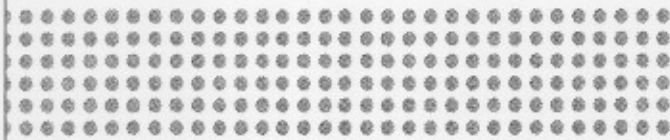
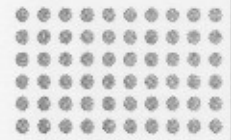


S73 Regulations

Assessing the information that is affected



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Balance between ...

S73(2) Minister must consider

- » Predictive nature
- » Socio economic impact upon consumers

- **Balance**

- Remove information that has negative impact upon consumer, out of relation to underlying action
- Without undermining the integrity of the financial system

Avoid risks, negative consequences ...

- Do not increase risk of over-indebtedness, by removing credit information
- Do not create favourable environment for fraud, ID theft, corruption - *Certain limitations*
- Do not increase cost of finance, by causing increased defaults & write-offs
- Do not undermine SME & housing credit, by removing information needed to assess applicants
- Do not assist borrowers that has recent history of regularly not meeting obligations

A number of other provisions in Act, also impacting upon credit records ...

- S68, 70: Protection of confidential information, accuracy of information, limited information for employment purposes ...
- S72: Access to credit records, dispute process...
- S70, R17: Data retention periods ... - *2yrs - 5yrs*
- S79-83, 85, 129, 130: Protection from reckless lending, from over-indebtedness, limitation of future judgments ... - *Set the easy to get judgement*
- S85: Referral or restructuring by magistrate, if over-indebted ...
- S86, 87, 88: Debt counseling & debt restructuring ...
- S71: Cleaning of record, once rehabilitated ...

A range of interventions to protect credit records, reduce judgments, reduce over-indebtedness, reduce reckless lending

How is balance struck, through the draft regulations ...

- Remove all small judgment & adverse information, remove older judgments remove paid-up judgments
- And create opportunity for paying up judgment amounts
- With audit requirement, initially and at end of process

But

- leave payment profile, multiple judgments, recent judgments & adverse information, large amounts, time to implement & adjust

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Assessing impact upon consumers & on predictiveness

Minister must consider ...

Socio-economic impact on consumers

Concerns with information that has huge impact on consumer's ability to get employment, access credit, engage in economic activity

Predictive nature of information

Removing only certain, defined information, leaving indications of regular pattern of default, of recent defaults, of defaults on large amounts ... & give time to adjust

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Thank You !

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