



23 November 2007

Maria McNeill  
Senior Analyst  
Office for Senior Citizens  
PO Box 1556  
Wellington

Dear Ms McNeill

**DRAFT CODE OF PRACTICE FOR REVERSE MORTGAGE BASED  
HOME EQUITY CONVERSION PRODUCTS**

Thank you for your email message, received on 16 November, attaching a copy of the draft code and inviting comments on the draft Code of Practice for Reverse Mortgage Based Home Equity Conversion Products. (“the Code”).

The Investment Savings and Insurance Association (“ISI”) represents the views of the issuers and managers of life insurance, superannuation and managed funds and providers of home equity release products in New Zealand. We provided a submission in March of this year in response to the discussion document and we were pleased to have the opportunity for a discussion with you on this issue last month.

As previously stated in our earlier submission and in our discussions with you, ISI does not consider that the introduction of a code of practice at this point in time is the appropriate response to the concerns that you have identified.

We acknowledge that there are particular aspects of the provision of home equity products that require consumer protection but that protection should be provided by means of the legislation that is already in the pipeline, rather than by separate regulation. Legislation flowing from the review of the regulation of advisers is about to be introduced into the House along with the first phase of legislation

from the Review of Financial Products and Providers. These are the appropriate place for the matters covered in the Code to be addressed.

We note that the Code does not stipulate an effective date and we recommend that it should be deferred for further consideration after imminent legislation changes have been made.

ISI would be available to discuss this submission with you if that would assist.

Yours sincerely

Vance Arkininstall  
**CHIEF EXECUTIVE**