

September 2015

StepUp

Who Are They?

StepUp is a low interest loan for people on low incomes who have difficulty accessing credit from a bank. The program is a not-for-profit initiative between Good Shepherd Microfinance and National Australia Bank (NAB) who provides money for the loans. The loan is delivered by local community organisations where StepUP microfinance workers assist applicants to collect verification documents and complete the application for assessment at NAB.

Good or Bad?

The StepUp programme provides a valuable bridge between clients who access the popular NILS (No Interest Loan Scheme) and clients who enter mainstream financing. It also represents a serious attempt by one of Australia's leading banks to break the stereotype represented by the cartoons in this newsletter.



"We are prepared to make you a loan, but first you have to prove that you really don't need it."



How Does it Work?

1. ENQUIRE

Call your local StepUp provider. Visit www.stepuploan.org.au to find a provider near you.

2. INTERVIEW

Attend your interview with all the documentation needed as per the **Interview Checklist** given to you by your StepUp Microfinance Worker.

3. ASSESSMENT

Your application will be sent to NAB for assessment, which includes a credit check.

4. IF APPROVED/DECLINED

If approved, you will need to visit your local NAB branch to sign the loan contract and receive a cheque made out to the supplier.

If declined, you will receive a call from your StepUp Microfinance Worker and a letter from NAB. If you can resolve the issue within 3 months, a review may be possible.

5. REPAY

Make repayments to NAB weekly, fortnightly or monthly as agreed in the loan application.

An Example of Repayments

A StepUp loan of \$1000 at a comparison rate of 5.99%* would result in repaying a total of \$1063 in total if paid in fortnightly repayments of \$20.15 for 2 years.

Applicants can borrow between \$800 and \$3000 for a range of purposes such as whitegoods, medical or educational expenses, cars – or even basic maintenance or repair costs. For further examples and more information head to www.stepuploan.org.au to get further details of your closest StepUp office.

This Newsletter is produced and edited by John Bassett, a director of Seeds of Hope, Carrara and is presented as general information only. It should not be considered as financial advice.

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**This figure is an example only and does not imply any particular rate*