

PERSONAL ACCOUNT APPLICATION FAQs

CCCFA

What is CCCFA?

CCCFA is an abbreviation for the Credit Contract and Consumer Finance Act.

From 1st December 2021, lenders providing consumer credit need to comply with new regulations. In this instance the CCCFA.

These regulations set out the types of inquiries that need to be made before agreeing to lend money to a borrower, or before agreeing to provide further credit under an existing loan.

What do the new regulations mean?

Before approving an Account for personal use, Farmlands must assess the following:

- The borrower's needs and objectives - to help ensure the credit product is suitable
- The borrower's income and expenses - to be satisfied that the repayments are not likely to cause substantial hardship.

How does Farmlands make this Account assessment?

Farmlands will collect evidence of all sources of income and a minimum of three months Bank and credit card statements showing all expenses. Farmlands will also ask additional income and expenditure related questions, as well as information on why you are applying for the Account.

Farmlands may also ask questions during the assessment process. For example if a credit check shows a credit enquiry result that may not have been identified during our enquiries.

What does this mean for my Account? Am I eligible?

Your current income and expenditure may put constraints on the Credit Limit Farmlands can offer and may also have an impact on the number of personal use Accounts we can provide credit to.

Due to regulatory requirements and the nature of Farmlands product, you'll need a minimum income of \$5,000 after tax per month or liquid assets (cash and non-superannuation related investments) of \$80,000 per application to have a request approved. However, this is just a guide and each application is considered independently.

Do these regulations apply to all Farmlands Accounts?

These regulations only apply to accounts being used for personal expenditure more than 50% of the time. Other Accounts are not captured under the CCCFA. Farmlands does have an obligation to review non personal use accounts.

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Why do I have to follow the CCCFA for a Farmlands Account?

A Farmlands Account is considered a lending product under the CCCFA. This applies to all borrowers who use their account for personal expenditure more than 50% of the time.

If I do not meet the requirements of the CCCFA, how can I get a Farmlands Account?

Farmlands will not be able to offer you an Account, if you don't meet the needs of the CCCFA.

Why does Farmlands need my Bank Statements?

As part of the change to the CCCFA, applicants are required to provide bank statement data as part of the loan evaluation process. Lenders must also assess if providing the Account will cause substantial financial hardship.

The Commerce Commission has more information on this law [here](#).

Why are Bank Statements important?

Some of the things your bank statements will show are your income, that you are regularly paid wages, other loan repayments and your expenses. It is also a legal requirement under the CCCFA.

These factors help determine that you can afford to pay back the Account each month.

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illion

Why does Farmlands use illion's service for bank statements?

Under the CCCFA, Farmlands has an obligation to assess your income and expenditure and categorising your expenses. The illion service identifies income and expenses and produces a report summarising this information. Farmlands then uses this information to conduct a Credit Assessment. This technology reduces the processing time for requests.

Without illion, Farmlands would need to manually identify and categorise the information from your bank statement, significantly increasing the amount of time it takes to assess your application.

How much does it cost?

illion is a free service.

What security measures are in place?

All data sent to illion's server is encrypted with 256-bit encryption, secured by 2048-bit keys. This is the same level of encryption that banks use.

How can you prevent people from hacking my data?

Illion's service is independently audited at least annually to ensure security.

How many months of statements are required?

3 months' worth of bank and credit card statements, showing all income and expenses are required. If income and expenses are across more than one account, we will need 3 months' statements for each bank account that expenses are paid from or income is paid into.

Is this it or will more information be required?

Under the CCCFA, Farmlands has an obligation to review the information and make further enquiries in the event of any discrepancies.

Do you store my account information?

Your credentials are never stored. After the data has been provided, all personally identifiable information is securely removed from illion's system.

What happens if I have a joint account with my spouse or partner and they are not applying for the loan? Will you see this information?

Just like PDF statements, joint accounts will show information for both account holders. If required, we will make a determination with you about wages or expenses that apply to you and that of your partner.

I am self-employed or just started employment so I do not have income verification?

We still require statements and credit card statements outlining all expenses. The Farmlands credit team will be in touch to discuss your situation further with regards to income confirmation.

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What do you do with my bank statements and information?

Farmlands is required under the CCCFA to retain all records relating to its credit assessment. This information is retained securely on our system with access restricted to the areas of the business involved in preparing documentation and making a credit assessment.

My bank has told me not to provide my internet login details.

Generally this refers to sharing credentials with another user and doesn't take into account using a secure service such as iillion. Farmlands have provided another option, which is to supply PDF copies of all statements where income is paid into or expenses are paid from if you are not confident in this approach.