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# Commercial Broker News



Planning for a successful year

Feb 2013

Thank you to our major Commercial and Asset Finance introducers who participated in our inaugural Commercial Broker Forum held in February 2013.

Engaging in discussion, we shared our assessment on the areas of excellence and areas for improvement for ANZ Commercial Broker. Initiatives like the [ANZ Commercial Broker website](#) was born from similar discussions with our broker network and we are pleased with the positive feedback from our brokers since its launch. More importantly, we discussed what matters to brokers in this rapidly changing economic environment and ways that we can assist.

I enjoyed listening to the insights our brokers shared including their feedback on what information they would find beneficial reading in our monthly Commercial Broker News (CBN). So stay tuned and keep a lookout in your inboxes over the next coming months as I share our progress with our broker network and our CBN subscribers.

Feel free to speak with your [Broker Manager](#) if you have any questions or would like to share any feedback with us.

Kind regards,

**Cosi De Angelis**

ANZ | Head of Commercial Broker

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### Commercial

**[Consumer Credit Legislation Amendment \(Enhancements\) Act - effective 1 March 2013](#)**

### Applicable to all Third Party Introducers handling finance for consumers

This Act amends the National Consumer Credit Protection Act 2009 ("NCCP Act"). Amongst other things, the Act provides for a remedy for unfair or dishonest conduct by intermediaries (including third party introducers) providing credit services to consumers ("Credit Service Providers"). This amendment comes into effect on 1 March 2013.

As Accredited Introducers provide credit services to consumers, they are considered to be Credit Service Providers. Accordingly, this is an important matter for all Accredited Introducers and we require all individuals involved in the handling of finance for consumers to read and understand this bulletin item.

In summary, the Act will have the effect of enabling a court to make an order in response to an application from the consumer or ASIC on behalf of the consumer against a third party introducer where the court is satisfied that the third party introducer has engaged in unfair or dishonest conduct in relation to consumer credit.

- [Download Consumer Credit Legislation Amendment Act](#)
- [View the explanatory memorandum](#)

We trust you will understand that ANZ Commercial Broker employees and other ANZ employees are unable to provide legal advice to you on this matter. Aggregators may wish to seek their own legal advice on this matter.

The Act introduces Section 180A to the NCCP Act, titled "**Orders to remedy unfair or dishonest conduct by credit service providers**". Broadly, the section can be summarised as follows:

A court may make certain order(s) directed at a credit service provider (i.e. a third party introducer) if the court is satisfied that the credit service provider has engaged in unfair or dishonest conduct in connection with a credit service provided to a consumer and the conduct had one or more of the following results:

- the consumer entered into a credit contract, consumer lease, mortgage or guarantee ("credit") that the consumer would not have entered but for the unfair or dishonest conduct
- the consumer entered into credit whose terms were different from a contract the consumer would have entered but for the unfair or dishonest conduct
- the consumer became liable to pay fees, costs or charges to the credit service provider or someone else

The orders that the court can make are:

- that the credit service provider take, or refrain from taking, specified action
- that the credit service provider pay the consumer a specified amount
- that a specified amount is not due or owing by the consumer to the credit service provider
- any other order the court considers appropriate to redress the unfairness or dishonesty or prevent the credit service provider from profiting from the consumer by engaging in the conduct

In determining whether the conduct was unfair or dishonest the court will have regard to the circumstances listed below. The more any of the circumstances below exist, the more likely the court will regard there having been dishonest or unfair conduct:

- the consumer was at a special disadvantage in dealing with the credit service provider
- the consumer was a member of a class whose members were more likely than people who were not members of the class to be at such a disadvantage
- the consumer was unable, or considered themselves unable, to make a credit

contract with a credit provider other than the credit provider to which the conduct related

- the conduct involved a technique that should not in good conscience have been used or that manipulated the customer

We require all Accredited Third Party Introducers introducing customers to ANZ whose credit is regulated by the NCCP Act to review all processes, practices and policies relating to consumer credit to confirm they do not give rise to any conduct that is unfair or dishonest.

### **New appointment: Head of Third Party and Relationship Channels in Retail Distribution**

We are pleased that Keiran Evans has been appointed Head of Third Party and Relationship Channels in Retail Distribution. Keiran has spent four years as the Head of Victoria and Tasmania for Regional Business Banking and has been a strong supporter of the third party introducer channel. Keiran will manage the Retail Broker channel and will regularly be working with Cosi de Angelis to ensure ANZ continues to grow in the third party introducer channel.

Keiran Evans will commence the role on Monday, 4 March 2013.

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### **Asset Finance**

#### **Update: Federal Government alteration to Parenting Payments**

On Tuesday, 1 January 2013, the Federal Government made changes to Parenting Payments whereby they would be transferring to the Newstart allowance. We would like to advise all accredited Brokers that we will now be treating Parenting payments in the same manner as we do with Newstart payments and they will be deemed as an unacceptable source of income when calculating a customer's ability to service the loan.

Our existing requirements remain unchanged for the treatment of Family Tax payments A & B - these are disclosed separately to Parental Payments on the relevant documentation. Our treatment for unemployed applicants also remains unchanged.

Where an applicant receives more than 60% of their total income from paid employment (fulltime, part time, or casual) then the applicant is no longer considered "unemployed" and they are assessed as employed applicants. Below is a list of Acceptable Government / Semi Government Assisted Income.

#### **Acceptable Government and semi-Government Assisted Income**

- Carer Pensions
- General Pensions
- Pensioner Invalid
- Pensioner Retired
- Pensioner Social Security
- Family Allowance
- Unemployed
- Retired
- Retired Pensioner

**Income that will not be considered includes:**

- Child Support Payments/ Maintenance
- Youth Allowance
- New Start
- Community Development employment projects/payments
- AUSTUDY

**Update: Vehicle Reports and Inspections**

ANZ Branches are no longer available to do Vehicle Inspection Reports and Inspections. However, there have been two key changes to acceptable persons sighting goods:

- Any State Government Body or Department of Transport (Roadworthy, Safety or Inspection certificates); and
- Any Licensed Vehicle Inspector, with the condition that proof of inspection is returned with an appropriate report, certificate or letterhead with trading name and ABN clearly visible.

The following are acceptable parties to complete vehicle inspections on ANZ's behalf:

- Approved dealer with wholesale facilities/Dealer Brokers (89) SoB's
- Approved Introducer or Brokers (87) SoB's
- Any Australian automotive club
- Esanda Chattel Risk Analyst
- State Government body
- Department of Transport
- Country Police will only conduct Identity Inspections where:
  - a. you are a local resident; and
  - b. you can supply proof of vehicle ownership.
- Independent, highly regarded third parties agreed to by the Manager Business Equipment Lending. (e.g. RACQ, RACV, Marshall Batteries, RTA and other Government bodies)
- Franchised heavy equipment dealers for example Hastings Deering/ Brown and Hurley/ Komatsu
- Esanda Chattel Risk Analyst and Manager Asset Sales
- Esanda Manager Asset Finance and Business Equipment Finance Manager
- Esanda Broker Account Manager and Business Equipment Lending Manager
- Member of Esanda chattel valuer panel (maintained by the Chattel Risk Analyst)
- Licensed auction house
- Accredited finance broker where agreed to by the approving CAD holder(s)

Please note: Vehicle Inspection Reports are not to be completed more than 30 days prior to the date of settlement.

**Reminder: Deal submissions requiring pay out from other financiers**

We encourage you to submit a deal for settlement on the same day that the payout letter expires to reduce any chance for errors. Therefore, please obtain a payout letter valid for a number of days prior to avoid any issues with the settlement being held up.

When paying out an existing ANZ or Esanda account, the payout letter is not mandatory, however for all other financiers we must obtain a current payout letter.

Please note that expired letters will not be accepted, in cases where the expiry occurs on

the same day as settlement please ensure to submit the deal as early as possible.

### **Tips and Advice: Smooth Acceptance and Settlements**

To ensure that your applications and settlements are processed as quickly as possible please ensure that all fields in the employment section are captured. In particular accurately inputting the Employer details including a contact name and phone number will allow our Assessments and Settlements officers to make contact directly with the employer where required.

**If you have any queries or would like more information please contact your [Broker Manager](#) or National Broker Sales support on 1300 385 269 or email [broker@anz.com](mailto:broker@anz.com)**

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