

MEDIA RELEASE

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Small Loan Providers Disappointed by Government Response

The National Credit Providers Association (NCPA), the peak body for Small Loan Providers in Australia notes the Government's response to the review of Small Amount Credit Contract (SACC) laws, announced on Monday.

Phil Johns, CEO of NCPA has expressed disappointment on behalf of members in regard to the announcement from Minister O'Dwyer to adopt some unworkable recommendations from the review panel's final report.

"NCPA supported the vast majority of recommendations made by the review panel, however recommendation 1 is of major concern," said Mr Johns.

"Recommendation 1 will disadvantage consumers as it causes loans to be longer, resulting in more fees to consumers, whilst at the same time, artificially restricting their access to credit. Unfortunately this recommendation will affect all consumers whether they are employed or not.

"The SACC laws in place since 2013 have been working well and have supported consumer protections as well as providing a highly regulated and needed form of financial inclusion for people that don't want more credit cards or other forms of on-going debt," said Mr Johns.

Over the past year the NCPA has been working with Government and the review panel to provide independent and current data. The research supports there has been vast improvement in the sector since the SACC legislation was established in March 2013.

The NCPA board will meet next week to discuss the implications of the review panel recommendations, if implemented as announced by the Government, and the impact this will have for consumers.

NCPA is committed to providing quality data and information that informs Government, the media, and the public on the facts about small loans.

For more information about small loans and the wider industry, please visit www.smallloansbigneed.com.au or <http://www.ncpa.net.au/publications/media-releases/> for prior Media Releases on this topic.

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

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For more information about Small Loans, Big Need visit: 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, and small and large entities, all of whom offer consumer credit under the NCCP Act. They all hold the same Australian Credit License as a bank and are similarly regulated by ASIC. Some members provide just the one type of loan and 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

Images:

1. Phil Johns, CEO of the NCPA



2. Small Loans, Big Need campaign Logo



3. NCPA Logo

