



StepUP FAQ

What is StepUP?

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.

Quick facts

Amount	- \$800 - \$3000
Term	- 6 months - 3 Years
Fees and Charges	- No application fee, no monthly service fee and no default fee
Repayment Options	- Weekly, fortnightly or monthly
Drawdown at NAB Branch	- Proof of ID - Only via bank cheque made out to the supplier/service provider listed on the invoice provided - Up to 3 bank cheques can be made out to suppliers free of charge

Am I eligible to apply?

StepUP loans are for people who:

- Hold a current:
 - Centrelink Healthcare Card or
 - Pension Card or
 - Receive Family Tax Benefit A;
- Have lived at their current address for more than three months;

Note: If you live more than 2 hours away from a StepUP community provider, you may be able to access a telephone interview through a specialist site.

This and other eligibility criteria will be discussed by the microfinance worker upon enquiry. A credit check is required.

What if I have a poor credit history or some bad debts?

You may still qualify for a StepUP Loan, so please contact the microfinance worker at your nearest community provider to discuss your circumstances.

The amount of an outstanding debt will need to be less than \$500 and you will have to arrange to repay the outstanding debt. The microfinance worker will be able to help you identify any debt that may sit with an external credit checking agency.

What can I borrow money for?

✓ StepUp Loans can be used for:	✗ StepUp Loans are NOT for:
<ul style="list-style-type: none"> • essential household items such as whitegoods and furniture; • house maintenance and repairs; • medical and dental expenses; • second hand cars; • car repairs; • computers; and • vocational educational costs. <p>This loan list is not exhaustive. Loans are not limited to one item.</p>	<ul style="list-style-type: none"> • consolidation of any debt; • second hand furniture or second hand household items; • fines; • Christmas expenses; • everyday household items, such as DVDs or clothes; • bills; • holidays; or • cash.

How much will I pay?

This will depend on:

- How much you borrow;
- How often you pay a loan instalment (e.g. weekly, fortnightly or monthly);
- The term of the loan (e.g. between 6 months and three years).

The following table will give you a guide as to what you would pay every fortnight if you chose to make fortnightly payments with a 5.99% p.a. interest rate:

Loan Term	Loan Amount		
	\$1,000	\$2,000	\$3,000
2 years	\$20.15 every fortnight	\$40.29 every fortnight	\$60.67 every fortnight
3 years	\$13.88 every fortnight	\$27.74 every fortnight	\$41.73 every fortnight

This table shows what you will pay in total, that is, the loan amount plus all interest over the life of the loan with a 5.99% p.a. interest rate:

Loan Term	Loan Amount		
	\$1,000	\$2,000	\$3,000
2 years	\$1,063 over two years	\$2,126 over two years	\$3,189 over two years
3 years	\$1,095 over three years	\$2,189 over three years	\$3,283 over three years

Where can I access these loans?

StepUP is delivered by local community organisations across the country. StepUP microfinance workers based in these organisations assist applicants to collect verification documents and complete the application for assessment at NAB.

Interviews are not offered through a NAB branch.

For more information on StepUP, please visit www.stepuploan.org.au and contact the community provider nearest to you.

What are my next steps?

If you meet the eligibility criteria above and you are near one of the StepUP community providers, contact the microfinance worker.

If you are unsure if you meet the eligibility criteria or can afford a loan, still contact the microfinance worker to discuss your situation.

When you first enquire, the microfinance worker will ask some questions to check you meet the eligibility criteria and will send you an Information Pack outlining what documents you need to bring to an interview. Once you have collected all necessary documents, make an appointment to come in and see the microfinance worker.

If you are making a joint loan application, both parties will need to attend the interview with the microfinance worker.

What will a microfinance worker ask me when I first call?

When you first call a microfinance worker to enquire about StepUP, they are likely to ask you:

- What you would like the loan for;
- What type of income you receive;
- Details of your housing arrangements (e.g. rent/own/with dependants);
- Whether or not all your utility bills are paid up to date.
- Whether you have any unpaid bills or debts on your credit file.

What documents do I need to provide?

An Interview Checklist is included in the Information Pack. It outlines the documents you must bring to your interview to confirm your identity, income, housing and rent, bills, bank statements and any other debts. If you wish to avoid delays in completing an application, you will need to bring all relevant documents to your interview and they must:

- Be the most recent;
- Show your name and address and/or account number clearly; and
- For bills and rent etc, show proof of payment.

Do I have to come into a NAB branch?

Your first face to face appointment will be an interview with a microfinance worker at one of the community providers. The purpose of this meeting is to:

- Talk about your monthly expenditure and determine whether a StepUP Loan is right for you;
- Complete a loan application form.

Once your application has been assessed by NAB, only if it is approved will you need to visit your NAB branch of choice to sign the loan contract, set up your repayments and receive your cheque.

Do I have to be an existing NAB customer?

No. However, if you accept a StepUP loan and you are not a NAB customer you will need to complete your 100 point identity check as required by AUSTRAC. Acceptable ID includes:

- Birth certificate, passport or citizenship certificate (70 points each);
- Driver's licence, social security card or proof of age card (70 points each);
- Medicare card (30 points).

How do I repay my loan?

You can make repayments via direct debit if you are an NAB customer, transfers from another bank, or cash deposits at a NAB branch.

You can make extra payments at any time, with no extra fees. Paying the loan off early will reduce the cost of the loan. Remember to make your minimum repayments before the due date to avoid the risk of a default being listed on your credit file.

How long will it take?

This will partly depend on you. If you are eligible and bring all the required documents to your interview with your microfinance worker, the application could be submitted to NAB for assessment on the same day as your interview.

NAB will take up to ten working days to assess your application if they have all the information they need.

If approved, loan documents will be sent to a NAB branch of your choice and you will be notified by both the microfinance worker and NAB branch.

Do I need to complete a NILS loan before I can apply for StepUP?

No. It is not necessary to have completed a No Interest Loan Scheme (NILS) loan first to access StepUP. As long as you meet the eligibility criteria mentioned above, you can apply for a StepUP loan at any time.

Can I have a StepUP loan and NILS loan at the same time?

Yes, this is fine as long as you can show you have the capacity to repay both.

How does StepUP 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.