



# McMaster Mortgages

FINANCIAL ADVISERS

## PUBLIC DISCLOSURE FOR MCMASTER MORTGAGES LIMITED

### WHAT YOU NEED TO KNOW & IMPORTANT INFORMATION ABOUT MY BUSINESS

#### LICENCING INFORMATION

McMaster Mortgages LTD (FSP1005220) holds a licence issued by the Financial Market Authority to provide financial advice. James Lowes (FSP775852) is authorised by that licence to provide financial advice.

#### DETAILS ABOUT ME & MY FINANCIAL ADVICE PROVIDER:

James Lowes is an adviser that provides advice on behalf of McMaster Mortgages LTD. Contact details for both myself and the business are as follows:

Full Name: James Lowes

FSPR Number: 775852

Address: 101 Ashley Place, RD 2, Whitianga 3592

Phone: 021 259 0386

Email: james@mcmastermortgages.co.nz

Website: www.mcmastermortgages.co.nz

Name of Financial Advice Provider: McMaster Mortgages LTD

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## NATURE AND SCOPE OF FINANCIAL ADVICE SERVICES

Products we can provide financial advice about:

- Home Loans – first mortgage, second mortgage, refinance, bridging finance, top-ups, preapprovals, mortgage reviews
- Investment loans – for residential and commercial investment properties
- Personal loans – cars, trucks, debt consolidation, unsecured loans
- Asset Loans – vehicles, trucks, plant & equipment
- Business Loans – cashflow & commercial property loans

Product providers we might recommend:

We provide financial advice service about loan products only from the following providers (also known as lenders):

- ANZ Bank New Zealand Limited
- ASB Bank Limited
- Avanti Finance Limited
- Basecorp Finance Limited
- Bank of New Zealand
- DBR Limited
- General Finance Limited
- Unity
- Southern Cross Finance Limited
- First Mortgage Trust
- Pepper New Zealand Limited
- Resimac Financial Securities Limited
- Oxford Finance
- Westpac New Zealand Limited
- The Co-operative Bank Limited
- Cressida Capital One Limited
- ASAP Finance Limited
- Liberty Financial Limited
- Funding Partners Limited
- Private Lender if needed

Any financial advice given to you on our behalf will be based on the information you have provided about your needs, financial situation or goals; therefore, it is important you disclose your financial and personal position and goals to the best of your ability.

We do not provide financial advice services relating to:

- Legal or estate planning (e.g. wills, trusts, contracts, etc.)
- General Insurance advice
- Personal Insurance advice
- Investment products (e.g. shares, bonds, managed funds, KiwiSaver, etc.)
- Accounting or Property accounting

*You will need to consult an appropriate specialist if you would like advice on the above.*

## COMMISSION, FEES & COSTS

The following section outlines Commission, Fees and Other Costs that may apply.

### COMMISSIONS

Generally, I won't charge you any fees for the financial advice I provide to you. This is possible because, on settlement of a loan, most mainstream Banks and some nonbank lenders will pay an Adviser an Initial (upfront) commission when the loan is drawdown. This is normally a percentage of the loan facility ranging from 0.40% - 0.85% depending on the product provider.

Ongoing (trail) commission - a percentage of the value of your outstanding loan amount, usually calculated at the end of each month of which you hold the loan. Only some product providers pay this ongoing commission, normally at a rate of 0.10% - 0.20%. Any exceptions to this general position are explained below.

The commission I receive is shared with McMaster Mortgages for providing me with compliance support, training, and back-office support.

I may refer you to other service providers, including Generate KiwiSaver. I will receive an ongoing payment of an amount equal to 0.125% of your account balance for referring you to Generate, in the event that you open an account. This fee is paid to me by Generate. The Generate adviser will provide general advice on the Generate KiwiSaver Funds. They can refer you to advisers who can provide you with comprehensive advice if required.

I may refer you to Simplify which is a asset broker for finance on items such as cars, boats, equipment. I will receive a one-off commission if you decide to accept a lending proposal from them.

### FEES

In some circumstances I will need to charge you a fee for my services. If this is the case, I will discuss this with you up front & we will agree on the fee and confirm in writing before any applications are undertaken. This could be in the following circumstances, but not limited to:

- Arranging finance with a Lender on your behalf, who does not pay any commissions & I need to cover my time, service, and expertise. For example, this could apply to situations such as commercial/business loans, small top ups, caveat/personal loans, 2nd mortgages, bridging finance, restructures, and adverse credit history.
- Completing a restructure of your current lending, where no commission is paid by the Lender
- Where I provide consultation services for you where there is no new lending, but time is taken, and formal advice is provided
- Top ups on existing home loans where there is less than \$100,000 of new lending
- A full face to face review of your financial position & mortgage planning advice, goals and preparation for a home loan application in 6 or more months

## CLAWBACK POLICY

If a mortgage is repaid within 27 months of your mortgage settlement, McMaster Mortgages LTD will have to repay some of the 'upfront' commission received, back to the Lender. This is known as 'commission claw back'.

If McMaster Mortgages LTD is charged with a commission claw back, due to early settlement of the mortgage arranged for you, then McMaster Mortgagees LTD will ask you to repay McMaster Mortgages LTD the commission that has become repayable to the Lender, to a maximum of \$2700\* as cost recovery for the service provided. This is commonly known as the claw back fee. The claw back fee we charge you will not exceed the amount of commission we have to repay to the lender.

*\*This has been calculated on an average of 15 hours of advice, negotiation and administration to complete and submit your loan/insurance application to the Lender, at our hourly rate of \$180ph.*

The above cost recovery only applies if McMaster Mortgages LTD is not given the opportunity to arrange the refinance. There will be no fee payable if:

- McMaster Mortgages LTD was given the opportunity but was unable to get a subsequent finance approval.
- An upfront fee was agreed and paid by the Client when the mortgage was originally drawn, and no commission was received. This would be the case with most short-term loan contracts.
- In McMaster Mortgages LTD opinion, the early repayment of the mortgage was driven by an exceptional change of circumstance for the Client.

Commission claw backs are in no way associated with any Broker fee McMaster Mortgages LTD may have charged for arranging non-Bank lending.

*You will be invoiced for the claw back fee and will be given 30 days to make payment.*

## OTHER FEES

Please advise us at the start of the process if you are engaging other banks or brokers directly. In this instance I may charge an admin fee for my time should we obtain an approval/or spend considerable time on a proposal and you source the finance elsewhere via another broker or bank directly within 7 months of this engagement. This includes non-disclosure of critical information that hinders our ability to obtain a solution causing additional work. Our admin fee would be capped at \$1,800 based on 10 hours average admin time at \$180 per hour. You will be invoiced for the time spend on your file and will be given 30 days to make payment.

## ADVISER FEES WHERE LENDER COMMISSION IS NOT PAYABLE

We may charge a fee (advised and agreed upfront) for complex work that does not earn a commission from the lender to sufficiently cover our time and expertise. That may include

situations such as commercial/business loans, small top ups, caveat/personal loans, 2nd mortgages, bridging finance, restructures, mortgage planning advice and lending where there is adverse credit history. If anything is unclear, please discuss with me in the first instance. You will be invoiced, and payment will be due upon settlement of the new loan.

#### OTHER COSTS (SUCH AS LEGAL FEES, VALUATION FEES)

Where other costs such as legal, valuation, and accountant fees are incurred in the process of providing our advice and services to you, you will be liable for these costs. These costs will be discussed with you prior to being incurred, where practical.

#### RELIABILITY EVENTS

McMaster Mortgages LTD nor James Lowes have been subject to a reliability event. A reliability event may be something that has occurred that would materially influence your decision to work with me, such as legal proceedings or being declared bankrupt.

#### CONFLICTS OF INTEREST OR OTHER INCENTIVES

We are not aware of any conflicts of interest. We do not hold any shares or have any personal interest with our product providers/lenders. We are here for our clients to advise you as best we can. Your interests are our priority although we do have business relationships with product providers also. From time to time, we may receive a small gift from a product provider (e.g. taken out for lunch, movie tickets, a bottle of wine). From time to time our product providers also host conferences and professional development training to help advisers like ourselves stay informed and compliant.

Other examples include discounts on our CRM (industry relevant software), subsidized training for advisers, or other non-monetary benefits.

## HOW WE MANAGE ANY CONFLICTS OF INTEREST

To ensure our advisers prioritise our clients' interests:

- Following an advice process that ensures we understand your needs and goals so that we always recommend the best product for you regardless of the type and amount of commission we will receive.
- We follow an advice process that ensures our recommendations are made appropriately, based on Clients' goals and circumstances
- Ensuring the amount of any loan is in accordance with your identified needs.
- By confirming to you how much commission we will receive, if any when making your loan recommendation
- By undergoing annual training about how to manage conflicts of interest
- We maintain registers of conflicts of interests and the gifts and incentives we receive. These registers are monitored regularly, and additional training is provided as required.
- We undertake an annual independent Compliance Assurance Review

## MY DUTIES

We are bound by the duties of the Financial Markets Conduct Act (431I, 431K, 431L and 431M) to:

- Meet the standards of competence, knowledge and skill set out in the Code of Conduct
- Give priority to the clients' interest and
- Exercise care, diligence, and skill and
- Meet the standards of ethical behaviour, conduct, and client care set out in the Code of Conduct.

## COMPLAINTS

If you have a problem, concern, or complaint about any part of our advice or service, please tell us so that we can try to fix the problem. Our internal complaints manager is James Lowes who can be reached via email at

james@mcmastermortgages.co.nz or 021 259 0386. James will reply to you within 48 hours.

Our internal complaints handling process is as follows:

1. Existing clients can select the 'Complaint' button in their profile or at the bottom of the portal webpage. If you are not an existing Client, please email our internal complaints manager at james@mcmastermortgages.co.nz
2. We will reply within 2 working days
3. We will resolve your complaint with in 20 working days

If we cannot agree on how to fix the issue, or if you decide not to use the internal complaints scheme, you can contact our external disputes resolution scheme – Financial Services Complaints Limited. This service will cost you nothing and will help us resolve any complaints.

You can contact Financial Services Complaints Limited at:

Address: PO Box 5967, Wellington 6140

Phone number: 0800 347 257 or 04 472 3725

Email address: info@fscl.org.nz

## ACKNOWLEDGEMENT

I/We confirm that I/We have read and acknowledge the terms and information included in this disclosure statement:

Name

Name

Signature

Signature

Date

Date