



**THE POST OFFICE SAVINGS BANK (LOANS) INTEREST
NOTICE (NO. 2) 1984**

PURSUANT to section 119 (3) of the Post Office Act 1959 (as substituted by section 2 (1) of the Post Office Amendment Act 1973), the Minister of Finance hereby gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Post Office Savings Bank (Loans) Interest Notice (No. 2) 1984.

(2) This notice shall come into force on the day after the date of its notification in the *Gazette*.

2. Maximum rate of interest on secured personal loans—The maximum rate of interest payable by any borrower in respect of any amount advanced by way of secured personal loan (not being a loan made on overdraft) shall be 18 percent per annum.

3. Maximum rate of interest on unsecured or partly secured personal loans—The maximum rate of interest payable by any borrower in respect of any amount advanced by way of unsecured or partly secured personal loan (not being a loan made on overdraft) shall be 20 percent per annum.

4. Maximum rate of interest on authorised overdrafts—The maximum rate of interest payable by any borrower in respect of amounts advanced by way of authorised overdraft shall be 25 percent per annum calculated on a daily basis on any amount outstanding from time to time.

5. Maximum rate of interest on unauthorised overdrafts—(1) Subject to subclause (2) of this clause, where an account is overdrawn without the approval of the Postmaster-General, or is overdrawn by an amount which exceeds the amount authorised by the Postmaster-General, the maximum rate of interest payable on the amount of the overdraft or the amount of the excess, as the case may be, shall be the rate of interest charged in respect of authorised overdrafts plus 5 percent per annum calculated on a daily basis.

(2) The rate of interest payable under subclause (1) of this clause shall not exceed 25 percent per annum calculated on a daily basis.

6. Maximum rate of interest on payments in default—Where any borrower is in default in the payment of any sum to the Postmaster-General in respect of any amount advanced by way of a secured personal loan, or an unsecured personal loan, or a partly secured personal loan, whether

the sum payable is in respect of principal or interest, the maximum rate of interest payable on that sum from the date of default until the date the sum is paid shall be the rate of interest payable by the borrower on the principal sum.

7. Revocation—The Post Office Savings Bank (Loans) Interest Notice 1984* is hereby revoked.

Dated at Wellington this 15th day of October 1984.

R. O. DOUGLAS,
Minister of Finance.

*S.R. 1984/199

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice increases the maximum rates of interest payable by borrowers on personal loans made by the Post Office Savings Bank. In the case of secured loans the maximum rate is 18 percent per annum. In the case of unsecured or partly secured loans, the maximum rate is 20 percent per annum. Under the Post Office Savings Bank (Loans) Interest Notice 1984 the maximum rate of interest payable on such loans was fixed at 15 percent per annum.

The maximum rate of interest payable in respect of authorised overdrafts is 25 percent per annum calculated on a daily basis. The maximum rate of interest payable in respect of unauthorised overdrafts is the rate charged for authorised overdrafts plus 5 percent per annum calculated on a daily basis. Under the Post Office Savings Bank (Loans) Interest Notice 1984 the maximum rate of interest payable on overdrafts was fixed at 15 percent per annum calculated on a daily basis.

The maximum rate of interest payable on default under a personal loan is the rate payable on the principal sum. The notice will allow the Post Office Savings Bank to charge rates of interest within the maximum limits prescribed.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 16 October 1984.

This notice is administered in the Post Office.