

# Affordability Assessment Service

Determine a consumer's discretionary income and ability to fund a new credit agreement.

The Affordability Assessment Service uses the consumer's income (Gross and/or Net), calculates their Necessary Expenses (at a minimum, the minimum living expenses as required in terms of Regulations); it evaluates the consumer's total monthly debt repayment obligations and returns the consumer's available income (Discretionary Income) which will indicate the consumer's ability to fund the proposed credit instalment in terms of a new credit agreement.

## How it works

Experian calculates the consumer's discretionary income as follows:

- First, we take the amount of the consumer's gross and/or net income.
- Next, we deduct their necessary expenses (the minimum living expenses as per Regulation 23A (9) and (10) of the National Credit Act 34 of 2005).
- Finally, we deduct the consumer's total monthly debt repayment obligations.

## Which stage(s) of the Credit Customer life cycle does this product serve?

Customer Acquisition

## How is this product accessed?

- Online via the Experian Product Portal
- API Integration

## Who can use this product? What type of registration do they need?

Any Subscribers required to perform an Affordability Assessment as per NCA.

## What is the unique selling point of this product?

Affordability Assessment Service is a web service which efficiently and accurately estimates a consumer's Income and Expenses, and accordingly their ability to fund a new Credit Agreement.



### 5 Reasons to make use of Affordability Assessment Service

- Automatic determination of a consumer's Gross Income where the value is unknown
- Automatic determination of a consumer's Net Income through the application of the relevant tax tables
- Automatic inclusion of known Bureau Expenses
- Assists with decision-making during the customer acquisition phase
- Compliance with the NCA

To find out how Affordability Assessment Service can help you make better business decisions, contact one of our knowledgeable consultants at [servicedesksothafrika@experian.com](mailto:servicedesksothafrika@experian.com).