

SECURITY VALUE SHORTFALL WAIVER AGREEMENT

Security Value Shortfall is voluntary and non-refundable but the lender strongly recommends it is taken for all agreements.

The borrower(s) elect(s) to take Security Value Shortfall:

Signature of borrower(s): _____ Date: _____

Schedule

Lender:	Kings Finance™ Limited ("the lender" or "we")
Borrower/motor vehicle owner:	Cli_Des SecCli1_Des
<u>Loan Agreement</u> Number: AccQuo_Alp Term Expiry date: AccQuo_EndDte Date: AccQuo_StaDte Principal Advanced: AccQuo_TotAmtFin	
<u>Motor vehicle</u>	Security_Rego
<u>Waiver Fee</u>	WaiverFee

This security value shortfall waiver agreement is designed to cover the shortfall between the insured value of a motor vehicle ("the vehicle") which is collateral under a secured loan agreement and the outstanding balance under that agreement in the event of damage to the motor vehicle. We will only waive the shortfall if the vehicle has been insured under a comprehensive motor vehicle insurance policy ("CMVIP") and if the insurance company has "written off" the vehicle and paid out or is to pay out the full insured sum for loss or accident under the CMVIP.

Period of Right to Waiver

The period of right to waiver is the term of the loan stated in the loan agreement. However, we will only waive payments from that date or the date of the commencement of cover under a CMVIP whichever is the later.

The right to waiver ends at the earlier of:

- The date when the vehicle is sold or disposed of; or
- 4:00pm on the day on the **term expiry date** of the Loan Agreement or any extension agreed or granted when the borrower is not in default or
- 4:00pm on the day that the CMVIP lapses for non-payment of premium; or
- 4:00pm on the day the CMVIP terminates following cancellation; or
- The date we learn that the vehicle has been written off by the insurance company and that there is a shortfall between what the insurance company pays or is liable to pay and the balance outstanding at that time.

The Waiver

If the motor vehicle is a total loss and a total loss payment under a CMVIP has been made or is to be made, we will waive your payment of the shortfall between the total loss payment (not including any excess or additional premiums due under the CMVIP) and the balance outstanding at the date of the total loss.

Denial of Waiver

We will not waive payment:

- Of amounts represented by overdue instalments under the loan agreement or interest arrears, penalty interest, unpaid credit fees or default fees or the lender's loss on full prepayment if full prepayment is made at the time we waive these payments.
- If the vehicle is being used for any of the following purposes:
 - Business or professional use if the distance travelled by the vehicle in any twelve (12) month period exceeds 40,000 kilometres
 - As a courier or any similar commercial activity
 - To carry fare paying passengers
 - Under any type of hire arrangement
 - Preparing or practicing for, or taking part in any road racing, rallying, pace making, speed testing or any other competitive event
- If you make or have made any untrue, dishonest, misleading or deceptive statement when applying for a loan from us or in arranging this security value shortfall waiver agreement or in notifying us of the accident or writing off of the vehicle.
- If the CMVIP is cancelled or voided by the insurance company for any reason
- If the vehicle is not covered by a full CMVIP at the time of the accident or loss leading to it becoming a total loss.

If we refuse to waive payments on any of these grounds, you will not be entitled to any refund of the fee we charge you.

Claims

You must notify us as soon as possible after you learn that the car is a total loss or that the insurance company may deem it to be so.

You may notify us by contacting Kings Finance™ Limited, P O Box 9364, Waikato Mail Centre, Hamilton 3240

Telephone: 07 846 6008

Fax: 07 847 2077

Email: anne@kingsfinance.co.nz

Signature of Borrower(s):

Date:

Signed on behalf of

Kings Finance™ Limited

Date:

Definitions

Balance Outstanding

Means the unpaid balance under the loan agreement at the date of the total loss, reduced by overdue instalments under the loan agreement and interest arrears, penalty interest, unpaid credit fees or default fees or the lender's loss on full prepayment if full prepayment is made at the time we waive these payments.

Motor vehicle

Means the motor vehicle identified in the Schedule including its standard equipment, tools and accessories at the commencement date of this agreement.

Comprehensive Motor Vehicle Insurance Policy or CMVIP

Means a comprehensive insurance policy insuring the motor vehicle for its full market value at the time of commencement of this agreement against theft and accidental loss and damage and remaining in force at the date of the total loss.

Insurance company

Means the insurance company providing the CMVIP

Loan Agreement

Means the loan agreement referred to in the Schedule.

Total Loss

Means either the Motor vehicle is stolen and not recovered, or it is damaged beyond economical repair, and if still insured under the CMVIP, is deemed a total loss under the Comprehensive Motor Vehicle Insurance Policy held by You.

Total Loss Payment

Means payment under the Comprehensive Motor Vehicle Insurance policy for total Loss

We, Us, Our, the lender

Means Kings Finance™ Limited

Written Off

Means the insurance company has deemed the motor vehicle to be a total loss

You, Your

Means the person(s) named as borrower in the loan agreement