



20 October 2022

Submitted via consumer@mbie.govt.nz

Consumer Policy Team
Building, Resources and Markets
Ministry of Business, Innovation & Employment
Wellington

RE: Letter of support for FinCap submission responding to the Credit Contracts and Consumer Finance Amendment Regulations (No 2) 2022 and updated Responsible Lending Code Consultation paper

Muaūpoko Tribal Authority (MTA) welcomes the opportunity to comment on the Credit Contracts and Consumer Finance Amendment Regulations (No 2) 2022 and updated Responsible Lending Code Consultation paper (consultation paper). We submit this letter of support for the FinCap submission, as we strongly support their comments and recommendations.

We work in partnership with FinCap, with a focus on promoting whānau prosperity by addressing child poverty in Taitoko, Levin.

General comments

The wider reform of the Credit Contracts and Consumer Finance Act (CCCFA) is delivering positive differences on the ground. Our whānau and kaimahi are reporting fewer issues with high-cost lending and truck shops in our community. The expectation of accurate affordability assessments that act as financial health checks mean that we feel our whānau are safer and their wellbeing is being better protected.

No tamariki should have to go without essentials because of lending that was never going to be affordable. We have been informed by FinCap that more whānau have been able to avoid such situations and instead begin on a journey towards financial wellbeing because of the December 2021 changes. We don't want to see these crucial protections for our whānau being cut back.

We agree with the overall themes in the FinCap submission. Every borrower has unique circumstances and objectives in seeking credit, and affordability as well as suitability assessments for each individual loan should reflect this. Lenders should understand what borrowers are trying to do and make sure that they are delivering that, not a cookie cutter response that could cause harm.

Ngā mihi,

Di Rump
CEO Muaūpoko Tribal Authority