
Anglicare Victoria Payday Lending and Microfinance Statistics Summary

Anglicare Victoria's financial counsellors currently do not keep a specific record of clients who have problems with payday loans. The IRIS database however allows workers to list "personal loans" as a client issue, which also includes bank loans, car loans and loans from other individuals for example.

The table below gives an estimate of the number of cases that deal specifically with payday loans across Anglicare Victoria's locations. Further investigation would be necessary to obtain more detailed figures. Please note that the differences in the estimated percentages relate to differing client demographics between areas such as employment rate and level of income.

Financial Counselling Cases recorded in IRIS for the 2010-2011 Financial Year

Office	Number of personal loan cases	Percentage of personal loan cases relating to payday loans	Number of cases relating to payday loans
Box Hill	12	100%	12
Lilydale	6	100%	6
Morwell	15	95%*	14
Werribee	158	30%*	47
TOTAL			79

*estimated %

No Interest Loan Scheme (NILS) Information for the First Quarter of 2011

Number of information packs sent to interested clients	418
Number of returned applications booked for an appointment	209
Number of clients who presented for appointment	105
Number of clients who have a payday loan	100
Number of clients who received NILS loan*	85

* There are 10 more clients that must provide additional information for their applications to proceed.

Additional comments regarding NILS

- Anglicare Victoria's NILS program covers the Baw Baw Shire and Latrobe Shire catchments. The agency also auspices two other NILS programs in Gippsland that are very small and do not keep the above records.
- **Of the 105 clients from the Baw Baw Shire and Latrobe Shire who present for a NILS assessment, 95% have a payday loan.**
- Payday loans are either from _____ in addition to the Centrelink advances clients obtain.
- Many of the applicants remark that the payday loan repayments are too high and that there is not enough flexibility in changing the loan term. We see evidence of this in their budgets, which the NILS workers use to help clients gain control over their finances.
- NILS workers are also trained to provide low level advice and options.

Case Studies

The following case studies describe typical situations faced by clients who have problems with payday loans.

Case study 1

The client presented with 2 Centrelink advances and a _____ loan. This person was a single parent and had a large family of 5 children. She received a \$1,000 advance of the Carer's Payment with a fortnightly repayment amount of \$89. From the Family Assistance payment, the client received a \$1,000 advance with a fortnightly repayment of \$79. The total repayment is \$168 per fortnight over 6 months. She also had a _____ Loan of \$360 for which she had to repay a total of \$532 over 3 fortnights.

Case study 2

The client reconnected with the agency after undergoing 2 years of drug and alcohol rehabilitation. Although the client works full-time, he still has problems with substance abuse. The client has many ongoing issues with money that result in him putting his tools up as collateral. The client has 10 loans with _____ that are all secured against his tools. Due to his money problems, he is only able to pay the interest charges on the loan. He therefore owes \$1,000 even though the original loan was for \$800.

Other payday loans include:

Borrowed \$160, put up smart phone as security and owes \$236.

3 payday loans of \$250, \$250 and \$400.

The client is caught in an unending debt spiral as most of his income goes towards these loans. He is therefore so overcommitted that he is having trouble putting food on the table and petrol in the car. In the financial counsellor's view, the client's problems have been exacerbated by the payday loans he has been given.