

# Community Finance loan scheme a big help

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The Salvation Army's Pam Hughes, left, and Jo Forgie helped South Auckland man Billy Astle, right, acquire a low-interest loan to buy a new vehicle.

A simple \$5000 loan is making a world of difference to Billy Astle.

The South Aucklander is among those making the most of the government's Community Finance initiative.

The scheme was launched in August last year and offers affordable loans to low-income earners.

It operates in Manukau and Waitakere in partnership between the Ministry of Social Development, Salvation Army, Good Shepherd microfinance lending organisation and Bank of New Zealand.

Astle works part-time as an acupuncturist at Manurewa Marae. He applied at the Salvation Army in Manukau for a loan, which he used to buy a Mazda SUV.

"I used to have a van but it was in a crash," he says.

"My daughter has health problems and sometimes has to go to hospital. I didn't have a vehicle to get her to the medical centre."

One of Astle's clients encouraged him to apply for a loan to buy a replacement vehicle.

"They bandied around all these places to get loans but there were a lot of closed doors," he says.

"When I came to the Salvation Army in Manukau, they said yes. Now I've got a vehicle to take my daughter to the medical centre.

"I love doing things by myself but at this one stage I just couldn't."

The Community Finance programme offers two types of loans. No-interest, or NILs, loans, are for amounts up to \$1000 and must be repaid within a year.

StepUp loans range from \$1000-\$5000, have an interest rate of 6.99 per cent, and need to be paid back within 36 months.

Salvation Army Manukau Community Finance worker Jo Forgie says Astle is the "perfect example" of the sort of people the initiative helps.

"Billy can now go to work in his own vehicle and take his daughter to the doctor. People who have been on a benefit come in to get a loan to buy a car or pay for car repairs so they can find work.

"It gives them a much better quality of life and they start to set goals."

There have been 156 loans approved since the Community Finance programme began and 63 loans given in Manukau.

To apply, go to [Nils.org.nz](http://Nils.org.nz) or [Stepuploan.org.nz](http://Stepuploan.org.nz) or phone the Salvation Army Manukau on 262 2332.

## **INVESTMENT INCREASED**

Social Development Minister Anne Tolley welcomes the news BNZ is putting an extra \$50 million of capital funding into the Community Finance initiative, on top of its initial \$20m contribution.

Good Shepherd chief executive Fleur Howard says the loans are a valuable alternative for people unable to access a bank loan.

"NILS and StepUp loans enable people to buy a car to get them to and from work, a computer to use for study, or a new fridge to replace a broken one," she says.

**- Stuff**