

## Appendix 1

### Loan purpose

The provision of a no interest loan must be seen as an alternative form of credit. NILS is designed to enable people on low incomes to purchase essential household items.

An essential household item is a product or service that is deemed to improve the quality of life for a person who would otherwise not be able to access via fair and equitable means.

Many programs grant loans for a number of purposes based on their schemes' policies and procedures. Some programs may restrict their loans to goods such as washing machines and refrigerators, while others will offer loans for a range of products and services including:

<b>Household appliances</b>	<b>Household furniture</b>	<b>Outdoor equipment</b>
Air conditioner	Baby Items	Lawn Mower
CD/Stereo/Instrument	Beds/Mattresses	Barbeque
Clothes Dryer	Dining Room Furniture	<b>Education</b>
Heater	Lounge Suites	Ed. costs – Tafe/ Course
Hot Water Service	<b>Health items</b>	Books
Microwave	Wheelchair, car hoist	<b>Repairs/maintenance</b>
Refrigerator	Spectacles	Household – Building
Stove	Asthma pump	Household – Contents
Vacuum Cleaner	<b>Technology</b>	Household - Outdoor
VCR/DVD	Computers	
Washing Machine		

Within the NILS model, loans are **not** approved for emergency forms of relief such as:

- Bond and rent money
- Rent arrears
- Living expenses such as food
- Gas, electricity or telephone bills

In most states or territories there are many community based organisations that provide assistance for the above needs. It is important to recognise that NILS is not a program that provides emergency relief, but provides access to a service that usually is not accessible to people on low incomes through mainstream avenues. NILS is designed to provide a safe credit resource to those who can meet and manage fortnightly repayments, without entering into further financial hardship.

Loans are also not approved for:

- Cash advances
- Debt repayment and consolidation
- Cheques payable to the loan recipient
- Cheques to a third party for a private sale