



GOVERNMENT OF THE PITCAIRN ISLANDS

PITCAIRN ISLANDS PERSONAL LOAN SCHEME POLICY

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DOCUMENT CONTROL

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This Document was approved by the Pitcairn Island Council on Oct 2023 and replaces all previous Pitcairn Islands Personal Loan Scheme documentation.

INTRODUCTION

i. RATIONALE

The purpose of the Pitcairn Islands Personal Loan Scheme is to help meet the needs of the Pitcairn community by providing funding for personal loans so as to facilitate the development of local private enterprise.

ii. INTRODUCTION

The principal criteria on which requests shall be assessed is the purpose of the loan and the ability of the borrower to repay. There can be only one personal loan outstanding per household at any one time under the Pitcairn Islands Personal Loan Scheme. However, home loans are permitted in addition, limited to one per household.

iii. DEFINITIONS

The Credit Committee is comprised of the Division Manager of Finance and Economics, The Government Treasurer and Pitcairn Island Administrator.

ACTIVITIES

1.0. PERSONAL LOAN SCHEME

- 1.1.** GPI have a facility for offering personal loans to the permanent residents of the Pitcairn Island community.
- 1.2.** Funds are available on application, normally up to a maximum of NZ\$5,000 for a term of up to 3 years and, exceptionally, up to a maximum of NZ\$20,000 for a term of up to 5 years.
- 1.3.** The borrower must have permanent Pitcairn Island resident status.
- 1.4.** The borrower shall submit their request on the GPI Loan Application form with relevant plans and background information in adequate details to the Division Manager of Finance and Economics for assessment by the Credit Committee and in consultation with the PIO Financial Controller.
- 1.5.** The Credit Committee will recommend approval/disapproval of the loan based on the assessment of the facts given for the purpose of the loan, other debts to the GPI owed by the borrower and the ability of the borrower to repay. The Committee may approve a lesser amount than requested in the application. No loan will be approved without the unanimous agreement of all members of the Credit Committee.
- 1.6.** Interest shall be set for the term of the loan at a rate agreed by GPI. Repayments of principal and interest are compulsory and shall be made monthly via the GT or PIO. Interest will be charged [monthly/annually] on the outstanding loan amount at a rate of 3% above the NZ OCR
- 1.7.** The borrower may choose to make payments above the minimum terms required, or pay the loan off early, without incurring any penalties for doing so.
- 1.8.** Freight shall be payable on all purchases and can be included in the overall borrowings, provided the overall quantum does not exceed NZ\$20,000. If the overall amount including

freight exceeds the maximum loan amount the excess sum must be paid up front by the borrower.

- 1.9. The loan agreement will be underpinned by a personal guarantee of the borrower.
- 1.10. Ownership of the asset remains with the GPI until the loan is repaid in full. In the event of a default on repayment the GPI reserves the right to take possession of the asset until the loan is repaid or to realise the value of the asset against which funding has been provided, by whatever means are appropriate and to the best practice of the Government of Pitcairn Islands.
- 1.11. In the event of a borrower leaving Pitcairn Island for more than three months, and for other than medical reasons, then the outstanding loan amount must be repaid in full prior to departure or a mutual agreement with the Credit Committee under which repayments are guaranteed to continue. In the event of a medical absence the loan repayments may be put on hold by application.

2.0. ELIGIBILITY

- 2.1. Domestic Water Tanks purchased and shipped from New Zealand by new migrants, approved for settlement, and permanent Pitcairn residents are free of GPI freight costs.
- 2.2. Only approved new migrants who have completed their 2-year (non-consecutive) settlement period are eligible to access the GPI Personal and Home Loans schemes.