

RHLF PRESENTATION

Credit Amnesty, Debt Relief & Data Sharing

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Credit Information Amnesty

- Amnesty 1 – 1 June 2006
 - Removal of all dormant accounts older than 24 months (last update)
 - Removal of defaults listed prior to 1 September 2006 less than or equal to R500
 - Removal of Judgements listed prior to 1 September 2006 less than or equal to R500, unless consumer had 2 or more judgements
 - Removal of judgements listed prior to 1 September 2006 less than or equal to R5 000 and older than 18 months, unless consumer has more than 2 judgements
 - Removal of all paid up judgements listed prior to 1 September 2006 less than or equal to R50 000
 - Allow application by consumer to remove judgements which were paid in full listed prior to 1 September 2006, that are less than or equal to R50 000, on presentation of proof of payment



Credit Information Amnesty

- Amnesty 2 – 1 April 2014
 - Removal of adverse information prior to 1 April 2014,
 - Removal information of paid up Judgements,
 - Requirements on Registered Credit Bureau:
 - Not to display data that form part of the Amnesty.
 - Requirements on Credit Providers:
 - Remove paid up Judgements within 7 days.
- Other Indirect Amnesty Measures
 - Prescription of debt aged over 36 months,
 - In Du-plum,
 - Reckless Credit.



Debt Relief / Forgiveness

- Consideration that the NCA should make provision for the Prescription of Debt Relief Measures to Alleviate Household Over-indebtedness in different economic circumstances.
- Various models looked into from India, South America and Australia,
- The Minister to be given the Power to Prescribe Debt Relief Measures through Regulations, after having considered the prevailing economic circumstances amongst other factors.
- Deliberations have taken place in Parliament where a number of Stakeholders were invited to make submission into the process.
- The DTi Committee has decided to introduce a Committee Bill and the DTi will only provide technical support to the process and all enquiries in respect of this process should be directed to Parliament.



Additional Powers to the NCR

- NCR to be given powers to declare credit agreement Reckless and Unlawful, and declare provisions of credit agreements unlawful in line with its assumption of Administrative Enforcement Powers,
- The NCR should be given the Power to Conduct Pro-active Investigations and Regulatory Audits to monitor compliance with the NCA without consumer complaints. The NCR should Initiate Investigate and Audit “without reasonable suspicion” of NCA contravention,
- The National Policy Review, Amendment Bill and Cabinet Memo will be submitted to the Minister to submit them to Cabinet during this Financial Year.





SACCRA & Data sharing slides



SACRRRA | CREDIT & RISK
REPORTING ASSOCIATION

The Importance of Data & Data Sharing



- Data is vital to inform any decision be it credit, risk, business, strategy or policy
- The quality, availability, accuracy and recency of the data all have an influence on these decisions, therefore the source of data becomes important, remember the age-old adage of GIGO (Garbage-In-Garbage-Out)
 - SACRRA has for a long time coined the phrase **“Data is to business what water is to life”**
- In our world of “credit & risk data” which has various industries sharing data with multiple credit bureaus, interpretation and standardisation of data is key both from a hosting of the data and user perspective
- Everybody benefits when everybody shares quality data..... the consumer, individual businesses, the industry and the economy:
 - The consumer – **access to formal credit and protection**
 - Individual business – **risk mitigation and management, growth and increased profits**
 - The industry – **responsible lending and reputation, cost of credit**
 - The economy – **growth which can result in a host of benefits e.g. tax breaks**
- Regulation compels the sharing of data by registered credit providers, going forward the principle of reciprocity will be applied to voluntary data contributors (Non-NCR registered)



NCR Memorandum of Agreement



- The NCR has approached SACRRA to consider entering into a MOA for a period of at least 3 years or a period that works for all, currently in finalisation stage
- The MOA will assist in enabling implementation of Regulation 19 (13) by adopting the SACRRA L700 v 2 and the Data Transmission Hub as the “form and manner” for credit providers to submit credit data to the credit bureaus
- The NCR cannot make it mandatory for their registrants to join SACRRA directly but may will collect fees for the use of the L700 v 2 and DTH (the fees we understand may be the same as SACRRA Membership for NCR credit provider categories 1 - 5 and for categories 6 - 9 the fees will be discounted as per SACRRA Affiliate Led Group Membership)
- As part of the MOA SACRRA will be compelled to monitor data compliance and report on non-submission and data quality for both members and non members
- Note: credit providers who choose not to become SACRRA members will only have access to the L700 v2 and DTH and will not enjoy the benefit of having further access to SACRRA tools or assistance from the SACRRA Office in terms of their data submissions but will nevertheless be reported on as part of the MOA



SACRRA The Data Champion



- Independent Association not for gain currently funded by our Members to serve our Members, going forward also by non-members for the use of our Data Spec and DTH
- Our focus and mission is on **DATA SHARING** and in particular **DATA QUALITY**
- We provide the framework, environment and tools to facilitate the sharing of credit & risk data which includes various applications, our Data Specification called the L700 v 2 and our Data Transmission Hub (co-owned by the CBA) which is a secure data transfer mechanism that shares data to all registered credit bureaus authorised to host data by the NCR
- We manage & monitor data submissions of our members and importantly assure the quality of these submissions as recency and accuracy is vital when accessing the data for credit & risk assessments and affordability calculations
- Our Data Specification allows for a common interpretation of the data across all industries and data contributors
- The SACRRA data sharing environment provides an enabler for full compliance with the provisions of s19(13) of the National Credit Act



SACRRA's role



- We ensure recent and complete credit & risk data is shared on the bureaus for all our members to benefit;
- We drive the standardisation of credit & risk data content, the layout, interpretation and common understanding thereof with the effective application of data by our members
- We strive to ensure that data of the highest quality and standard is shared so that you have one view of a customer at all credit bureaus & facilitate remedies on defective data so that high quality data is loaded at all times;
- New layouts to cater for new data / products e.g. overdraft, debt recovery, mortgage pre-registrations etc.;
- SACRRA is the driver of change and operates in a dynamic environment, hence the need to be innovative and forward thinking for our members.
- SACRRA engages broadly, on behalf of our members with key stakeholders such as Government, Regulators, industry bodies and the media;
- SACRRA members have access to a unique, complete and up-to-date database of payment data which they can use to drive their credit and risk assessments;



THANK YOU

