



The National Credit Regulator  
 127-15<sup>th</sup> Road, Randjespark  
 Midrand  
 1685  
 Tel: 0860 627 627  
 Website: [www.ncr.org.za](http://www.ncr.org.za)

## **MEDIA RELEASE**

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**October 2021**

### **Mortgages growth holds steady**

The National Credit Regulator (NCR) released the Consumer Credit Market Report (CCMR) and the Credit Bureau Monitor (CBM). These reports are based on the data submitted to the NCR by registered credit providers and credit bureaus, respectively. The latest edition of the reports covers credit market information from April 2021 to June 2021. The total value of new credit granted increased by 5.81% quarter-on-quarter from R138.81 billion to R146.87 billion. The number of credit agreements entered into increased by 9.63% quarter-on-quarter from 3.20 million to 3.50 million.

The following were some of the most significant trends observed in terms of credit granted for the quarter ended June 2021:

- The value of new mortgages granted increased by R2.32 billion (4.27%) quarter-on-quarter and by R43.60 billion (335.77%) year-on-year.
- Secured credit which is dominated by vehicle finance, increased by R2.23 billion (5.45%) quarter-on-quarter, and by R22.67 billion (110.50%) year-on-year.
- Credit facilities increased by R1.18 billion (6.02%) quarter-on-quarter and by R11.33 billion (119.24%) year-on year.
- Unsecured credit increased by R2.32 billion (11.51%) quarter-on-quarter and by R12.23 billion (119.71%) year-on-year.

The total outstanding consumer credit balances (or gross debtors book) as at June 2021 was R2.05 trillion, representing an increase of 0.95% quarter-on-quarter and of 4.64% year-on-year. The trends for outstanding balances for the quarter ended June 2021 were as follows:

- Mortgages debtors book increased by R18.16 billion (1.74%) quarter-on-quarter and by R76.48 billion (7.77%) year-on-year.

- Secured credit debtors book increased by R3.12 billion (0.68%) quarter-on-quarter and by R16.06 billion (3.62%) year-on-year.
- Credit facilities debtors book increased by R1.53 billion (0.58%) quarter-on-quarter and by R8.66 billion (3.36%) year-on-year.
- Unsecured credit debtors book decreased by R2.77 billion (1.30%) quarter-on-quarter and by R10.72 billion (4.85%) year-on-year.

Credit bureaus held records for 26.22 million credit-active consumers, which showed a decrease of 4.77% when compared to the 27.53 million in the previous quarter. Consumers classified in good standing decreased by 868,581 to 16.14 million consumers. This amounts to 61.59% of the total number of credit-active consumers. The number of credit-active accounts decreased from 85.09 million to 85.08 million in the quarter ended June 2021. The number of impaired accounts has decreased from 20.18 million (23.71%) to 19.86 million (23.34%) in June 2021, a decrease of 313,348 quarter-on-quarter and 796,144 year-on-year.

The number of credit reports issued to consumers increased from 584,437 to 588,018. A total of 548,150 (93.22%) credit reports were issued free of charge, and the balance of 39,868 (6.78%) were issued at a cost. There were 30,844 disputes lodged on information held on consumer credit records for the quarter ended June 2021.

It is by no doubt that, COVID-19 has had a financial impact on consumers as some have lost employment whilst others have had a reduction in their income. This has therefore; put a lot of strain to immediate families and even extended families. The NCR continues to encourage those consumers who are battling with their debts to use available debt relief mechanisms such as contacting one's credit providers and re-negotiating payment terms, if this fails, consumers can consider debt counselling. A list of all registered debt counsellors is available on the NCR's website ([www.ncr.org.za](http://www.ncr.org.za) or by calling 0860 627 627). Credit life insurance is also an option to be considered where necessary. In order to know if you have credit life insurance, consumers should check their credit agreements or contact their credit providers for assistance, says Nomsa Motshegare, the Chief Executive Officer (CEO) of the NCR.

***Comparisons in this release- 'quarter-on-quarter' refers to a comparison between the March and June 2021 quarters, and 'year-on-year' refers to a comparison between the June 2020 and June 2021 quarters.***

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### **About The National Credit Regulator**

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act 34 of 2005 (NCA) and is responsible for the regulation of the South African credit industry. The NCR is mandated with the registration of Credit Providers, Credit Bureaus, Debt Counsellors, Payment Distribution Agents, and Alternative Dispute Resolution Agents; and monitoring their conduct in compliance with the National Credit Act as amended. The National Credit Regulator offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible and dynamic.

### **For more information contact:**

Media Office: [media@ncr.org.za](mailto:media@ncr.org.za)

Or

Didi Sebothoma

064 752 3910

E-mail: [dsebothoma@ncr.org.za](mailto:dsebothoma@ncr.org.za)

Website: [www.ncr.org.za](http://www.ncr.org.za)