

# Financial Counselling (Vic) Inc.

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## **NILS**

Dear Applicant,

Please find enclosed copies of all relevant documentation regarding your initial inquiry for a loan through the 'No Interest Loan Scheme' (NILS).

I encourage you to read this information thoroughly. Should you fit the necessary criteria then return the completed application and budget forms as soon as possible. Please retain the other material for your information.

Upon its return, the NILS committee of management will assess your application and further contact will be made with you.

Yours faithfully,

Judy Stott

For the NILS Committee

## **NO INTEREST LOANS SCHEME (NILS)**

### OPEN LETTER TO THE BORROWER

#### **Background and Philosophy**

The Financial Counselling (Vic) Inc. No Interest Loan Scheme (NILS) finally came about in 1995 after many months of work by a number of the FRCC Financial Counsellors.

An initial grant of \$6,000.00 was made available by the Brockhoff Foundation, organised by the NILS Network and the Good Shepherd Youth and Family Services. Since the seeding grant, additional funds have been provided by the Fred J Cato Fund, Bayside, Kingston and Glen Eira Councils, and again by the Brockhoff Foundation.

The reason financial counsellors feel the concept of NILS is so important arises out of their casework and support for their consumers. The casework revealed that many consumers were disadvantaged by the mainstream financial institutions that charged up to 29% interest on their loans. If you were wealthy, you would probably only pay 6% interest.

Not only do our consumers have to pay vast amounts of interest, but in fact are lucky to get a loan; the banks tend to ignore people on pensions, benefits or low incomes as they see them as high-risk borrowers.

In fact, the opposite is true. According to a study on low cost loan schemes (Credit to the Community, Chambers and Prosser 1990), low-income consumers tend to be extremely conscientious about paying their loans.

Back in the mid-1970's, the Fitzroy-Carlton Community Credit Co-op set up the first savings and loan service for their consumers. From that time, through the commitment of the users, these schemes are growing rapidly and providing a valuable source of credit to enable people on low incomes to purchase essential goods and services.

***In order for this concept to work, it is vital that the borrower takes responsibility for this loan and its repayment. This will ensure that the funds are 'recycled' for others to also benefit from the scheme.***

All the best with the use of this scheme. Should you encounter any difficulties in meeting your repayments, please contact us. We can help.

## **NO INTEREST LOANS SCHEME (NILS)**

### **Conditions and Policies of Loan**

Before any of the conditions below are considered, the applicant must be assessed from a financial counselling point of view and all other avenues explored.

1. This scheme is available to residents of the cities of Stonnington, Bayside, Glen Eira and Kingston.
2. Have resided in area for one year or longer or had a previous history of stable residency.
3. All applicants must complete a budget form.
4. Able to demonstrate the ability to pay loan off in no longer than two years.
5. Loans will not be made to pay off arrears in other payments, to consolidate loans or meet recurring debts as in rates, insurance, car registration, etc., or used to 'top up' an existing loan in this scheme. In the main, loans will be for white goods only.
6. Only two loans in succession, unless a period of six months has passed from the time of last loan.
7. Loans are subject to availability of funds in the scheme at the time of assessment with an upper limit of \$800.
8. All funds must be made direct to supplier of goods or service and will amount to the value of the goods less the first repayment amount. The borrower will make up this difference.
9. Not available to staff members.
10. Applications will not be processed by the Loan Officer, assessment to be made by the Committee.
11. If successful, applicants must be given a copy of the contract.
12. In unsuccessful, applicants must be given reasons for lack of success.
13. Size of suggested repayment is not relevant to the success or otherwise of loan.
14. All cases and conditions to be looked at on their own merit.

**APPLICATION for a N.I.L.S. LOAN**

Given Name(s):	Surname:
Address:	
Telephone:	Application No.
Referred by:	Date:

PURPOSE OF LOAN	AMOUNT REQUIRED
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FAMILY	CHILDREN	HOUSING
<input type="checkbox"/> Separated	Age _____ Name _____	<input type="checkbox"/> Buying
<input type="checkbox"/> Divorced	_____	<input type="checkbox"/> Private Rental
<input type="checkbox"/> De Facto	_____	<input type="checkbox"/> " Ministry of Housing"
<input type="checkbox"/> Single	_____	<input type="checkbox"/> Owned
<input type="checkbox"/> Married	_____	<input type="checkbox"/> Boarding
<input type="checkbox"/> Widowed	_____	<input type="checkbox"/> Other (Please explain)
	Other Housing: _____	_____

Date of Birth: \_\_\_\_\_ Length of time at present address: \_\_\_\_\_

Country of Birth

<b>INCOME</b>	\$	
Wages	\$	
Pension (Type)	\$	
Benefit (Type)	\$	
<b>TOTAL</b>	<b>\$</b>	

Approved by:
Date:
Cheque No.
Amount \$

<b>NILS BUDGET</b>		
Name :		Date :
Category - FORTNIGHTLY		Amount :
<b>INCOME</b>		
	Wages	\$
	Pension/Benefit	\$
	Maintenance	\$
	Other	\$
<b>TOTAL INCOME</b>		\$
<b>EXPENDITURE</b>		
Accommodation	Rent	\$
	Rent Arrears	\$
	House Repayments	\$
Rates	Local Council	\$
	Water	\$
Household	Gas	\$
	Electricity	\$
	Telephone	\$
Education/Health	School fees/Expenses	\$
	Kinder/Child Care Fees	\$
	Private Medical Cover	\$
	Medical	\$
	Dental	\$
	Chemist	\$
Transport	Vehicle - Loan	\$
	Registration	\$
	Insurance	\$
	Running Expenses	\$
	Public Transport - Fares	\$
Credit	Milk Bar	\$
	Personal Loans	\$
	Store Credit	\$
	Bankcard	\$
	Visa	\$
	Credit Card	\$
	Lay-By	\$
General Expenses	Food	\$
	Clothing - family	\$
	Entertainment & Recreation	\$
	Birthdays	\$
	Christmas	\$
	Holidays	\$
	Magazines/Newspapers	\$
	Cigarettes/Alcohol	\$
<b>TOTAL EXPENSES</b>		\$
Other financial commitments not listed above:		
Other comments:		

C:\My documents\NILS\Forms\NILS pack.doc

# **FINANCIAL COUNSELLING (VIC) INC.**

## **NILS**

**TO BE PHOTOCOPIED AND SENT WITH APPLICATION**

1. PENSION CARD
2. DRIVERS LICENCE(IF YOU HAVE ONE)
3. PROOF OF INCOME(WAGE SLIP OR STATEMENT FROM CENTRE LINK)

**AND THE FOLLOWING**

4. BANK STATEMENT
5. RENTAL STATEMENT from real estate or ministry
6. ACCOUNT OR PAYMENT (EASYWAY) BOOK. Power, gas, water, phone.

**ALSO**

OBTAIN QUOTATION STATING:  
PRICE  
MAKE & MODEL NUMBER

**DO NOT ATTEMPT TO PURCHASE GOODS UNTIL LOAN IS APPROVED.**

**If these documents are included with your application it will speed up the process of your application.**

**THANK YOU**