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Micro Finance Delight

The National Australia Bank has announced a \$30 million commitment to four Micro Finance initiatives, that will be delivered in partnership with the Good Shepherd Youth and Family Services nationally and UnitingCare Wesley in Adelaide

“This announcement is a huge boost in financial support for low income South Australians and we congratulate the National Australia Bank on their commitment to people who are largely excluded from mainstream financial services” said Trish Burden, Manager of Community Services for UnitingCare Wesley Adelaide.

Micro Finance is a term generally used for financial services that help low income people who would not otherwise have access to finance.

In South Australia, UnitingCare Wesley Adelaide will be working with the NAB and Good Shepherd Youth and Family Service on two programs.:

- **STEP UP LOAN PILOT PROJECT** -these are small personal loans for people who have no credit history and who currently can only access credit through credit cards and alternate finance providers like payday lenders, with very high interest charges. The Step Up Loan offers a lower rate of interest than mainstream personal loans.

NO INTEREST LOANS SCHEME (NILS) – these are loans for less than one thousand dollars for urgently needed household goods that would not otherwise be achievable. The replacement of broken fridges, washing machines and replacing hot water services are common calls for NILS loans. There are already 240 no interest loans schemes around Australia.

The other two programs being developed through the initiative are Micro Enterprise Development loans and Affordable Insurance for home contents and car insurance.

“The experience of Micro Finance schemes in Australia and overseas is of an exceedingly high commitment by finance recipients to repay the loans promptly, so the capital provided by NAB will last for a very long time and help a considerable number of low income individuals and families,” added Ms Burden.

Further details about programs operation in South Australia will be announced shortly.

“We are now hoping that the State Government will come to the party and contribute to the capital for Micro Finance projects in South Australia, as other State governments have done. This will allow the Micro Finance initiative as announced by the National Australia Bank to be expanded in South Australia to benefit more lower income households” Ms Burden concluded.

Further Comment

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