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**National Credit Act, 2005 (Act No. 34 of 2005)**  
**National Credit Regulations, 2006**  
**Chapter 5 : Interest and Fees**  
**Part C : Interest applicable to different products**  
**42. Maximum prescribed interest and initiation fees**

1) The following maximum rates of interest will apply:

Sub-sector	Maximum Prescribed Interest Rate
Mortgage agreements	$[(RR \times 2.2) + 5\%]$ per year
Credit facilities	$[(RR \times 2.2) + 10\%]$ per year
Unsecured credit transactions	$[(RR \times 2.2) + 20\%]$ per year
Developmental credit agreements	
For the development of a small business	$[(RR \times 2.2) + 20\%]$ per year
For low income housing (unsecured)	$[(RR \times 2.2) + 20\%]$ per year
Short terms credit transactions	5% per month
Other credit agreements	$[(RR \times 2.2) + 10\%]$ per year
Incidental credit agreements	2% per month

Where :

- RR indicates the reference rate, being the ruling SA Reserve Bank Repurchase Rate,
- The interest rate on short term credit transactions and incidental credit agreements must be disclosed as a monthly interest rate, in such disclosure as is required by the Act and these regulations.

2) The following maximum limits will apply to initiation fees:

**Table B : Maximum Initiation Fee**

Sub-sector	Maximum Initiation Fee
Mortgage agreements	<ol style="list-style-type: none"> <li>R1,000 per credit agreement, plus, 10% of the amount of the agreement in excess of R10,000</li> <li>But never to exceed R5,000.</li> </ol>
Credit facilities	<ol style="list-style-type: none"> <li>R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1,000</li> <li>But never to exceed R1,000.</li> </ol>
Unsecured credit transactions	<ol style="list-style-type: none"> <li>R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1,000</li> <li>But never to exceed R1,000.</li> </ol>
Developmental credit agreements	
For the development of a small business	<ol style="list-style-type: none"> <li>R250 per credit agreement, plus, 10% of the amount of the agreement in excess of R1,000</li> <li>But never to exceed R2,500.</li> </ol>
For low income housing (unsecured)	<ol style="list-style-type: none"> <li>R500 per credit agreement, plus, 10% of the amount of the agreement in excess of R1,000</li> <li>But never to exceed R2,500</li> </ol>
Short term credit transactions	<ol style="list-style-type: none"> <li>R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1,000</li> <li>But never to exceed R1,000</li> </ol>
Other credit agreements	<ol style="list-style-type: none"> <li>R150 per credit agreement, plus, 10% of the amount of the</li> </ol>

	agreement in excess of R1,000 b) But never to exceed R1,000
Incidental credit agreements	Nil

Where :

- a) The amount of the agreement is the amount deferred in terms of the agreement.
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