcode field. Please note, this is a mandatory field.

**CHattel Mortgage**

TO: Australia and New Zealand Banking Group Limited
 ABN 11 005 357 522, trading as Evanda
 85 Spring St, Melbourne VIC 3000

ORIGINAL INSTRUMENT

CONTRACT NUMBER

551351923

Intermediary: City Holden
 S.O.B. No: 589067979
 Credit Assessment Number: 24106 01

I- FULL NAME (Surname(s), Given Name(s), Company Name(s)) ("Mortgagor")
 CM ONEIN TWOGUA, PRABHAWA and COBORROWERSURNAME, ANDRY as
 Trustees for the INDULGENCE TRUST

Of Address(es)	Postcode(s)	Date of Birth
01/01 SPRING ST, MELBOURNE	3000	
01/01 SWANSTON ST, MELBOURNE	3000	

In consideration of the Principal Sum stated below being advanced to me and for the purpose of securing the payment of the Principal Sum and interest, I as beneficial owner mortgage to Evanda the goods Table below ("Goods") to hold absolutely, subject to the provisions contained in the Evanda C Terms & Conditions.

TABLE

Description of Goods: HONDA ACCORD SEDAN

New/Used: VIN/Chassis no./Manufacturer's no./MRO/Official No. Engine/Serial No.
 NEW VIN12345612312312 ENGINE

Situation or intended situation of the Goods as at the date this Mortgage is signed by the Mortgagor:
 01/01 SPRING ST, MELBOURNE 3000

Postcode(s)	Date of Birth
3000	
3000	

Terms of repayment commence on the Disbursement Date

SECTION 1
 059 Monthly Instalment(s) each of \$ 838.46
 payable commencing 1 months from the Disbursement Date

SECTION 2
 and, if applicable, one instalment of \$ 5,681.54
 payable 60 months from the Disbursement Date

OR

Fees
 Establishment Fee \$ 350.00
 Cash / Cheque Payment Charge (if applicable) \$-----


Principal Sum	\$ 40,359.00
Total Amount of Interest	\$ 14,791.68
Total Amount Repayable	\$ 55,150.68

Disbursement of Principal Sum

DEALER	\$ 40,000.00
ESTABLISHMENT FEE	\$ 350.00
REVS/VSR REG. FEES	\$ 9.00
-----	\$-----
-----	\$-----
-----	\$-----
Total Principal Sum	\$ 40,359.00

Guarantees and Indemnity

The same changes have been applied to this document although the formatting is different for the goods identifier field.

 ESANDA GUARANTEE AND INDEMNITY TO: Australia and New Zealand Banking Group Limited ABN 11 005 357 522, trading as Esanda - the Credit Provider 85 Spring St, Melbourne VIC 3000		ORIGINAL INSTRUMENT CONTRACT NUMBER 551351958								
Intermediary City Holden	S.O.B. Number 589067979	Credit Assessment Number 24112 01								
SCHEDULE										
GUARANTOR(s) FULL NAME (Surname, Given Name(s)) PRABHAWA, ANDRY JONES, JOE		Occupation DIRECTOR DIRECTOR								
Address of Guarantor(s) and Indemnifier(s) 01/01 LONG STREET, MELBOURNE 05/05 SHORT STREET, MELBOURNE		Postcode 3000 3000								
The Customer COMPANY NAME PTY LTD (A.C.N. 005357522) trading as TRADING NAME		Occupation FINANCIAL <table border="1" style="width: 100%;"> <tr> <th>Postcode(s)</th> <th>Date of Birth</th> </tr> <tr> <td>3000</td> <td></td> </tr> <tr> <td>3000</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	Postcode(s)	Date of Birth	3000		3000			
Postcode(s)	Date of Birth									
3000										
3000										
Address of Customer 01/01 SPRING STREET, MELBOURNE										
PARTICULARS OF AGREEMENT TYPE: LOAN <table border="1" style="width: 100%;"> <tr> <td>Amount Financed</td> <td>Total Amount Repayable</td> <td>Amount Outstanding</td> <td rowspan="2">together with the amount described in clause 2.3 of this Guarantee and Indemnity</td> </tr> <tr> <td>\$ 50,596.00</td> <td>\$ 67,528.80</td> <td>\$ 67,528.80</td> </tr> </table>			Amount Financed	Total Amount Repayable	Amount Outstanding	together with the amount described in clause 2.3 of this Guarantee and Indemnity	\$ 50,596.00	\$ 67,528.80	\$ 67,528.80	
Amount Financed	Total Amount Repayable	Amount Outstanding	together with the amount described in clause 2.3 of this Guarantee and Indemnity							
\$ 50,596.00	\$ 67,528.80	\$ 67,528.80								
Goods Description <table border="1" style="width: 100%;"> <tr> <td></td> <td>VIN/Chassis No./Manufacturer's No/HIN/ Official No.</td> <td>Engine/Motor Serial No.</td> </tr> <tr> <td></td> <td>State:</td> <td>Registration No.:</td> </tr> </table>			VIN/Chassis No./Manufacturer's No/HIN/ Official No.	Engine/Motor Serial No.		State:	Registration No.:			
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Goods Description	VIN/Chassis No./Manufacturer's No/HIN/ Official No.	Engine/Motor Serial No.								
	State:	Registration No.:								
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Annexure (C & D)

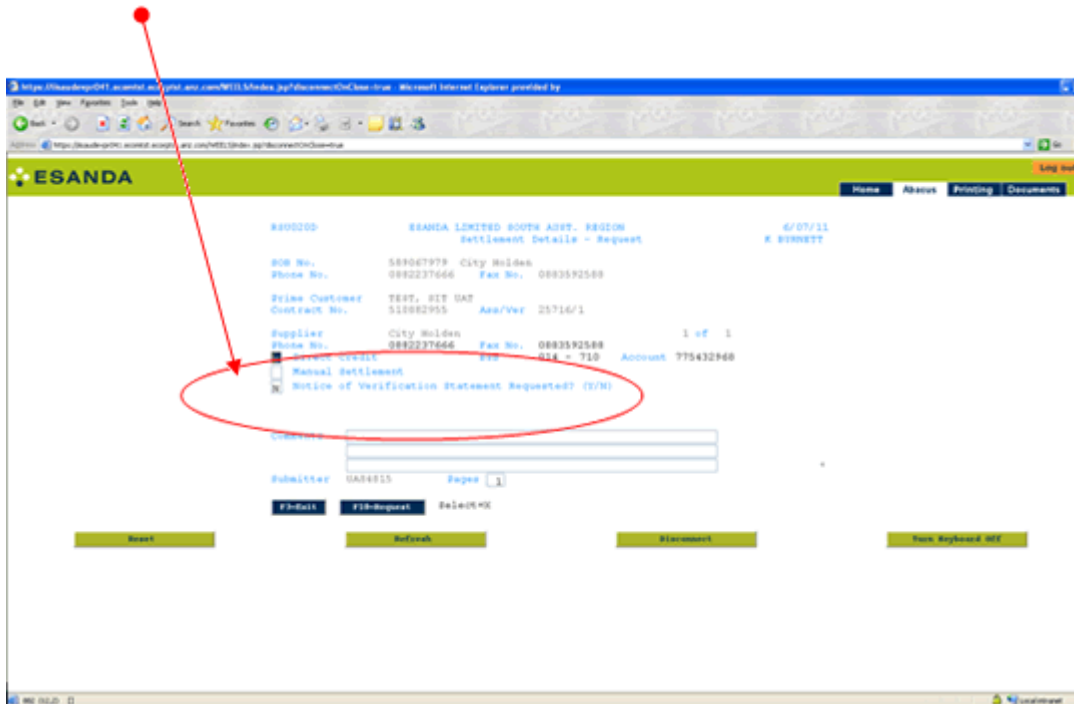
		ANNEXURE TO: Australia and New Zealand Banking Group Limited ABN 11 005 357 522, trading as Esanda	ORIGINAL INSTRUMENT CONTRACT NUMBER 510883325
Intermediary City Holden	S.O.B. Number 589067979	Credit Assessment Number 25734 01	
This is the Annexure marked "D" in the Contract/Agreement between Esanda and the Party(s) named below			
HIRER:			
Title	Names:	Date of Births:	AEN
MR	HI ONE, HI ONE and	10/10/81	
MR	HELLO TWO, HELLO TWO and	10/10/81	
MR	HELLO THREE, HELLO THREE and	10/10/82	
MR	HELLO FOUR, HELLO FOUR T/as	10/10/83	
	TRADING NAME ON SOURCE MANDATORY ONLINE		78000862797
Addresses:	12/1 SPRING ST, ADELAIDE	5000	
	12/1 SPRING STREET ST, ADELAIDE	5000	
	12/1 SPRINGS ON LINES ST, STATION ARCADE	5000	
	12/1 INDIANA JONES ST ST, ADELAIDE	5000	
	12/1 SPRING STREET NO ST, ADELAIDE	5000	

2.7 Notice of Verification Statement (NOVS)


The Notice of Verification Statement (NOVS) is the confirmation of a transaction being verified on the PPSR. Depending on the personal property to be held as security, there are circumstances where the NOVS does not need to be issued, the customer can however

request a copy.

- The new 'Notice of Verification Statement required?' field is displayed on the *Settlement Details - Request* screen.
- This new field records if the customer wants to receive a notification verifying that a PPSR operation has been performed (i.e. registration, amendment, renewal or discharge).
- Note: The default value is 'No'.
- A customer may request to receive NOVS. In this case the value would be 'Yes'
 - Where a customer requests a NOVS they will receive it separately from their welcome kit, at approximately the same time
 - If a customer requests a NOVS post settlement it can only be issued on a once-off basis (via Esanda Customer Service)



Further information available

- Further information on PPSR can be sought at the Attorney General's website at www.ppsr.gov.au
- [PPSR Fact Sheet](#) 

3. Incorrect details on Customer Identification Process (CIP) forms

We are required to have a monitoring and testing program in place to monitor the level of compliance with Anti-Money Laundering (AML) processes. This has identified a number of instances where the Customer Identification Process Form has not been completed correctly. To ensure we and you as our agent for AML comply with our legal and compliance obligations under AML legislation and the Customer Identification Process (CIP), please ensure this information is provided accurately and consistently. In particular please ensure that:

1. Details on CIP forms match the identification provided. Please ensure that your

customer's name is written on the form as it is recorded on their ID. In some cases we've found inconsistencies with middle names – where it appears as a middle initial on ID and is recorded as the full name on CIP forms; in all cases please ensure the CIP form is completed exactly as per the identification.

Please note that customer's name on the Esanda contract must always be entered as the full name, including full middle names (not initial)

2. Please ensure that the customer Date of Birth (DOB) is correct. There have been a number of instances where the DOB entered into the system is different from the DOB written on the CIP form. The DOB is a key piece of information when establishing customer ID and must always be correct

Other important CIP reminders:

3. Foreign driver licenses are not an acceptable form of ID. Driver licences must be issued in Australia and always have a photograph (renewal notices are not acknowledged as driver licences).
4. When providing a utility bill or any other Category C document to meet CIP requirements, the customer's full name and current residential address must be visible.

4. Auto Decline requiring Referral

Whilst we endeavour to maximise the number of deals we approve, there will be situations where the deal has to be declined. To ensure the process will be more effective for you, the following scenarios must be referred in for Auto Approval:

- Student as 'Previous Job'
- Self employed applicants
- Confirmation that the balloon is acceptable
- 40% or more of total income is derived from Family Allowance or Pension
- New entrants / Including VISA Holders
- Private Sales
- Interstate applicants
- Previously 'declined' by an Analyst

Should you have any queries, please speak to your Broker Manager.

5. Customer Financial Statements for year ending June 2011 now required: reminder

We now require complete June 2011 financial statements as a minimum for all new or increased commercial finance agreements. All businesses will have started to complete financial statements for the year ending June 2011. If interim accounts for 2012 are already available, please ensure they are also included in the application as they greatly assist us to understand your customers' cash flows. For more information, please contact your Broker Manager.

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