

NATIONAL CREDIT REGULATOR



on becoming creditwise

1 Don't ignore your debt

- Resolve to deal with your indebtedness using the means at your disposal.
- Get in touch with your credit providers and explain your situation. Remember, credit providers would rather receive small payments from you than none at all, so negotiate lower installments.
- Avoid dealing with your financial issues in secrecy or through denial; make your family aware of your situation.

4 Cut down on your expenses

- Eliminate non-essential items. Short-term discipline will ensure long-term financial stability for you and your family.
- Make a list differentiating between your genuine needs and things you merely want – and stick to it.
- It's a mistake to cancel important car and house hold insurance policies.
- Where possible, avoid paying others to do things that you can do yourself.
- Cut down on unnecessary expenses and luxuries.

9 Seek help from a debt counsellor

- If you cannot afford your monthly repayments, approach your credit providers and negotiate lower payments.
- Debt counsellors help consumers to manage and restructure their debts.

10 Start saving today

- Plan to save money every month.
- With the money you put aside, create an emergency fund for unforeseen circumstances, which may arise.
- Be consistent and accurate with your budget and keep what is left over.
- Cut down on unnecessary expenses and luxuries.
- Draw a budget & stick to it

2 Prioritise and pay your debt

- Formulate a budget representing all your income and monthly expenses.
- First pay the bills on essentials like housing, electricity and insurance.
- After essentials, pay your day-to-day expenses like travel and food.
- Give priority to those debts that carry the highest interest and then the rest in descending order.
- Seek expert advice before selling anything.

5 Never skip your repayments

- Continue making payments, even when you are under debt counselling.
- Pay as much as you can to prevent the debt from escalating.
- If you do not pay, you could lose your house or your car!

8 Act now, do not wait until it's too late!

- If you cannot afford your monthly repayments, approach your credit providers and negotiate lower payments;
- If this fails, contact a registered debt counsellor;
- Debt counsellors help consumers to manage and restructure debt;
- Debt counselling is not a payment holiday, if you do not pay your debts whilst under debt counselling, credit providers will repossess your goods.

3 Avoid borrowing to pay off debt

- Avoid using credit cards to pay for existing debt at all costs.
- Credit only creates more debt, so don't take on any extra credit cards or store cards.
- If you get retrenched, use the retrenchment package to pay off debt; the effects of a bad credit record lasts a lot longer than the short-term financial inconvenience.

6 Prioritise your home loan payment

- Never skip a home loan payment, even when you are under debt counselling.
- Pay as much as you can.
- Be careful – you can lose your house!

7 Always act on a letter of demand

- When you receive a letter of demand, don't ignore it – respond to it!
- Contact your credit providers and explain your situation. Remember, credit providers would rather receive some payments than none at all.
- Don't be threatened or bullied into making promises you can't fulfill; you still have rights, use them.

Financial freedom is within your reach.



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