

Ngā Tāngata Microfinance Trust

**Loan Policy and Procedure
Manual
December 2024**

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1. Introduction

1.1 About

Ngā Tāngata Microfinance is a registered charitable trust that makes interest-free, fee-free loans as an ethical alternative to high-cost lenders. The loans have no administration fees or hidden costs. Ngā Tāngata Microfinance works with local budgeting services across Aotearoa to ensure loan applicants are willing and able to repay the loans, are supported through the repayment period, and are enabled to make positive and enduring changes to their money management.

1.2 Vision

A just and equitable society, with economic and social inclusion of all those living in Aotearoa New Zealand including those on low incomes.

1.3 Mission

To provide safe, fair, and affordable finance options that enable financial inclusion and capability, and challenge structural and economic forms of financial exclusion.

1.4 Values

Tika: Social Justice - We lead with socially just, safe and fair responsible money lending practices. We act with the highest integrity, trust, and transparency

Whānaungatanga: Approachable - We are friendly and always treat everyone with respect

Manaakitanga: Responsive - We support our community with prompt and expert service

Tiakitanga: Strategic - We are future-orientated providing inclusive, enabling financing options

2. Operational Policies

2.1 Accessibility and eligibility criteria for the Get Control loan

Loan Purpose

(a) The provision of NTMT must be seen as an alternative form of credit.

(b) The underlying purposes of Ngā Tāngata Microfinance Loans are:

(i) personal and family well-being.

(ii) personal and family development and asset building; and

(iii) debt relief.

NTMT prefers that applicants have exhausted all other entitlements from Work and Income, other government agencies and affordable loans available through the main trading banks before applying for a Loan.

I Not emergency relief: NTMT loans are not for emergency forms for debt relief or the purchase of items for which other assistance is available including, but not limited to:

(i) International travel.

(ii) international organisations and other entities.

(iii) living expenses such as food.

(v) NTMT will not cover the repayment of fines under any loan.

(vi) NTMT will accept applications for loans from clients with a Debt Repayment Order (DRO) or No Asset Procedure (NAP), and that these will be assessed on a case-by-case basis.

(d) Exceptional circumstances: Ngā Tāngata Microfinance retains discretion to approve loans in exceptional circumstances for purposes which do not comply with the criteria set out above.

Eligibility Criteria and requirements

(a) Income:

(i) People on low incomes or in financial distress, are eligible to access Ngā Tāngata Microfinance loans. Applicants may have total family income which qualifies them as “low income”, whether they are beneficiaries or in the paid workforce (the Community Services Card income levels provide guidance), or their income is insufficient to meet current financial commitments. In situations where 40% or more of disposable household income is used to meet housing costs or there are other extenuating needs/circumstances (including number of dependent children or being unable to access mainstream financial or Work and Income loans) that incur necessarily high costs, these may be considered on a case by-case basis. The overarching principle is eligibility for selection is based on applicant’s low income.

(ii) To qualify for a Ngā Tāngata Microfinance Loan, the applicant must assure Ngā Tāngata Microfinance/the Financial Mentor that they will not take on any higher interest loans or other form of high interest debt during the loan period if the loan is NTMT debt relief.

(b) Residency and residential requirement:

(i) Applicants must be a lawful New Zealand resident, currently and ordinarily residing in New Zealand at the time of application. To meet the residency requirements the applicant must at a minimum have a Permanent Resident Visa and have spent some time living in New Zealand (a period of residence).

(ii) Ngā Tāngata Microfinance also requires the following documentation to be presented in person to the Financial Mentor by the applicant to verify their residency and identity, as per the requirements of the Identity Verification Code of Practice 2011 (as amended in November 2013)

(iii) To access a Ngā Tāngata Microfinance Loan, applicants must be currently residing at the home address recorded on the Loan Application Form and have resided at that address for at least the two consecutive calendar months prior to the date on the Loan Application Form¹. Ngā Tāngata Microfinance may reduce this requirement in exceptional circumstances at its discretion.

(c) Willingness and capacity to repay loan: A willingness and capacity to repay a loan is an essential part of the assessment process for a Ngā Tāngata Microfinance Loan.

(i) The aim of Ngā Tāngata Microfinance is to help as many families as possible by providing them with safe, fair, affordable loans. This can only be achieved if people who are granted loans by Ngā Tāngata Microfinance repay them in full. Loan applicants and borrowers need to understand that if a Ngā Tāngata Microfinance Loan is not repaid, Ngā Tāngata Microfinance will not be able to help other families in need.

(ii) Loan applicants must be able to repay their loans within the repayment period specified in the Loan Agreement. Borrowers will be required to confirm arrangements for repayment of their loans at the time they sign the Loan Agreement and will generally be expected to commence repayments within two weeks of the loan money being disbursed.

(iii) Before an NTMT loan can be granted, the applicant MUST arrange with Work and Income or their employer for the loan repayments to be deducted from their benefit, wage or salary.

(iv) Time with Budgeting Service: the applicant for a NTMT Get Control loan must have been a client of a participating Budgeting Service for a minimum of 3 or more engagements prior to the date of the loan application. Ngā Tāngata Microfinance may reduce this requirement in exceptional circumstances at its discretion.

Extension of loan amounts

NTMT may recognise an applicant's strong engagement with a financial mentor over time, alongside their commitment and successful application of budgeting skills to reduce their debt by granting an extension of funds provided.

The maximum amount of credit exposure and loan balance (risk exposure) outstanding from any client at any point in time must not exceed \$5,000.

An extension may be applied a maximum of 2 times with the total amount of loan assistance available to a person being no more than \$6,000; this includes the amount loaned through the initial loan and all extensions.

To qualify for an NTMT extension, the applicant:

- will have demonstrated a minimum of 6 months consistent repayment history

* The extension loan application must be to pay high-interest debt present (from the same creditor or a superseded creditor of the same debt) when the initial application

was made, not being included in the first loan pay-out.

* Each extension is a discrete loan application including evidence of diligent budgeting over the original loan repayment period, but minus elements that are constant such as the ID evidence.

2.4 NTMT limit

(a) Maximum: The maximum amount provided under a GetControl Loan is \$5,000. However, as some settlement amounts, at time of disbursement, may combine to go over the \$5,000 limit, it is suggested that the Financial Mentor take this into account when submitting which debts to include in the application.

2.5 NTMT duration

The loan repayment period is determined by the size of the loan, and the maximum affordable weekly repayment. The loan repayment period generally should not exceed two years; however, Ngā Tāngata Microfinance retains discretion to agree to a longer term in exceptional circumstances when a current borrower is in hardship.

2.6 Privacy and confidentiality

(a) The Trustees have appointed the General Manager to act as the Privacy Officer for Ngā Tāngata Microfinance. The responsibilities of the Privacy Officer include:

(i) the encouragement of compliance, by Ngā Tāngata Microfinance, with the information privacy principles set out in the Privacy Act 2020

(ii) dealing with requests made to Ngā Tāngata Microfinance pursuant to the Privacy Act 2020

(iii) working with the Privacy Commissioner in relation to investigations conducted pursuant to the Privacy Act 2020 in relation to Ngā Tāngata Microfinance; and

(iv) otherwise ensuring compliance by Ngā Tāngata Microfinance with the provisions of the Privacy Act 2020

(b) All Ngā Tāngata Microfinance Trust staff will abide by relevant law in relation to the protection of personal information and privacy, including the Privacy Act 2020 and relevant Codes of Practice issued by the Privacy Commissioner.

(c) Ngā Tāngata Microfinance will only hold information that is relevant to the loan application and will ensure that such information is not used or disclosed for a purpose other than that for which the information was given. These purposes are identified in the Loans Application Form.

(d) Personal files or other information regarding loans will be kept securely for the prescribed period. See paragraph 3.5 for further information.

(e) Ngā Tāngata Microfinance staff must acknowledge their responsibility to maintain the security of the applicants' files and Ngā Tāngata Microfinance's file security systems.

(f) Enquirers and applicants must be notified that the information they provide may be used for statistical, reporting and research purposes. However, names, addresses or any other identifying information will not be used.

(g) Information gathered that is not relevant or does not need to be kept on file must be

destroyed.

(h) Enquirers, applicants, and borrowers have the right to see any information held on file about them and to request that such information be corrected.

(i) No information gathered about the enquirer, applicant or borrower can be disclosed to any other organisation without the consent of the enquirer, applicant, or borrower.

2.7 Applicant's rights and responsibilities

People wishing to access Ngā Tāngata Microfinance Loans have the right to expect that every effort will be made to ensure that their rights are upheld. Enquirers must be given a Rights and Responsibilities Statement (refer to NTMT Policies, Procedures and Forms) by their Financial Mentor prior to submitting a formal application for a NTMT. Ngā Tāngata Microfinance, Financial Mentors and Budgeting Services must respect the rights of enquirers, applicants and borrowers as set out in the Rights and Responsibilities Statement.

3. Procedures

3.1 Initial enquiry

(a) Intake:

(i) The Financial Mentor can discuss the eligibility criteria for a Ngā Tāngata Microfinance loan with the enquirer. If the enquirer complies with the initial eligibility criteria and wishes to proceed with a loan application, they should be advised of:

- (A) the mission of Ngā Tāngata Microfinance.
- (B) the purpose of Ngā Tāngata Microfinance loans.
- (C) the mechanics of the loan application process, including the documentation required to support the NTMT Application Form.
- (D) the need to continue to work with the Budgeting Service until the NTMT is repaid and to advise NTMT in advance of a payment due date if repayments are unable to be met.

(ii) If the enquirer does not comply with the initial eligibility criteria or does not wish to proceed with a loan application the Financial Mentor should provide information about alternative options (if any).

(b) Documentation required:

The prospective applicant must be informed of the documentation necessary for the loan application to proceed. This includes a completed and signed NTMT Application Form and, if applicable, the documentation listed in the Supporting Information Checklist by Financial Mentor into the NTMT Application Form. The prospective applicant should be provided with a copy of the Supporting Information Checklist (refer to NTMT Forms)

3.2 NTMT application process

(a) **Budgeting Service:**

(i) Financial Mentors will undertake a preliminary assessment of each applicant's eligibility for a Ngā Tāngata Microfinance loan. The Financial Mentor must agree with the Budgeting Service

manager that the applicant is, on the face of it, a suitable candidate for a Ngā Tāngata Microfinance loan before proceeding with the application process.

(ii) Budgeting Services should prioritise eligible loan applicants based on essential need.

(iii) Financial Mentors will work with prospective applicants over a period to:

(A) access the documentation required to demonstrate the applicant's financial capacity and willingness to repay the loan.

(B) assist the applicant to obtain all necessary supporting documents relevant to the loan application, including the information listed in the Supporting Information Checklist.

(C) verify the Supporting Information provided by the applicant (including ID)

(D) draft the NTMT Application Form.

(E) explain the NTMT Loan Agreement if successful, including the requirement to arrange with Work and Income or their employer for the loan repayments to be deducted from their benefit, wage or salary.

(F) ensure that the applicant understands the loan process and his or her rights and responsibilities.

(G) explain the community nature of the programme, highlighting the importance of social participation through the recycling of loan repayments for the purpose of additional loans for other community members.

(iv) The Financial Mentor should work with the applicant to prepare a Budget Worksheet, Debt Schedule, and Cash flow Sheet (if appropriate) for submission to Ngā Tāngata Microfinance.

(A) If the applicant's **proposed** financial situation indicates a surplus, the applicant and the Financial Mentor may recommend to Ngā Tāngata Microfinance in the NTMT loan application an affordable repayment amount that does not cause any financial hardship. The Financial Mentor must advise the applicant that surplus income does not indicate that a loan application will be successful.

(B) If the applicant's **current** financial situation, **current** weekly budget, and **proposed** budget, indicate a deficit, it may demonstrate that the applicant is living outside of their financial capability. In this situation the application would not go to Ngā Tāngata Microfinance and the Financial Mentor would discuss alternative options and referrals with the applicant.

(v) The supporting information required includes a statement on the letterhead of the creditor for the existing debt to be funded by the NTMT. Budgeting Services have extensive knowledge about local creditors/lenders through their day-to-day work, so it is expected that Budgeting Services will provide advice to applicants as to the most urgent debts for repayment.

(vi) All original documents must be sighted by the Financial Mentor. The Financial Mentor should take a photocopy of each original document to place on the client's file and immediately return the original to the applicant. The Financial Mentor should initial each photocopy to confirm that it is a true and correct copy of the original.

(vii) The Financial Mentor must inform the applicant that all identifiable details will be removed from the application before the information is submitted to the Loan Committee.

(viii) Applicants are not required to provide statutory declarations, referees, or references, or to undergo internal checks across organisations in support of their application. They will not be required to undergo a credit check.

(ix) The Financial Mentor must check the NTMT Application Form (refer to NTMT Forms) and

that all relevant Supporting Information has been provided. Approval of Loans requires all relevant supporting information. If all is in order, the applicant should sign the NTMT Application Form. The applicant's signature should be witnessed.

(x) The Budgeting Service manager signs off on all applications. An application can be submitted through an online application form or via a pdf through email from the Financial Mentor accompanied with relevant Supporting Information attachments.

(b) Loan Officer:

On receipt of a NTMT Application Form and relevant Supporting Information, the Loan Officer will:

(i) Check the Loan Application Form and relevant Supporting Information:

(A) Check that all information required by Ngā Tāngata Microfinance has been provided. If any information is missing, the loan officer will contact the Financial Mentor to obtain the required information.

(B) Check that the applicant meets the eligibility criteria for a Ngā Tāngata Microfinance loan as set out at section 2 of this Manual. If the applicant does not meet the eligibility criteria on the face of the information provided the Financial Mentor will be informed via email, with a summary of the eligibility criteria that have not been met. An application may be re-submitted with additional Supporting Information relevant to the criteria that have not been met.

(ii) Remove or obscure any personal information in the NTMT Application Form and relevant Supporting Information that may identify the applicant before the application is submitted to a Loan Committee.

(iii) Before the NTMT Application is submitted to a Loan Committee, the Loan Officer will endeavour to obtain or provide any additional information they deem may be required by the Loan Committee in relation to an application.

(iv) Whenever possible once the application is complete, a Loan Committee will consider the application and decide whether to grant or decline within a maximum of two working days of the application being emailed by the Loans Officer.

3.3 NTMT loan assessments

(a) Loan Committee:

Ngā Tāngata Microfinance has established Loan Committees.

(i) The primary function of a Loan Committee is to decide whether to approve or decline loan applications.

(ii) An application has approval when a minimum of three-member approval votes are received (or a majority if the Loans Committee has more than five members). The Loan Officer may not be a member of the Loan Committee.

(iii) The Loan Committee will agree on its own procedures, but it is anticipated that most of its communication will be by email rather than by physical meetings of the members.

(iv) As it is important that loan funds are made available as quickly as possible to borrowers, the Loan Committee aims to make decisions within two working days of their receiving the completed NTMT Application.

(v) Assessments made by the Loan Committee must be based on the policies of Ngā Tāngata Microfinance, including the eligibility criteria, financial commitments of the applicant, purpose of the loan, ability and willingness to repay the loan, and the long-term benefit to be derived from the loan. Assessments must not be influenced by the applicant's gender, age, disability, sexuality, race, political or religious beliefs, or the personal values of individual Loan Committee members. Committee members must comply with applicable law, including the Human Rights Act 1993.

(vi) If loan applications exceed available funding in any period, the Board may decide that no new loan applications will be received or considered until further notice. If such a determination is made, the Loan Officer and/or the General Manager will advise Budgeting Services accordingly.

(b) Determination of applications:

(i) To assist the Loan Committee in making an informed decision as to whether to approve or decline a loan application, key consideration needs to be given to whether:

- (A) NTMT is the only option, or whether there are more appropriate solutions.
- (B) the applicant has the capacity and willingness to repay a loan, which is determined by income and expenditure information (including the Budget Worksheet, Debt Schedule, and Cash flow Sheet). Capacity is indicated by the level of disposable income and level of arrears; and willingness is shown by support from the financial mentor, bill management and a commitment to paying outstanding arrears or debts.
- (C) the applicant has substantial debt such as: any credit card debt, mortgage arrears, utility arrears, outstanding personal loans, store card debt or pending obligations (such as goods purchased during an "interest free period").
- (D) the provision of a NTMT will cause the applicant further financial hardship.

(c) Notification of loan application outcome:

(i) The Loan Officer will advise the applicant and Financial Mentor of the decision reached by the Loan Committee by either sending an email to the Financial Mentor with the process details when the loan is approved or the NTMT Decline Letter (refer to NTMT Forms) if the loan is declined.

(ii) In the case of successful applications, the Loan Officer will:

- liaise with the Financial Mentor to arrange for completion of the NTMT Agreement, and:
- liaise with the Financial Mentor to ensure the applicant obtains either agreement from Work and Income regarding redirection, or automatic payment by the employer from the applicant's salary/wages to Ngā Tāngata Microfinance.
- confirm that repayments have been arranged and establish an internal account for the approved loan.

* Follow-up with the Financial Mentor that the completed and signed Loan Agreement (refer to NTMT Forms) has been forwarded to Ngā Tāngata Microfinance.

(iii) In the case of unsuccessful applications, the Financial Mentor may meet with the applicant and recommend alternative services and/or community support.

3.4 NTMT loan agreement

(a) Successful applicants are required to sign a NTMT Loan Agreement.

- (b) Borrowers will be given a copy of the NTMT Loan Agreement once signed by both parties.
- (c) Borrowers will be made aware that if they begin to experience difficulties with repayments or their circumstances change, they must contact NTMT to discuss variations to the NTMT Agreement (refer to NTMT Forms)
- (d) The Ngā Tāngata Microfinance Finance Manager will provide a statement to the borrower every three months (four statements per year) (refer to NTMT Forms)

3.5 Records

- (a) The Loan Officer will maintain all records, including electronic records, dealing with the day-to-day running of Ngā Tāngata Microfinance applications in a timely fashion. Using the Loan Management system Loan Officers will allocate file references and dates to newly created documents and they will ensure that inactive records are archived appropriately.
- (b) A file should be maintained by the Loan Officer for each applicant and borrower within the Loan Management system. The file should contain:
 - (i) the loan management number (GSC).
 - (ii) the applicant/borrower's name, address, and telephone number
 - (iii) log notes of calls from or discussions with the applicant/borrower's Financial Mentor and/or Budgeting Service
 - (iv) the applicant/borrower's Loan Application Form and relevant Supporting Information.
 - (v) the Loan Agreement and any agreed variations thereto.
 - (vi) evidence of repayment arrangements, such as a redirection order by the borrower from Work and Income or Employer Direction Form.
 - (vii) Summary delivered to Loan Committee
 - (viii) digital record of emails related to the application
 - (ix) digital record of dates relating to the progress of the application
 - (x) copies of all relevant statements and correspondence.

(c) All records containing personal information in relation to an enquirer, applicant or borrower will be kept securely within the Loan Management system and NOT stored on any other device or cloud-based system.

Ngā Tāngata Microfinance workers will often work from home on laptops and take reasonable security precautions to protect laptops and must report any loss or theft of the same immediately to the Chief Executive Officer.

Only authorised personnel will have access to this information. Authorised persons must report any security breach to the General Manager as soon as reasonably practicable.

(d) No information that could identify any enquirer, applicant or borrower will be shared with any other individual or organisation, except Ngā Tāngata Microfinance Trust or as otherwise required by law.

(e) Records must be retained by Ngā Tāngata Microfinance for five years or as required by law and will be archived appropriately.

3.6 Repayment of NTMT Loans

(a) Repayment rates:

- (i) Repayment rates as recommended by the Financial Mentor and maybe reviewed by the Loan Committee.

(ii) There is no standard formula for determining the rate at which repayments are set. The repayment amount varies according to each applicant's budget, their capacity to repay the loan and the total loan balance. Repayment rates generally range from \$10 – \$51 per week and have a duration period of between one to two years.

(iii) The following scale may be used when discussing loan repayment rates:

| Loan Amount | 6 Months | 12 Months | 18 Months | 24 Months |
|-------------|------------------|-----------|-----------|-----------|
| | Weekly repayment | weekly | weekly | weekly |
| \$500 | \$19.50 | \$10.00 | \$7.00 | \$5.00 |
| \$800 | \$31.00 | \$15.50 | \$10.50 | \$8.00 |
| \$1,000 | \$39.00 | \$19.50 | \$13.00 | \$10.00 |
| \$1,200 | \$47.00 | \$24.00 | \$15.50 | \$12.00 |
| \$1,500 | \$58.00 | \$29.00 | \$20.00 | \$15.00 |
| \$1,800 | | | \$25.00 | \$17.50 |
| \$2,000 | | | \$28.00 | \$19.50 |
| \$2,500 | | | \$35.00 | \$25.00 |
| \$3,000 | | | \$41.70 | \$29.00 |
| \$4,000 | | | \$51.00 | \$39.00 |
| \$5,000 | | | | \$48.00 |

(iv) Borrowers are required to start repaying their loans within two weeks of the loan money being paid.

(b) Repayment method:

(i) Borrowers MUST put an income redirection in place, either with Work and income or their employer. There are no exceptions to this.

Borrowers will be provided with various repayment options. NTMT loan will not be approved without agreement and completed forms from the borrower that the loan will be repaid by way of redirection from the applicant's employer or by redirection from Work and Income.

(ii) Additional repayments can also be made directly to the Ngā Tāngata Microfinance bank account via bank deposit, or electronically via bill payment or automatic payment.

3.7 Release of NTMT funds

(a) Terms for releasing funds:

To ensure that NTMT funds are used for the purpose for which the loan was approved:

(i) Before the loan disbursement is made by Ngā Tāngata Microfinance, the Financial Mentor and The Loan Officer will verify the account number and particulars businesses to which the loan will be disbursed.

(ii) No NTMT is paid directly to the borrower (except in specific circumstances such as bank overdrafts, credit cards or personal loans). Disbursement of the loan funds is made directly to the creditor/s/lender/s. At this time, we request the borrower to have the creditor close the account if appropriate.

(iii) The Loan Officer will arrange for payment of the NTMT money directly to the creditor/s/lender/s/business recorded on the NTMT Application. The Loan Officer sets up the payment to the supplier/service provider in the Loan Management system. The Finance Manager completes the disbursement process within the Loan Management system with payment set-up from the NTMT bank account. A request is then made to the General Manager and NTMT board to authorise the payment (as per NTMT Finance policy).

3.8 Loan variations

(a) Borrowers who experience difficulties maintaining the negotiated repayments as outlined in the NTMT Agreement may wish to request a loan variation. A loan variation may be a change to the agreed number of repayments and the amount of each repayment; the repayment frequency; or the term of the loan.

(b) Borrowers should be treated with respect and compassion during the loan variation process and offered relevant support options should the need arise.

3.9 Loan defaults

(a) Account monitoring:

The Finance Manager will run the script for “Current non-payers” in GSC management system daily. A text or email will be sent to clients who missed the current repayment through GSC. The texts or emails sent through GSC can be a 1st reminder if the client has missed one repayment or 2nd reminder if the client missed two or more repayments. Payment reminders will be sent from a specific email address: support@ntm.org.nz which is monitored by the Finance Manager

(b) Arrears process

(i) Weekly:

Identify the clients who missed two or more repayments. A weekly contact attempt to try reach an agreement on a restart repayment date and or discuss a revised repayment amount for a period (in these cases review the new arrangement monthly).

(ii) Monthly:

(A) After two months of missed repayments, directly contact the client once a month, to check the possibility of reinstating the repayments

(B) Payment reminders will cease 6 months after the final agreed scheduled payment date has been defaulted or such earlier date if circumstances are deemed fair and reasonable.

(C) Provide a list of the clients who meet the non-payer criteria in the Monthly Performance

Report.

(D) Provide the percentage of the combined non-payer loans balances represent in relation to the total open loan's portfolio in the Monthly Performance Report.

(E) Provide a list of the clients who are currently under repayments arrangement (reduced amount or repayment holiday) in the Monthly Performance Report for the Trustees oversight. The General Manager may decide to recommend to the Board that the loan is written off. Ngā Tāngata Microfinance does not take enforcement action against borrowers who do not repay their loans.

(c) Write – off Process:

In some circumstances it may be appropriate for the Board to write off a loan when the recipient no longer has the capacity to make repayments (for example if the borrower dies or is incapacitated).

Generally, however, Loans will be written off by the board 12 months after the last defaulted payment.

Ngā Tāngata Microfinance will:

(i) At the Board meetings, identify borrowers who have missed payments. In addition, NTM will identify borrowers who are eligible to have the loan balance written-off and seek approval from the Board for those write-offs (12 months after the last missed payment).

(ii) After write-off approval, update the client status in GSC following GSC guidelines.

(iii) Update the table that lists the past write-offs and the percentage that they represent in relation to the total new loans disbursed in the current Financial Year.

(iv) Note that any borrower who has had their balance written off will not be eligible for a new NTMT loan until their prior written off balance has been repaid.

Ngā Tāngata Microfinance will not:

(i) telephone the borrower at unreasonable hours (before 9.00 a.m. or after 7.00 p.m.);

(ii) undertake in-person visits of the borrower or borrowers' home or workplace for the purpose of discussing the loan default

(iii) write numerous letters or make repeated phone calls when the borrower is aware that Ngā Tāngata Microfinance has attempted to make contact.

(iv) leave telephone messages or notes which may indicate to other persons such as family or household members why Ngā Tāngata Microfinance is attempting to contact the borrower. No payment reminder or loan default communication will occur with any person other than the borrower.

(v) participate in any activity which may be considered as harassment.

(vi) engage in any legal enforcement or threats of legal enforcement.

(vii) attempt to repossess the goods purchased with the loan.

3.10 NTMT loan completion

(a) When an NTMT loan has been fully repaid this will be confirmed in writing by sending the

borrower a NTMT repayment (email) confirmation statement (refer to NTMT Forms).

(b) A Borrower Reference Letter (refer to NTMT Forms) can, on request and at the discretion of the Finance Manager be provided to a borrower who has successfully repaid a loan in full.

3.11 Appeals / Complaints

(a) When an applicant is unhappy with the decision regarding their loan application, or if any person has a complaint about any aspect of Ngā Tāngata Microfinance procedure, the matter will be referred to the General Manager Tāngata Microfinance. As per the NTMT Complaints policy, General Manager of Ngā Tāngata Microfinance will:

(i) start a complaints investigation; and

(ii) send a written response to the complainant as soon as practicable to let the complainant know what Ngā Tāngata Microfinance is doing about the complaint.

(b) Complaints concerning a Financial Mentor or Budgeting Service will be dealt with in accordance with the procedure for resolving complaints.

3.12 Specific compliance items

(a) Cost to the NTMT recipient: Loan recipients must not be asked to pay any fees, interest charges or other costs during the period of their loan.

(b) Security on NTMT: It is unacceptable to take any form of security over the loan. This includes the use of the goods purchased with the loan as security over the loan. If the borrower no longer has capacity to repay the loan, the goods purchased with the loan must not be repossessed.

3.13 Finance and administration

(a) Finance and administrative practices: Consistent financial and administrative practices will be established by The Finance Manager, Loan Officer and the General Manager to minimise errors, in accordance with the NTMT Finance Policy. This means that:

(i) all transactions will be substantiated by source documents such as bank statements.

(ii) receipt numbers, dates, amounts and enquirer/applicant/borrower details will be recorded accurately.

(iii) incomplete information such as missing borrower numbers on bank statements need to be verified by records held at the bank before recording.

(iv) a separate bank account must be maintained for Ngā Tāngata Microfinance funds management.

(v) monthly financial reports and bank reconciliation statements will be prepared .

(vi) borrowers will receive a Ngā Tāngata Microfinance statement three monthly and be encouraged to check their statements to ensure accuracy.

(b) Accounting records and audit:

(i) Ngā Tāngata Microfinance will keep accurate and current accounting records at all times in accordance with best practice and applicable law. In accordance with the NTMT Finance

Policy these records must:

- * correctly record and explain all transactions.
- * at any time enable the financial position of Ngā Tāngata Microfinance to be determined with reasonable accuracy.
- * enable the Trustees of Ngā Tāngata Microfinance to ensure that the financial statements comply with the Financial Reporting Act 1993; and
- * enable the financial statements to be readily and properly audited.

(ii) Ngā Tāngata Microfinance will prepare annual financial statements in accordance with the Charities Services reporting requirements.

(iii) A copy of the annual financial statements for Ngā Tāngata Microfinance, and the signed report thereon, will be provided to Kiwibank in a timely manner.

(iv) Ngā Tāngata Microfinance will file an Annual Return (comprising a completed Annual Return Form and a copy of the authorised annual financial statements for Ngā Tāngata Microfinance) with the Charities Commission in accordance with the Charities Act 2005.

(c) Changes to Policy and Procedure Manual: Any substantial amendment to this Manual must be approved by the Board of Ngā Tāngata Microfinance. Kiwibank must be notified of any significant changes related to practice to this Manual.

3.14 Statistical data

Ngā Tāngata Microfinance will maintain statistical information for all enquirers, applicants, and borrowers. This may include income source, housing type, length of residency, number of dependents, loan amount, goods/services purchased with the loan and loan defaults. Personal information that could identify an enquirer, applicant or borrower will not be maintained for statistical purposes. Statistical data may be used for monitoring and evaluation purposes.

3.15 Promotion and media

Subject to securing sufficient funding and budget provision, and with the prior approval of Ngā Tāngata Microfinance Trust Board, Ngā Tāngata Microfinance may generate its own advertising and promotional materials to raise the profile of the programme.

Any such material that refers to Kiwibank will be submitted to Kiwibank to ensure compliance.

Review date: 10/12/2024