

The National Credit Act Explained:

The National Credit Act, 34 of 2005 ('NCA'), came into full effect on 1 June 2007 to regulate the way in which credit providers, including Umsobomvu Youth Fund, grant credit and protect your interest as one of our valued clients. To ensure that you fully understand the NCA and what it means to you and UYF, we have answered a few frequently asked questions and highlighted a number of important issues for you below.

Frequently Asked Questions

How does the NCA benefit me?

The NCA gives you the knowledge and empowers you to manage your debt effectively and pay it back without stress by ensuring that you fully understand all the implications of your credit agreements prior to getting into them. It also ensures that all related transactions are transparent, fair, and easy to understand and gives the right to seek any clarifications you may need.

What is the NCA supposed to do?

In short, the NCA has been put in place to ensure that:

- You have a right to all information on credit prior to accessing it and there after,
- you are not discriminated against when you apply for credit;
- you understand all the terms & conditions of your credit agreements;
- you are provided with clear information on interest rates, other charges, required repayments installments and any other details you may require;
- credit is granted to you in a responsible and empowering manner;
- you receive a competitive interest rate within the development credit providers;
- you may apply to a debt counselor for a debt review if you experience difficulty with your repayments (remember to first discuss any repayment problems with Umsobomvu Youth Fund so that we can try to assist you);
- You decide whether or not you want to be informed about products or services by credit providers.

How does the NCA affect my relationship with Umsobomvu Youth Fund?

The implementation of the NCA requires that we make some changes to the way we partner with you in meeting the financial needs for your micro enterprises development and expansion. There are two (2) important things you should know and understand:

- We can no longer start processing your credit application before doing a credit check on your credit history.
- To do a credit check on you, we must have your consent.

Where can I get more information on the NCA?

Contact the National Credit Regulator on 0860 627 627 or visit www.ncr.org.za