

# National Credit Act



First National Bank - a division of FirstRand Bank Limited.  
An Authorised Financial Services Provider.



**FNB**  
First National Bank

*How can we help you?*

First National Bank, as a registered credit provider, fully supports the National Credit Act. It's our aim to meet your credit needs in a responsible manner. With this in mind, we have designed this brochure to help you understand this important legislation and how it may affect you.

Key sections of the National Credit Act (NCA) regarding the conduct of and compliance by credit providers came into effect on 1 June 2007. The Act:

- Provides one set of rules for all credit activities
- Aims to prevent reckless lending and unfavourable lending practices and
- Establishes new and improved rights for credit consumers.

### Does the NCA apply to you?

This new legislation will affect you if you are applying for any of the following FNB products:

- Overdraft
- Credit Card
- Personal Loan
- Vehicle Finance
- Home Loan
- One Account

Existing credit agreements will remain subject to the Usury Act, and therefore the current terms and conditions of your agreement will remain unchanged unless you apply for a change to your existing agreement.

### How will the NCA benefit you?

The legislation establishes new consumer rights relating to borrowing, but also puts firm obligations on any borrower.

*When applying for a credit product, as the credit provider, FNB must:*

- Do a proper **assessment** of each customer's ability to meet the repayments. This requires full disclosure by the borrower of total monthly income and expenditure and details of any other credit agreements already held
- Evaluate the customer's **understanding** and appreciation of the risks, costs and obligations of the proposed credit agreement

- Assess the customer's ability to meet the repayments timeously within his/her existing financial means and their debt repayment **history**
- Give valid **reasons** should the loan be declined
- Gain customer **consent** in order to market other products to you
- Gain your **spouse's written consent** if you are married in Community of Property
- Report all new credit agreements to a **credit bureau** and **National Loans Register** and on a monthly basis provide a report to the credit bureau on the conduct of your account
- Ensure that information submitted to a credit bureau is **factually correct**
- Provide customers with a **pre-agreement** containing the main features of the agreement and a quotation of all the costs. This quote is valid for five business days and gives the customer the opportunity to consider the offer.

### ***When doing your day-to-day transactions:***

Previously FNB may have paid some transactions when these exceeded the available funds in your account without a formal credit agreement in place between you and FNB. From 1 June 2007, to promote responsible lending, we require that a formal credit agreement be in place before any such transactions can be paid.

This means that, if you do not have an overdraft in place and a payment is presented without sufficient funds in your account, FNB may have to **reject the payments**. It is therefore in **your interest to ask for a credit limit in case an unplanned payment is presented**. The rejection of any transactions, in turn, may have a negative effect on your credit rating, which poses a risk to you when you apply for any new credit arrangements in the future.

### **Other general benefits offered by the NCA**

- You have the right to access and query your credit records and information held by a credit bureau and to be notified before negative information is reported by the credit provider to the bureau.

- You have the right to resolve a complaint through a dispute resolution process. You should always contact the local branch of the credit provider first. However, if you are not satisfied with the response from us, you can report your complaint to the Banking Services Ombudsman. Thereafter you can report your complaint to the National Credit Regulator.
- If you are over-indebted and are having difficulty meeting your payments, the NCA provides for a debt counselling process where you can discuss your position with a debt counsellor.
  1. An investigation into your financial position, living expenses and debt obligations will be done and the debt counsellor will either reject your request (because he/she believes you can actually meet your current repayments) or he/she will make a recommendation to the credit providers as to how you can repay them.
  2. If accepted, this will be approved by a magistrate and you will be obliged to meet your new monthly payments. **You may not borrow any additional money until you have repaid all your credit providers and any revolving credit facilities will then become inaccessible.**
  3. We would strongly recommend that you approach your nearest FNB branch or the FNB Internal Debt Review Centre before meeting a debt counsellor.

## Frequently Asked Questions

*Q: Does the bank need to obtain my permission to search my credit bureau records?*

**A:** No, the bank does not need to obtain your permission to obtain information from the credit bureau to do a credit assessment.

But your consent is required:

- For job applications, when the position requires trust and honesty and entails the handling of cash or finances
- When assessing an application for insurance
- When verifying educational qualifications and employment history.

***Q: Will temporary credit limit increases be allowed and can the bank automatically increase credit limits?***

**A:** Temporary credit limit increases are allowed if your purchase exceeds your existing credit limit or if you request a temporary limit increase to accommodate a specific transaction. With the latter, the credit facility must go back to the previous limit within a specified period. If you choose an automatic credit limit increase at the time of applying for the product, the limit may be increased automatically once during the year according to a set formula.

***Q: What rights do I have?***

**A:** You have the following rights:

- The bank needs to inform you if we are going to report negative information on you to a credit bureau (before we actually report you).
- You must receive a copy of your credit record when you request it from a credit bureau.
- You may challenge any information held by a credit bureau, should you be unhappy with the information.
- Your information must be kept confidential and may only be used for purposes allowed by the Act.

***Q: Will I be notified before the negative information is sent to the credit bureau?***

**A:** You will receive at least 20 business days notice before a credit provider submits your information to a credit bureau. It is your responsibility to inform the credit bureau within these 20 days should the information be incorrect.

***Q: How will the bank assess whether I can afford the credit?***

**A:** The bank must decide if you can afford the loan or other credit, whether you understand the implications of the credit agreement (including the risks, costs and obligations) and if you are able to make the necessary payments.

You will not be given any protection if it is established that you failed to fully and truthfully answer any requests for information made by the bank as part of the assessment.

## How can we help you?

### Check your credit record with a credit bureau

- To check your credit information with a credit bureau, please visit [www.fnb.co.za](http://www.fnb.co.za) and click on the Credit Bureau link. This record is free during the month of your birthday. Should you request a report outside of your birthday month or request more than one report a year, a fee will be charged by the credit bureau.

### Protect yourself against rejected payments on your accounts

- If you anticipate paying a transaction in excess of the available funds in your account, we invite you to visit your nearest FNB branch to apply for an overdraft facility.

### Allow for enough time when applying for new or increased credit facilities

- Due to the NCA's focus on over-indebtedness and the investigations FNB has to undertake to establish affordability of credit, we encourage you to arrange an appropriate credit facility with us well in advance. This will ensure we have sufficient time to assess your available credit, thereby preventing a returned payment when you write a cheque or swipe a credit card.

### Talk to us if you feel you may have too much debt

- If you have over-extended yourself, contact us and we will make every effort to find a way of helping you re-arrange your obligations. FNB has specialists to assist customers who bank with us with their over-indebtedness problems. Callers can liaise with the FNB Internal Debt Review Centre by phoning 0860 362 002.

## Useful contact details:

### FNB NCA Helpline

Call Centre	0860 11 22 44
Website	<a href="http://www.fnb.co.za">www.fnb.co.za</a>
Email	<a href="mailto:info@fnb.co.za">info@fnb.co.za</a>

### FNB Internal Debt Review Centre

Call Centre	0860 362 002
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### The National Credit Regulator

Call Centre	0860 627 627
Website	<a href="http://www.ncr.org.za">www.ncr.org.za</a>
Email	<a href="mailto:info@ncr.org.za">info@ncr.org.za</a>

### FAIS Ombudsman

Call Centre	0860 324 766
Website	<a href="http://www.faisombud.co.za">www.faisombud.co.za</a>

### Banking Services Ombudsman

Call Centre	0860 800 900
Website	<a href="http://www.obssa.co.za">www.obssa.co.za</a>

### Credit Services Ombudsman

Call Centre	0861 662 837
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## Credit Bureau Contact Details:

### TransUnion ITC Credit Bureau

Call Centre	0861 482 482
Website	<a href="http://www.itc.co.za">www.itc.co.za</a>

### Experian SA

Call Centre	0861 105 665
Website	<a href="http://www.experian.co.za">www.experian.co.za</a>

### Xpert Decisions Systems (XDS)

Call Centre	(011) 645-9114
Website	<a href="http://www.xds.co.za">www.xds.co.za</a>

### Compuscan

Call Centre	0861 514 131
Website	<a href="http://www.compuscan.co.za">www.compuscan.co.za</a>

Item No. 992510 May07  
FNB 01460-2007 01