

## HOLDING STATEMENTS

### HOLDING STATEMENT OF RESPONSE:

Yesterday (Tuesday 19th April), Minister Kelly O'Dwyer tabled the final report in Parliament and the recommendations for the small amount loans industry, following the Government Review of Small Amount Credit Contracts (SACCs).

The National Credit Providers Association (NCPA), the peak industry body representing the small loans industry, whose members are lenders providing SACCs, will shortly make comment, after the association's CEO, Phil Johns, has fully and in detail reviewed the 120 page report and the recommendations.

NCPA's members are responsible, ASIC-licensed providers of SACCs and will be directly affected by the recommendations and any proposed changes to the legislation.

NCPA and its CEO, Phil Johns, welcome the opportunity to provide commentary or be interviewed on this matter after reviewing the recommendations.

It is pleasing to see that the review committee and the ministerial media release using the correct terminology to describe SACCs, a highly regulated consumer credit product.

Furthermore, NCPA is completing a survey to find out what its members think of the proposed recommendations, which will also be made available.

For more information about the Government Review, NCPA's submission or for commentary on the wider industry, please do not hesitate to get in touch.

**- ENDS -**

Interviews with Phil Johns, CEO, NCPA are welcomed upon request.

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### Notes to Editors

### Key Statistics and facts from the research that NCPA commissioned by CoreData for the Government Review

#### 2014 -15

Completed applications received from new and existing customers: **2 million**

Contracts entered into: **1.3 million**

Credit advanced to consumers: **\$667 million**

Number of consumers: **988,000**

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Average loan amount: **\$502**

Average loan length: **117 days**

Average male age: **37 years old**

Average female age: **36 years old**

- The CoreData research project of over 2.4 million SACCs showed that in the quarter ending June 2015, 64.5% of SACCs were taken out by consumers whose main source of income was employment, up from 59.7% in the quarter ending September 2013. Conversely, in the quarter ending June 2015, 35.5% of SACCs were taken out by consumers who received 50% or more of their income from government benefits, down from 40.3% in the quarter ending September 2013.
- Almost, nine in 10 expected repayments were met, with a continued repayment uptrend. Matched by declining approval rates and increased loan completion success rates.
- Multiple contracts are not a problem. Only 6.8% of contracts were written where the consumer had an existing SACC. 95% of lenders, as a matter of policy, do not loan to a consumer with a SACC in default.

For more information about Small Loans, Big Need visit: [www.smallloansbigneed.com.au](http://www.smallloansbigneed.com.au)

### Additional Information on NCPA:

- The National Credit Providers Association (NCPA) is a mutual not-for-profit industry association, governed by a board of industry leaders. The NCPA represents the non-deposit-taking Australian Credit License holders, operating from nearly 300 retail locations or from dedicated online platforms.
- NCPA's diverse membership covers franchisors, franchisees, private and ASX listed companies, independent operators, small and large entities, who offer consumer credit under the NCCP Act. They all hold the same Australian Credit Licence as a bank and are also regulated by ASIC. Some members provide just the one type of loan, some provide a range of loan services and other financial products, such as brokerage for commercial and home loans.
- For more information visit: [www.ncpa.net.au](http://www.ncpa.net.au)