

GPI 026: Personal Loans

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Signed.....

Policy Portfolio Holder



**GOVERNMENT OF PITCAIRN ISLANDS
PERSONAL LOAN**

Terms and Conditions

1. The borrower must have permanent resident status on Pitcairn Island and the maximum drawdown under this facility is NZD\$5000. This facility can be used for purchase of any items specifically approved by GPI. GPI reserves the right to take security over current and future assets owned by the borrower during the term of the loan.
2. All applicants of personal loans must fill in the GPI Loan Application form and provide adequate detail to the Division Manager of Finance & Economics for the loan assessment.
3. The Division Manager of Finance & Economics will recommend approval/disapproval of the loan to Council based on the assessment of the facts given.
4. All freight costs are payable by the borrower and can be included in the loan as long as the total amount of the loan does not exceed NZD\$5000, or freight can be added at the borrower's expense to be paid upon delivery.
5. All loans would be for a maximum of 5 years and would be interest bearing, reflecting the lower end of New Zealand mortgage rates, and be based on the published New Zealand Official Cash Rate (OCR) plus a margin at the time the loan is drawn. The current margin is 3% but this rate is subject to review or change if the OCR or mortgage rates shift.
6. Loan repayments must be made regularly as agreed on the GPI Loan Repayment Form and will be deducted directly from GPI salaries or allowances.
7. The loan repayment period shall not exceed 5 years. The borrower(s) personally guarantees the repayment of this loan to GPI. In the event of default GPI reserves the right to charge penalty interest on the outstanding amount at the prescribed rate and to reach agreement with the borrower on a level of regular deductions to be made from income via the treasurers office until the loan is repaid in full.
8. In the event of on-going default GPI reserves the right to take possession of the assets funded by this loan and to dispose of the asset to offset funds received against the amount outstanding.