





## LATE CANCELLATIONS

### 'COMPLAINT - LATE CANCELLATION OF INTEREST' FORM CHECKLIST:

- ❑ Ensure that all details are completed on the form.
- ❑ Ensure that the evidence/documentation is attached to the complaint form.
- ❑ The form should be sent **no earlier** than 14 days from funds clearance. ***Forms received before 14 days of funds clearance cannot be actioned.***
- ❑ Don't forget to sign the form in the presence of a JP or solicitor.

### TERMS OF REFERENCE:

#### ▪ ***When does a registrable interest cease to exist?***

This is defined in the Act as:

*"... a registrable interest that is secured by a security interest that secures the payment of a debt is taken to have ceased to be a registrable interest on the date that all principal and interest payable in respect to the debt is repaid."*

**A registrable interest ceases to exist on the date that the whole debt is repaid, that is when funds have been cleared by the financial institution after final payment is made.**

#### ▪ ***When does the 14-day period commence?***

**Given that the debt needs to be repaid first, the 14 days will commence from the date that funds are cleared by the financial institution.** Thus the 14-day period will vary depending on the method of payment used to repay the debt.

**Example 1:** A loan is paid on 1/08/2002 by EFT with funds clearance taking effect on 2/08/2002- therefore the 14-day period commences from 3/08/2002 and the interest needs to be cancelled from REVS by 16/08/2002.

**Example 2:** A loan is paid on 1/08/2002 by cheque. The 14-day period commences from the date that the cheque is cleared. However, if the cheque is not cleared (dishonoured), then the debt has not been repaid and the interest remains a registrable interest, until it is repaid.

**Example 3:** If a loan is paid by cash, then the 14-day period commences immediately.

#### ▪ ***When can a Penalty Notice be issued?***

- A penalty notice can only be issued if the 14-day period has expired. Evidence of the final payment of the debt will assist REVS in determining if a breach has occurred.
- REVS can only issue a penalty notice to interest holders that have recorded their vehicle/boat encumbrance with NSW REVS. The penalty notice legislation cannot be applied to interests recorded in other States.

#### ▪ ***What evidence/documentation is needed?***

Evidence provided must demonstrate that the debt has been paid. Acceptable evidence can be:

- copy of a bank account statement showing EFT (electronic funds transfer) for final payment;
- copy of a bank account statement showing cheque clearance and a copy of the cheque to establish payee details;
- copy of documentation demonstrating payment of debt to financier, eg. receipt for cash payment.