

AUSTRALIAN CAPITAL TERRITORY
ATTORNEY-GENERAL

Minute No. 3 1994

31 January 1994

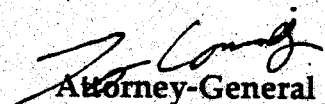
MINUTE PAPER FOR THE EXECUTIVE

SUBJECT

CREDIT ACT 1985

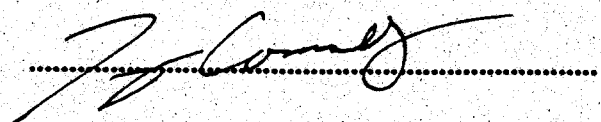
Credit Regulations (Amendment)

It is recommended that the Executive make Regulations in the attached form


Attorney-General

Approved by the Executive


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1994

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

CREDIT ACT 1985

Credit Regulations (Amendment)

EXPLANATORY MEMORANDUM

**Circulated by authority of
Terry Connolly, MLA
Attorney-General**

CREDIT REGULATIONS (AMENDMENT)

These Regulations will amend the *Credit Regulations* (the Regulations) by adding Swiss Roman and Dutch Roman to the list of print or typefaces set out in Schedule 7 of the Regulations which may be used in credit contracts.

The *Credit Act 1985* (the Act) provides for the protection of consumers by requiring lenders to disclose all the basic information that borrowers should know about their loan documentation for credit contracts. It protects consumers against various unfair lending practices and, through the ACT Credit Tribunal, provides them with a forum for the settlement of disputes arising under regulated credit contracts. The Act also regulates the form of documentation for credit contracts which may be used by lenders.

Section 266 of the Act provides that the Executive may make regulations, not inconsistent with the Act, prescribing all matters which by the Act are required or permitted to be prescribed or which are necessary or convenient to be prescribed for carrying or giving effect to this Act.

At present section 245 of the Act provides that a document issued by the creditor or mortgagee for the purposes of the Act, shall be deemed to be readily legible for the purpose of the Act if it is in clear hand writing, or in print, type or otherwise reproduced in a form that complies with the prescribed requirements. The prescribed requirements in relation to typefaces are set out in Regulation 22 and Schedule 7 of the Regulations.

The Australian Guarantee Corporation Ltd (AGC) has advised Consumer Affairs agencies in New South Wales, Victoria, Queensland, Western Australia which would enable motor vehicle dealers, acting on behalf of them in motor vehicle financing transactions, to access relevant AGC loan documentation via a computer link at their premises. However motor vehicle dealers would be printing documents on laser printers which can only use Swiss Roman and Dutch Roman typefaces, which are not included in Schedule 7 of the Regulations.

With the amendment to Schedule 7 of the Regulations to add these two typefaces, documents prepared by a creditor or mortgagee for the purposes of the Act in these typefaces will also receive the benefit of the deeming provision in section 245 of the Act.

Other jurisdictions with similar legislation to that in the Australian Capital Territory will also amend their Regulations to include both Swiss Roman and Dutch Roman typefaces.

These Regulations will commence on the day they are notified in the Gazette.