



LOAN SHARKS ARE CALLED SHARKS FOR A REASON!

Loan sharks are people who provide illegal loans. They often try to take advantage of others who have financial difficulties. They may seem helpful, *but borrowing from them is never a good idea – even if your credit rating is low or you only need a small amount to tide you over for a month or two.*

No matter how desperate you think things are, taking a loan with one of these criminals will only make things worse.

There are many risks attached to borrowing from a loan shark:

 <p>You pay FAR MORE in interest than you would through any legal borrowing.</p>	 <p>You may be THREATENED if you get behind with your repayments. You may even become the victim of violence.</p>	 <p>You are often BULLIED into borrowing more money to repay one debt with another.</p>
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The following are signs that you are dealing with a loan shark and that you should **RUN AWAY**:

- Illegal lenders usually provide little or no paperwork, such as a contract or a record of repayments. This allows them to cheat.
- They might increase the debt or add additional amounts to it without your permission... and if you have no record, you can't prove a thing.
- They often refuse to give information, such as the **INTEREST RATE** or how much you still owe. That way, they get to make the rules up as they go along.
- They may take essential items as security, such as passports, bank cards or your driver's licence. Obviously, not a great idea!

If you're thinking about using a loan shark because you can't borrow money anywhere else, there are a number of organisations that offer debt counselling. For more information, visit the Debt Counselling South Africa site at <http://www.debtcounsellingsa.co.za> or call **081 862 4093**.

If worst comes to worst and you really need a loan, always go to an authorised Financial Services Provider, such as your bank. You can try various institutions to compare interest rates and repayment periods. You may still have to repay the loan at a high interest rate, but at least you'll be protected by the Consumer Credit Act.

What will that item finally cost you?

If you are buying furniture and other items in monthly instalments, you will pay much more for that item than you would if you first saved up the sum you need, before buying it.



Try our easy calculator to determine what that item will really cost you.

