



## Overview

The National Credit Act, which requires all financial institutions and lenders to register as credit providers, came into effect on 1 June 2007. This Act aims to protect you by regulating our country's credit-granting practices so that you can benefit from a credit environment that is transparent, fair and responsible. Money can either restrict you because of debt weighing you down, or money can ease your mind and set you free to live your life as you choose. The money you work so hard for, can work even harder for you when you understand and manage it well. SABA looks forward to partnering with you in this rewarding journey.

## What is the National Credit Act?

The National Credit Act (NCA) protects your rights as a consumer by regulating the granting of loans or credit. In short, it makes responsible lending a shared responsibility between you and your credit provider. By making your credit or loan applications transparent, fair and easy to understand, it gives you the knowledge and power to manage your debt effectively and pay it back comfortably.

The Act reminds you that you have both the right and responsibility to understand and question how your credit agreements are structured, what payments you will be required to make, and what the terms and conditions involve.

## How does the NCA benefit you?

The National Credit Act ensures that:

- You are not discriminated against when you look for credit.
- You will be getting all the information you need on credit agreements in the official language of your choice.
- You understand all the terms used.
- You understand all fees, costs, interest rates, the total installment and any other details.
- You are offered the best products for your needs and the most responsible lending options.
- Your interest rate is reasonable.
- You can speak to a debt counselor should you experience difficulty with your repayments.
- You can say no to increases on your credit limit.
- You decide whether or not you want to hear about products or services from credit suppliers via telephone, SMS, mail or e-mail campaigns.

## What can you do to borrow affordably and wisely?

The following must be disclosed by the bank:

- Avoid buying goods on credit just because you can. Make sure that you really need them and that you can afford to pay for it over the long term.
- Always pay off your monthly installments on or before the due date to keep interest rates to the minimum and maintain a good credit record.
- Always pay off the loan with the highest interest rate first. This helps you to save on interest payments in the long run.
- Only apply for credit from a registered credit provider.
- Give the credit provider all the information they ask for to help them understand how much credit you can comfortably afford to pay back.
- Avoid turning short-term debt (like credit cards) into long-term debt (such as your home loan) simply to increase your cash flow now. You don't want to repay last month's grocery bill over the period of your home loan, as you pay more interest over a longer period of time.
- Live within your means by not spending more than you earn.
- Find out what your credit rating is and update your information regularly.