Newsletter – *April 2013*

Black Debt Counsellors Forum

"MAKING A DIFFERENCE"

New doors of opportunity within the Debt Counselling Industry

VISION:

Implementation of government policy on consumer protection, black economic empowerment and SMME support as envisaged in the National Credit Act 34 of 2005.

WHY a new debt counsellors FORUM?

The Black Debt Counsellors Forum (BDCF) is a registered Non Profit Organization (NPO) comprising of Registered Debt Counsellors.

The appointed Debt Counsellors have all been registered since 2007 - and are currently practicing, this further ensures commitment and experience within the debt counselling industry As the Debt Counselling Industry is only in its 5th year, there have been numerous challenges and opportunities within the Credit Market in South Africa - The BDCF has seen a solution driven opportunity within this market to effectively assist Consumers, Debt Counsellors and the Debt Review Process

Due to financial and infrastructure restraints,
debt counselors operates on a small to medium scale, the administrative processes within debt review can be overwhelming, thus becoming costly for debt counselors to operate effectively.

Furthermore, when legal action is enforced by credit providers, attorneys and collection agents, the costs are further escalated negatively affecting the consumer and debt counsellor.

The current support structures are not as effective as it should be when assisting consumers and debt counselors i.e. (Complaints resolution, legal assistance, financial remuneration for debt counsellors as the fees are regulated and are not profitable)

Debt Counsellor Protection:

To promote and support DC's
To ensure fair advocacy
To contribute in redefining debt review
To be visible within the DC industry
To participate in the court process
To enhance positive debt review awareness

> "The BDCF is committed to encouraging black economic empowerment as per the National Credit Act but we are also a non-racial organisation and we welcome membership from all those debt counsellors who embrace the same ideals we do,"

The BDCF aims to increase the number of debt counsellors through intensive training efforts by introducing mentorship programmes with accredited and experienced debt counsellors. An assessment of the debt counselling industry earlier this year by the Business Enterprises division of the University of Pretoria highlighted the dire need for education and training. Of the debt counsellors canvassed, 72 percent admitted to uncertainty regarding interpretation of some aspects of the National Credit Act

Contact us for Membership Benefits or visit –
www.bdcf.co.za or info@bdcf.co.za

MAKING A "*DIFFERENCE*"

In a beleaguered credit industry where cash-strapped consumers are unsure of which way to turn for help, a new industry player has emerged in the form of the Black Debt Counsellors Forum (BDCF).

The minute you think of giving up, think of the reason why you held on so long.

Consumer financial education and awareness

On a daily basis, we counsel and assist over indebted consumers that have reached the end of their roads financially, in most cases, the common words are **"There is nowhere to turn to" this platform allows us to assist consumers and restore Hope back into their lives** – BDCF has created a platform to Educate & Offer Financial Training to consumers and communities. These programmes are aimed at financially educating consumers in order to guide them when making informed financial decisions. This will then increase a savings culture and prevent reckless lending/over-indebtedness in our country.

Furthermore, this awareness will effectively highlight **DEBT COUNSELLING** and it legal benefits ensuring over indebted consumers apply for debt review.

As part of our awareness, we have underlined key areas of concerns within the consumer credit market; to date, consumers at large are currently unaware of the NCA, NCR and its relief mechanisms available. Unfortunately, financial SAVINGS within South Africa is close to zero percent, we believe that savings should be effectively prioritized!

DEBT COUNSELLORS SUPPORT

Registered Debt Counsellor

One of the BDCF's key objectives is the development of debt counselling. For far too long, debt counsellors have been in the background yet our role within the credit industry and consumer assistance is so vital.

Are you tired of feeling marginalized and sidelined within an industry where you as a **debt counsellor** contributes to the well being and development of consumers lives, families, homes and peace of mind?

As a practicing DC you are well aware of the daily challenges being faced – Yet we continue……The BDCF further encourages you to continue and not give up so soon, for some it may be longer than we think. "**We have received a number DC outcries clearly indicating there is a lack of support within our industry"** We sincerely encourage you to continue making a valued difference to debt stressed consumers, as indicated in the previous page – they feel there is nowhere else to turn. We may not always have the solutions, but be rest assured that when that consumer leaves your office, you have impacted their lives.

There has been too little to none **POSITIVE** media coverage around the effectiveness of debt counselling – As the BDCF, we have selected this as a key priority, our intention is to publicize how debt counsellors have managed to restore consumers peace of minds……Taking into consideration that we are the minority within the credit industry!!

Yes, I fully agree but so frustrated with the comment " There are certain DC's not practicing according to guidelines or in good faith" then lets eradicate them from the industry in order for consumers to receive the best levels of services for you!

To ensure fair advocacy

WE BELIEVE THAT ALL DEBT COUNSELLORS SHOULD BE GIVEN AN EQUAL OPPORTUNITY!!

CONSUMER PROTECTION UNDER THREAT

The debt review process along with consumer protection under Debt counselling is currently under threat – An intended TWIN PEAK REGULATORY process may soon be implemented, thus meaning the end of debt counselling and the introduction of an alternative process. We are calling on ALL debt counsellors and consumers to take a collective stand

Following the BDCF's meeting with the National Treasury the following concerns came to light;

Consumer protection is under serious threat in that The Department of Treasury whose mandate and functions , but not limited thereto, is to regulate the financial credit industry, is purporting a twin peak model , which model is made out of financial prudential and market conduct. The financial prudential falls under the mandate of the Reserve bank with specific reference to ensuring financial stability in the Republic.

It is interesting and alarming to note that the twin peak model is proposed at the time the new management of the National Credit Regulator is beginning to regulate the credit industry, thus ensuring that the purpose and principles of the National Credit Act are upheld unlike the old management.

Accordingly, we have witnessed in the public domain the NCR's proactive actions clamping of certain credit providers on reckless lending and the clamping on certain unscrupulous Micro Lenders, which was not the case with the old NCR management.

Of great concern , as a consequence of the afore actions taken by the regulator against the credit providers the twin peak model is conceptualized by Treasury and Banking Association of South Africa as a reaction and an attempt to maintain the status qou of protecting the credit providers and at the expense of consumer protection.

The end perceived result by Treasury, is that government cannot have a proliferation of regulators, as such future plans are to incorporate the NCR under the FSB which is directly under Treasury's control.

At this paragraph we pause to highlight that currently the NCR falls under the direct control of the DTI and by virtue of cabinet mandate Treasury has no control over the NCR. The DTI is tasked with the mandate of consumer protection.

The twin peak model does not take cognizance of the purpose of the NCA and the prejudice it will pose to consumer protection thus reversing the gains of the NCA over the five years in which it was implemented.

In our view the twin peak model is a campaign to undermine the NCR , the NCA and consumer protection.

BDCF's position is that government should consider a single ministry of regulators as opposed to the twin peak model .

Thus we call on all South Africans to support the NCR to ensure consumer protections.

DC ADVERTISING BOARD

Debt Counselling Clinic

(NCRDC 03)
Email: marilyn@dcclinic.co.za
Tel: 0861 777 293
Fax: 011 869 2532

Maita Debt Counsellors

(NCRDC 191)
Email: regi@maitaprojects.co.za
Tel: 012 341 0010
Fax: 012 341 9197 or 086 527 9839

Thembeka Debt Couselling

(NCRDC 86)
E-mail: info@thembekadebtcounselling.co.za
Tel: (011) 336 9700
Fax: (086) 545 9537

UBUNTU Debt Rehabilitation

(NCRDC 165)
Email: pr@ubuntudr.co.za
Tel: 011 624 2969 / 011 046 9012
Fax: 086 569 6088

Mzansi Debt Counselling

(NCRDC 231)
E-Mail: octavia@mzansidc.co.za
Tel: 086 100 2270
Fax: 086 575 5961

Matimba Management and Labour cc

(NCRDC 429)
Email:
keystone@matimbaml.co.za
Tel: (076)222 5721
Fax: (011) 833-8443

CONTACT US TO SEE YOUR COMPANY HERE

DC PARTNER

CONTACT
Tel: 044 – 873 4530Fax: 044 – 873 4998
E-mail: pda@dcpartner.co.za

BDCF

Tel: 011 054 - 0700
Fax: 086 575 5961
Email: info@bdcf.co.za
Web: www.bdcf.co.za

Elite Office park 748
Richards Drive,
Midrand
Block A 2nd Floor

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CREDIT BUREAU REPORTS

3 REPORTS FOR UNDER R60.00

As a debt Counsellor it is of utmost importance to retrieve a CREDIT BUREAU REPORT for debt review applications – **for under R60.00** credit bureau reports are now accessible through the BDCF Bureau Manager System. You now have access to all 3 Credit Bureaus:

(011) 054 0700 – www.bdcf.co.za

TransUnion. Experian A world of insight xds xpert decision systems

CONSUMER RIGHTS CAMPAIGN – "NO" TO TWIN PEAKS MODEL

YOU HAVE THE RIGHT TO:

- The prohibition of RECKLESS LENDING
- Debt Counselling to enable the restructuring of your DEBTS
- Assistance when OVER INDEBTED

Black Debt Counsellors Forum

"MAKING A DIFFERENCE"

Visit www.bdcf.co.za for your membership application form