

Provincial Legislature	Mandate iro voting on the National Credit Amendment Bill	Comment
Eastern Cape	<p>Votes in favour of the Bill and proposes the following amendments:</p> <ul style="list-style-type: none"> - Amending the definition of “debt intervention applicant” so that the income of the applicant should not exceed R10 000 (the Bill currently provides R7 500); and - Amending section 86A(1) so that the total unsecured debt does not exceed R80 000 (the Bill currently provides that it should not exceed R50 000) <p>The legislature proposes these amendments as it is of the view that:</p> <ul style="list-style-type: none"> - A lot of vulnerable consumers may be left behind if the income level is limited to those not earning more than R7 500 - The threshold is too low considering the high debts low income earners have. 	<p>The amounts contained in the Bill were arrived at after consultations. The figure of R7500 was obtained after consultation with debt counsellors to ascertain the group of people whom they do not assist because it is not economically viable for them to do so. The cost to assist a consumer is R8000. It is thus clear that the vulnerable group that cannot go to a debt counsellor for assistance (because the debt counsellor would not be willing to assist them), is that group of consumers earning less than R7500 per month. This figure is aligned with industry practices. The figure of R50 000 for total unsecured debt is connected to the maximum debt amount for administration orders. Both amounts were thus arrived at after due consideration. Furthermore, clause 29(b) of the Bill empowers the Minister to adjust these amounts after having considered a number of factors. These amounts are thus not cast in stone. The Bill makes specific provision for a regular review of these amounts to ensure that the amounts remain relevant to address over-indebtedness. Factors that will be taken into account are inflation, current levels of over-indebtedness and economic conditions at the time.</p>
Free State	Votes in favour of the Bill	n/a
Gauteng	Votes in favour of the Bill	n/a
KwaZulu Natal	Support the Bill. No amendments proposed in the accompanying report.	n/a
Limpopo	<p>Permanent delegate to vote in favour of the Bill with the following proposed amendment: “We propose that debt should be extinguished after a 12 month period if a debtor does not find employment.”</p>	<p>The issue of extinguishing debt is a contentious issue. When considering the actual extinguishment of a debt, it was necessary to consider the rights of both the consumer and the credit provider. The extended period of suspension is to ensure that the consumer is given sufficient time to get back on his / her financial feet, so as to limit the prejudice to the credit providers involved.</p>

			The extension of the period of 12 months for a further 12 months is thus a built-in safeguard measure to address the risks related to the extinguishment of debt.
Mpumalanga	Mandates its delegate to negotiate in favour of the Bill without any proposed amendments		n/a
Northern Cape	Votes in favour of the Bill. No amendments proposed in the accompanying report. Committee inputs in the accompanying report refers to implementation concerns and matters to be included in the regulations only.		n/a
North West	Votes in favour of the Bill. The report refers to the following proposed amendment: "The 6 month extension of credit life insurance be extended to at least 12 months."		Clause 19 provides for mandatory credit life insurance. The relevant clause 19(b) states "(1A) Where the term of the credit agreement exceeds six months, or such a period as may be prescribed..." The period mentioned relates to the length of an agreement and does not limit the period during which the credit life insurance will be active – the period of the credit life insurance will be linked to the period of the agreement. The Bill thus provides for the period to be extended to agreements of 12 months or even longer. This will however occur in the regulations after there was consultation between the relevant Ministers.
Western Cape	Confers the authority on its delegate to not support the Bill		n/a