NGĀ TANGATA MICROFINANCE TRUST
MICROFINANCE FOR THE PEOPLE TRUST

Press Release 30 April 2019

Safe Fair Interest Free Loans top $1 million

Ngā Tangata Microfinance (NTM) has this month celebrated a key milestone, providing over $1 million in safe fair and affordable no interest loans to nearly 500 low income clients.

Alongside Kiwibank, the J R McKenzie Trust and partner Budgeting Services, NTM supports families and individuals in financial hardship, with over 80% of its loans providing relief from high-interest debt

An evaluation conducted by the University of Auckland's Centre for Applied Research in Economics found NTM's no-interest loans were crucial in helping low-income clients break the cycle of debt caused by predatory payday and fringe lenders.

NTM's Executive Officer Robert Choy said clients were looking for a hand up, not a handout.

"Most of NTM's clients facing desperate situations have been unable to secure bank loans and find themselves borrowing from third-tier lenders that charge high interest rates and fees – making it difficult for them to repay the loan as the original amount borrowed spirals out of control. That's why we exist – to provide a service that's safe, fair and affordable, and to show people that the debilitating stress of high-interest debt doesn't have to be permanent."

Alongside the loan, NTM partners with Financial Mentors in Budgeting Services who work closely with clients to pass on the knowledge and skills needed to ensure problem debt does not impact these families again.

Financial Mentors have often commented "The NTM loan gives my clients a purpose and a goal. It is a fantastic tool in our armoury, it means we can actually assist the client to get out of debt"

Many of these families have not only felt relief from paying off their debt but empowered to become more financially literate; passing on their stories to friends and wider family members to ensure they too do not fall victim to high interest loans.

In celebrating this milestone, Robert Choy says, "While we work closely with partners to improve the awareness of NTM's loans, many kiwis still do not know about their availability. It would be encouraging to break the next million-dollar mark even sooner, to make a positive difference to so many more New Zealander's. We also hope that the current review of the credit legislation will result in an interest rate cap so Kiwi consumers can borrow in a much safer environment."

ENDS

Contact: Robert Choy, Executive Officer, Ngā Tangata Microfinance
Email eo@ntm.org.nz or phone 021 925 460 www.ngatangatamicrofinance.org.nz

Background information on Ngā Tangata Microfinance

- Established in 2010 with a vision of building a more just and equitable society for people on low incomes
- Offers loan products at no interest or fees to assist with family asset building and well-being or essential items or services, or for relief from high interest debt, and debt consolidation.
- Qualifying conditions for all loan applicants include a low income and the willingness and capacity to repay the loan within 2 years.
- Ngā Tangata values the relationship that clients have with a financial mentor. Financial education occurring alongside our loans is encouraged.
- The three establishing organisations of NTM are Child Poverty Action Group, New Zealand Council of Christian Social Services, and New Zealand Federation of Family Budgeting Services.
- The loan capital is provided by Kiwibank. J R McKenzie Trust provides funding for operational costs. Good Shepherd Microfinance in Australia and Good Shepherd NZ, has provided advice, support and information.
- In 2013, Ngā Tangata Microfinance Trust and Kiwibank were supreme winners of the NZI Sustainable Business Awards.