



# Connections

child, youth and family services

## MEDIA RELEASE

Attention: COS, news, social affairs, youth, health, finance & community

18 March 2009

# NO INTEREST LOAN SCHEME FOR LOW INCOME FAMILIES

Low income families in the City of Stonnington can now obtain a no interest loan of up to \$1,200 to buy a significant household item, such as a new washing machine or refrigerator, through a new initiative by Connections UnitingCare.

The No Interest Loan Scheme (NILS) will be officially launched on March 25 at 3:30pm by the Mayor of Stonnington, Cr Claude Ullin, at Connections' office at 274 High Street, Windsor.

The NILS program is designed to offer low income families, who cannot access the interest free deals of the major appliance retailers, a safe and fair alternative.

To be eligible for the scheme applicants must be either a resident of the City of Stonnington or a client of Connections.

'Families on low incomes are often denied the opportunity to buy much needed household items because they are not able to access normal commercial credit including the "interest free" terms offered by most major retailers,' said Connections Chief Executive Officer, Angela Forbes.

'Disadvantaged families are often forced to use so called "pay day" lenders or appliance rental companies, that charge exorbitant interest and charges - while there is a 48 per cent government cap on the interest that these lenders can charge, there is absolutely no protection against them imposing so called fees,' Ms Forbes continued. 'Even with interest capped at 48 per cent, it is more than twice the interest charged for the most expensive credit card.'

Connections has initiated this No Interest Loan Scheme to assist low income earners who can be exploited and pushed into a debt spiral, compelled into taking out a further 'pay day' loan to repay the first.

The scheme has been made possible by the generosity of the National Australia Bank and the David Galt Estate. The NILS concept, operating successfully in other parts of Australia for more than 20 years, has been developed by the Good Shepherd Youth and Family Service.

For more information about NILS or Connections please visit our website [www.connections.org.au](http://www.connections.org.au)

**Event: No Interest Loan Scheme (NILS) Launch, 3:30pm, 25 March 2009 by the Mayor of Stonnington, Cr Claude Ullin, at Connections' office at 274 High Street, Windsor.**

**Media: Connections Chief Executive Officer, Angela Forbes is available for interview. Contact Connections Communications Officer, Kirrilee Torney on 03 9271 0800 or [kirrilee.torney@connections.org.au](mailto:kirrilee.torney@connections.org.au)**

Connections is a community welfare agency of the Uniting Church's UnitingCare network in Australia providing a range of innovative and early intervention programs that support vulnerable children, young people and their families giving them a better chance in life now and in the future.

More information at [www.connections.org.au](http://www.connections.org.au)