

Good Shepherd NZ launches 'Good Now, Good Later' small loans

Good Shepherd NZ is excited to launch 'Good Now, Good Later' – small loans for people who need a hand with immediate, essential costs. Good Now, Good Later will never have interest and never have fees.

People working with community financial mentors will be able to access small loans of up to \$500 within 48 hours, paid back over 16 weeks.



The proposed regulatory changes recently announced to Buy Now, Pay Later (BNPL) do not go far enough to mitigate the harm this lending can cause for some New Zealanders. Those with limited incomes and dealing with the high cost of living are particularly exposed to getting caught in a cycle of using BNPL for essential day-to-day living. The result is that the 'interest free, fee free' small value lending quickly becomes larger and unmanageable through default and collection fees, coupled with unsolicited increases to the amount people can spend.

To make sure the loans are suitable for clients, Good Now, Good Later loans will be provided based on a recommendation from the financial mentor they are working with. For people who are struggling to stay afloat financially, a Good Now, Good Later loan will provide a quick solution to their most immediate needs.

Good Shepherd's Head of Financial Wellbeing, Natalie Vincent, says, "People can use a Good Now, Good Later loan to deal with their most immediate financial concern, which then let's them get on with the important work of dealing with their longer-term financial challenges, with the support of their financial mentor."

Half of the clients who currently approach Good Shepherd for support already have BNPL facilities they are unable to manage. To avoid missing payments and incurring fees, people are prioritising debt repayments over other essential family costs such as food and power.

Good Shepherd has a history of stepping into the gaps to provide better alternatives for people on the lowest incomes, and we are grateful for the support of BNZ to make Good Now, Good Later happen.

"We know that when community advocates and financial mentors have a wide range of products and services available to them when they are working with clients the more impact they can make, and we are really excited about working with them to get this off the ground."

Details:

- Loans up to \$500 within 48 hours
- 16 weeks to repay
- Available through financial mentors throughout New Zealand
- For New Zealanders on limited incomes

For media enquiries, please contact:

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About Good Shepherd NZ

We aspire for all women, girls and their families to be safe, well, strong and connected, and our objective in New Zealand is to support better futures for women, girls and their whānau who are experiencing disadvantage. In New Zealand we work across the areas of financial, social, and economic wellbeing, with a significant area of our focus on supporting the development of financial inclusion and microfinance programmes, in partnership with BNZ and with support from MSD, for families living on limited incomes.

Additional information:

- We see the impact of unaffordable BNPL lending on our clients. One of the ways we support people is through our DebtSolve programme, a free service for people with unmanageable debt - <https://goodshepherd.org.nz/debtsolve/>