

Your name and organisation

Name	Charlotte Whitaker
Organisation	

Responses to discussion document questions

Regarding the excessive cost of some consumer credit agreements

1	<p>Do you agree that the problems identified with high-cost lending (even where it is compliant with the CCCFA) are significant? Do you have any information or data that sheds light on their frequency and severity?</p> <p><i>Yes, I am a budget adviser and see the impact on a daily basis</i></p>
2	<p>Do you support any of the extensions of Cap Option A? What would be the impact of these extensions on borrowers, lenders and the credit markets? Do you have any information or data that would support an assessment of the impact of these extensions?</p> <p><i>Yes, but how would you know if a client has a high cost loan? Especially if the creditor doesn't follow the CCCFA as it stands now?</i></p>
3	<p>Do you agree with our assessment of the costs and benefits of the options for capping interest and fees? Are any costs or benefits missing? Do you have any information or data that would help us to assess the degree or estimate the size of these costs and benefits?</p> <p><i>How do you identify high cost lenders?</i></p>
4	<p>Do you have any suggestions for the design of options for capping interest and fees? If so, what would be the impact of your proposed design on borrowers, lenders and the credit markets?</p> <p><i>No other suggestions but love this idea, squeezing out the sharks!</i></p>
5	<p>Which interest rate cap options, if any, would you prefer? Which interest rate options would you not support? Please explain how you made your assessment.</p> <p><i>I would support C – The other two don't go far enough. Once the predatory lenders are taken out of the mix, consumers would have to seek help through community, govt, but at present this sometimes doesn't happen until its too late</i></p>

Regarding continued irresponsible lending and other non-compliance

6	<p>If directors have duties to take reasonable steps to ensure that the creditor complies with its' CCCFA obligations, should any duties apply to senior managers?</p>
	<p><i>Everyone who works for the organisation should be accountable</i></p>
7	<p>If there are to be more prescriptive requirements for conducting affordability assessments, what types of lenders or loans should these apply to?</p>
	<p><i>Every lender</i></p>
8	<p>Should there be any change to the requirement that lenders can rely on information provided by the borrower unless the lender has reasonable grounds to believe the information is not reliable? What would be the impact of such a change on borrowers, lenders and the credit markets?</p>
	<p><i>Yes. All lenders should rely on three months bank statements, proof of income. Impact on lenders=costs more to prove borrower can afford it, but the knowledge the borrower can afford it is better than chasing borrower when they default. Borrowers would not have the option of lying on applications (especially online) anymore and they would be better off in the long term.</i></p>
9	<p>Do you consider there should be any changes to the current advertising requirements in the Responsible Lending Code? If so, what would be the impact of those changes on borrowers, lenders and the credit markets?</p>
	<p><i>Yes, needs to be transparent. Would create more competition in the market which would be better for the borrower. Borrower would be educated before applying instead of learning after(most often the hard way)</i></p>
10	<p>Do you agree with our assessment of the costs and benefits of the options to reduce irresponsible lending and other non-compliance? Are any costs or benefits missing? Do you have any information or data that would help us to assess the degree or estimate the size of these costs and benefits?</p>
	<p><i>Yes</i></p>
11	<p>Do you have any suggestions for the design of options for reducing irresponsible lending and other non-compliance? If so, what would be the impact of your proposed options on borrowers, lenders and the credit markets?</p>
	<p><i>Tougher and immediate penalties for non-compliance = good deterrent for others.</i></p>

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Which options for reducing irresponsible lending and other non-compliance would you support? Which would you not support? Please explain how you made your assessment.

Registration – a,c

Responsibility – a,c

Enforcement – a,b,c,d,e

The bigger and stronger the better – needs to be robust and well defined. No room for interruption

Regarding continued predatory behaviour by mobile traders

13

Do you agree with our assessment of the costs and benefits of the options for covering additional credit contracts under the CCCFA? Are any costs or benefits missing? Do you have any information or data that would help us to assess the degree or estimate the size of these costs and benefits?

Yes.

14

Do you have any suggestions for the design of options for covering additional credit contracts under the CCCFA? If so, what would be the impact of your proposed options on borrowers, lenders and the credit markets?

The stronger the better

15

Which options for changes to cover additional credit contracts would you support? Which would you not support? Please explain how you made your assessment.

A, b – tired of seeing people ripped off as they cant afford to pay for items outright

Regarding unreasonable fees

16

If prescribed fee caps were introduced, who should they apply to, and what process and criteria should be used to set them?

Every lender, option b

17

Do you agree with our assessment of the costs and benefits of the options for capping interest and fees? Are any costs or benefits missing? Do you have any information or data that would help us to assess the degree or estimate the size of these costs and benefits?

	yes
18	Do you have any suggestions for the design of options for reducing unreasonable fees? If so, what would be the impact of your proposed options on borrowers, lenders and the credit markets?
	<i>No suggestions</i>
19	Which options for changes to fees regulation would you support? Which would you not support? Please explain how you made your assessment.
	<i>A – better enforcement</i>
20	Have you seen issues with excessive broker fees, or other unavoidable fees charged by third parties, being added to the loan? If so, are there any specific changes that should be made to the regulation of third-party fees? What would be the impact of these changes on lenders, borrowers and third parties?
	<i>Haven't seen any but they need to have a cap</i>

Regarding irresponsible debt collection practices

21	Is this an accurate picture of the problems for consumers experiencing debt collection? Do you have information that confirms or refutes these issues, or sheds light on how widespread or severe they are?
	<i>Some companies have a hardship team, but in order to get under hardship (interest freeze, lower repayments) the lender ensures the borrower can afford it. If the borrower cant afford it, they are stuck with the original terms of the contract even though the lender has proven the borrower cant even afford the hardship terms! Ironic</i>
22	What information should be provided to borrowers by debt collectors? When and how should this information be provided?
	<i>All info should be provided to debt collectors at the time the debt is handed to them. Some debt collectors don't know when the original debt was incurred</i>
23	Do you agree with our assessment of the costs and benefits of the options for addressing irresponsible debt collection? Are any costs or benefits missing? Do you have any information or data that would help us to assess the degree or estimate the size of these costs and benefits?

Yes. Once this sector is controlled, there may be less insolvencies due to borrower being able to negotiate what they can afford and the reduced contact from the debt collector. A lot of insolvencies are due to debt collectors intimidation, contact and lack of negotiation

24

Do you have any suggestions for the design of options for addressing irresponsible debt collection? In particular, what is an appropriate frequency of contact with debtors before (and then after) a payment arrangement is entered into? Please state the likely impact of your proposed options on borrowers, lenders and the credit market.

Once a week until there is either a budget adviser involved or an arrangement in place, then every three months

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Which options for changes to the regulation of debt collection would you support? Which would you not support? Please explain how you made your assessment.

- a- Need to have all info. This saves time for a budget adviser waiting for the collectors to get it from the lender.*
- b- Most plans the debt collectors offer (ie the only plan they will accept) are oppressive for the borrower.*
- c- Mental health, intimidation*
- d- Just makes sense*
- e- Stop oppressive fees*

Regarding other issues

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Are you seeing harm from loans to small businesses, retail investors or family trusts as a result of them not being regulated under the CCCFA?

No, haven't heard of any

27

Do you think small businesses, retail investors or family trusts should have the same or similar protections to consumers under the CCCFA? Please explain why/why not.

Don't know enough about to comment on

28

Are there any other issues with the CCCFA or its impact on vulnerable people that are not addressed in this discussion paper? If so, what options should MBIE consider to address these issues?

[Insert response here]



Any other comments

We welcome any other comments that you may have.

[Insert response here]