

CE301\*

Consumer Credit (Western Australia) Act 1996

## **Consumer Credit (Western Australia) Code Regulations Amendment Order 2006**

Made by the Governor in Executive Council under section 6 of the Act.

### **1. Citation**

This order is the *Consumer Credit (Western Australia) Code Regulations Amendment Order 2006*.

### **2. The regulations amended**

The amendments in this order are to the *Consumer Credit (Western Australia) Code Regulations\**.

[\* *The regulations in force under Part 4 of the Consumer Credit (Queensland) Act 1994 as applied, and amended under, section 6 of the Consumer Credit (Western Australia) Act 1996. For amendments to 11 May 2006 see Western Australian Legislation Information Tables for 2005, Table 4, p. 66.*]

### **3. Section 33C replaced**

Section 33C is repealed and the following section is inserted instead —

“

#### **33C. Warnings about comparison rate**

- (1) For the purposes of section 146H(1) of the Code, the warning about the accuracy of a comparison rate in a credit advertisement must —
  - (a) include the short statement or long statement;  
and

- (b) be given in the same form as the comparison rate is given unless the credit advertisement is on television, the Internet or another electronic display medium.

Note: For a credit advertisement on an electronic display medium, see section 146I(3) of the Code for the form in which the warning must be given.

- (2) For the purposes of section 146O(1) of the Code, the warning about the accuracy of a comparison rate in a comparison rate schedule must include the long statement.
- (3) A warning may also contain a statement that the credit provider does not provide credit for an amount, or a term, or both, specified in a credit advertisement or comparison rate schedule.
- (4) In this section —

**“long statement”** means the following statement —

WARNING: This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan;

**“short statement”** means the following statement —

WARNING: This comparison rate is true only for the examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate.

”.

#### 4. Section 33D amended

- (1) Section 33D is amended by inserting before “For” the subsection designation “(1)”.
- (2) At the end of section 33D the following subsections are inserted —

“

- (2) For the purposes of section 146M(2) of the Code, if a credit provider generally provides credit for an amount listed in subsection (1)(m) to (u) for a term of less than 25 years for purposes other than for a housing loan, the term prescribed for the amount is the term for which credit of that amount is provided by the credit provider.
- (3) If the annual percentage rate applicable to an amount of credit provided by a credit provider is determined by a credit provider according to the risk profile of the

debtor, a comparison rate schedule in which the amount is included must contain 5 comparison rates for that amount.

- (4) The comparison rates for an amount of credit mentioned in subsection (3) are to be calculated on the basis of repayments with an annual percentage rate that is the average annual percentage rate charged by the credit provider for the amount rounded to the nearest whole number and the 2 whole number rates above and below that rate.

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**5. Section 33E amended**

- (1) Section 33E is amended by inserting before “For” the subsection designation “(1)”.
- (2) At the end of section 33E the following subsection is inserted —

“

- (2) A comparison rate schedule may, but is not required to, contain statements as to whether a comparison rate in a comparison rate schedule is for a secured loan or unsecured loan for amounts other than the amounts for which such a statement is required to be made by subsection (1).

”.

**6. Section 33G amended**

- (1) Section 33G is amended by inserting before “A” the subsection designation “(1)”.
- (2) At the end of section 33G the following subsection is inserted —

“

- (2) A credit provider is exempt from section 146K(5) of the Code in relation to applications for credit sent or given by the credit provider from or at premises referred to in subsection (1).

”.

**7. Section 33HA inserted**

After section 33H the following section is inserted —

“

**33HA. Matters that may be included in comparison rate schedules**

A comparison rate schedule may include a statement as to the frequency of repayments used to calculate a comparison rate contained in the schedule.

”.

Note: A draft of this order (as the Consumer Credit (Western Australia) Code Regulations Amendment Order 2005) was approved by the Legislative Assembly on 22 November 2005 (see Hansard p. 7624-5) and by the Legislative Council on 4 May 2006 (see Hansard p. 2164).

By Command of the Governor,

M. C. WAUCHOPE, Clerk of the Executive Council.

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