

PRESS RELEASE

31st October 2006

Don't answer the door to rip-off lenders



Halloween doorstep photograph available

It may be Halloween tonight, but the real doorstep fright merchants are the rip-off lenders prowling round Tameside.

Over 150 MPs have backed a campaign calling on the government to cap the sky-high interest rates of doorstep lenders, thanks to lobbying by New Charter Housing Trust Group staff.

Doorstep lenders, also known as home credit companies, often charge crippling APR rates ranging from 160% to an astonishing 800% on loans. These loans can trap low income families in a vicious cycle of debt where they have to borrow more to pay off the interest on previous loans.

People on low incomes are often driven to these companies because they don't have access to bank accounts, impartial financial advice or affordable credit.

The National Housing Federation which represents New Charter and 1400 other housing associations has mounted a campaign, "Pathway to Financial Inclusion", with pressure group Debt on our Doorstep.

MP for Ashton-under-Lyne David Heyes was one of the first to sign the Early Day Motion 1068: Interest Rates charged by Doorstep Lenders, which supports the campaign.

The motion calls for an interest rate cap, and was tabled in the House of Commons last November. It continues to gain support from over 150 MPs across all parties.



business for neighbourhoods

New Charter's Deputy Chief Executive, Martin Frost said: "The government needs to do more to end the extortion of people on the lowest incomes. It's ridiculous that these companies can name their price when lending to the poorest families. It needs to stop. It's great to see our local MP, David Heyes has listened to the concerns of local people and put his name to the campaign."

NOTES FOR EDITORS

1. New Charter formed in 1999 as the new landlords to own and manage homes transferred from Tameside Metropolitan Borough Council in Greater Manchester. With a turnover of £48million a year and a workforce of 800, New Charter is one of the country's largest Registered Social Landlords, and is regulated by The Housing Corporation, a Government watchdog. By incorporating Aksa Housing Association recently, the Group owns over 15,000 homes.
2. "Pathway to Financial Inclusion" is the campaign launched by the National Housing Federation, and fair finance pressure group Debt on Our Doorstep. The Competition Commission's proposed measures to deal with doorstep lenders were announced in August but currently fall short of recommending a cap on extortionate interest rates.
3. Early Day Motion 1068: Interest Rates charged by Doorstep Lenders is sponsored by Andrew Dismore MP for Hendon.
4. **iN business for neighbourhoods** is a long-term project highlighting housing associations' performance. As social businesses, housing associations do not make profit. They offer homes for rent and sale at prices local people can afford. Housing associations provide more than homes - they help create places where people want to live. Wherever you see the **iN business for Neighbourhoods** sign, something great is happening in the area. Housing Associations who display this logo are committed to their customers, the neighbourhoods they work in and strive for excellence in everything they do.

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