MONEY SMART WEEK
SOUTH AFRICA 2026

Managing and understanding debt

A path to *financial freedom*

If you're struggling with debt, becoming debt-free might seem impossible, **but it's more achievable than you think if you take small practical steps.**

Money Smart: The Power of Possible
Small money-smart choices can make more possible...

How much of your income goes to debt repayments?

- List all your debts – who you owe and how much you pay each month.
- Work out your debt repayment-to-income ratio:

Monthly debt repayments ÷ **monthly net income** **x 100**

- Seeing how much you spend on debt is the first step to fixing it.

Who are you borrowing from?

Are you borrowing from a **regulated** or **unregulated** credit provider.

Regulated lenders = banks and other financial institutions

- Follow the rules of the National Credit Act (NCA).
- Interest rates and fees are regulated, and credit providers must comply with consumer protection requirements and treat customers fairly.

Unregulated lenders = mashonisas

- Operate outside these laws.
- Can charge high interest rates.
- Can be risky.

Access your credit report

- You can request your credit report from registered credit bureaus such as TransUnion or Experian.
- *Tip:* a healthy credit record enables you to borrow in the future.

Understand that borrowing costs money

- The amount of interest you pay depends on the interest rate, loan term, outstanding balance and how the loan is structured.
- Other costs to consider – initiation fees and monthly service fees.
- *Tip:* Borrow for the right reasons – is it a *need* or a *want*?

Take action

- ***Create a repayment plan:*** focus on paying off high-interest debts (the most expensive) first, while making minimum payments on others.
- ***Cut expenses:*** Reduce spending in your budget.
- ***Ask for help*** from a financial coach or debt specialist.

One small money-smart choice can be a step towards something more.
Explore more Money Smart Week resources at www.bayport.co.za

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

FSCA Financial Sector Conduct Authority

BAYPORT FINANCIAL SERVICES

A NATION THAT WORKS FOR ALL

2030 NDP