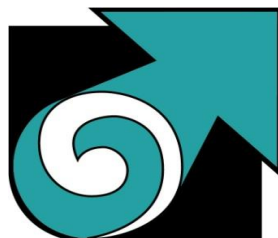


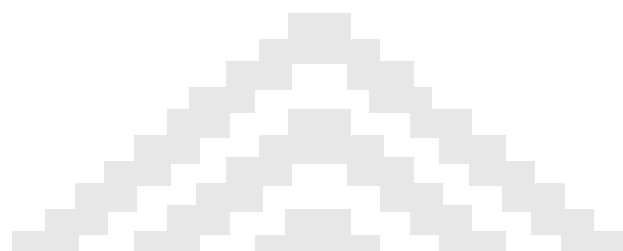
CHiLD  
POVERTY  
ACTION  
GROUP



NEW ZEALAND FEDERATION OF  
FAMILY BUDGETING SERVICES (INC.)  
TE RŌPŪ PENAPENA PŪTEA  
WHĀNAU O AOTEAROA



New Zealand Council Of  
Christian Social Services



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## ***Our kaupapa...***

- **Alleviating poverty for those financially struggling on low incomes**
- **Social justice, embodied in our advocacy and loans being safe, fair and affordable**
- **Community *and* ethical approach**
- **Collaboration *and* partnership**
- **Integrated with financial capability, literacy *and* aimed at financial inclusion**

# Safe, fair, affordable no interest loans...

## NILS – “family wellbeing” - to purchase essential items or services (up to \$2,000)

- Can be granted many times



## DRLS – relief from high interest debt, including consolidating debt (up to \$3,000)

- Granted once only



**OUR MODEL:** Clients from Budget services/referral Organisations >>>>  
Budgeting Service >>>> meet Criteria >>>> Ngā Tangata processes/approval  
and loan management



Our Personal Loans incur an Establishment Fee of \$145. We choose to cap the cost of our loans so **the cost of credit will always be less than the amount borrowed.**

Subject to this cost cap, interest will be applied at a rate of 12% per month (**a maximum APR of 144%**).



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## ***Expansion and access...***

- **To date - ~ 300 loans (26% NILS, 74% DRLS)...\$610k**
- **Engagement with 35-40 Budget Services, recently..  
Gisborne, Hawera, Levin, Hawkes Bay**
- **Low waged workers**
- **Maori Pasifika Trades Training via Institutes**
- **Adult literacy and Financial literacy courses**
- **Whānau Ora providers with BFC emphasis**
- **Social housing opportunities**



## ***Evaluation Oct-Nov 16***

- **150 participants – 95 clients, 25 BAs, 17 stakeholders**
- **Well being/peace of mind - 77% (scored 5 = huge improvement)**
- **Difference to “use” of \$ - 78% scored 5 = big improvement (food, control, bills on time, save a bit)**
- **37% have some reserves/savings**



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## *Change and challenge...*

- **From NZFFBS to NBFCCT...**
- **BFC – MSD’s new approach – objectives align around reducing debt and stress...longer term outcomes**
- **Commission for Financial Capability ...(Debt smart)**
- **GSM/SA expansion and NTM coordination**
- **Commerce Commission active – increased judgements/fines**
- **Fringe lending sector active > interest rate cap & advocacy activity > Money Week, Comms - 13 pieces in 5 months**

## Some 2017 prosecutions...

### [Rapid Loans to refund over \\$1 million in unreasonable fees](#)

7 March. Internet-based Rapid Loans NZ Ltd to compensate borrowers approximately \$1.4 million following a Commerce Commission investigation into unreasonable fees.

### [First jail sentence in Commerce Commission case](#)

3 March. Vikram Mehta, owner of mobile trader Flexi Buy Limited (Flexi Buy), has today been sentenced in the Auckland District Court to two years imprisonment after taking money from customers without intending to supply goods as promised.

### [Judge criticises mobile trader for targeting the vulnerable](#)

22 February. Mobile trader Bestdeals 4 You Limited (Bestdeals) fined \$47,250 in the Auckland District Court for failing to disclose key consumer information about its credit contracts and layby sales agreements.

### [Commission files charges against Auckland mobile trader, Appenture Marketing](#)

8 February. The Commerce Commission filed 24 charges against Appenture Marketing Ltd for failing to provide consumers with key contract information and for making false and misleading representations to consumers about their rights.





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***Thank you...from NTMs staff, Directors, Trustees,  
Partners, Loan Committee volunteers, Financial mentors,  
clients and whānau ...***

