

# Live Better Term Loan Challenge – Terms and Conditions

If you have opted in to be a part of Capitec's Live Better challenge, you have taken the first step to improving your financial life! This challenge will run from 1 January – 31 December 2021. No fee is charged to participate in the challenge.

## How the challenge works

The challenge and your cash back is based on **one** qualifying behaviour and **2** good credit behaviours that will improve your credit health:

- **Qualifying behaviour: Pay on time**
  - You cannot earn cash back for this behaviour, but you need to pay on time every month to qualify for cash back
- **1st good credit behaviour: Pay off faster**
  - Pay 5% or more on your monthly term loan instalment to earn cash back. This will reduce your outstanding balance quicker than just paying your contractual instalment each month, and in doing so reduce your overall cost of credit
- **2nd good credit behaviour: Take credit less often**
  - Don't take up more than one new credit product in a rolling 6-month period, and don't use more than 95% of your available credit limits on your revolving accounts, to earn cash back
  - This is applicable to credit products at Capitec or any other credit provider

You stand to earn cash back valued at a proportion of your monthly contractual instalment for each good credit behaviour you achieve. By achieving both good credit behaviours, you will double your cash back! Your cash back will be paid into your Capitec main savings account monthly.

### For example:

- Craig has a Capitec personal loan for **R70 000** with a **R3 000** monthly instalment over **36 months**
- He receives cash back of **1%** of his contractual monthly instalment for each **good credit behaviour** he achieves and cash back of **2%** if he achieves both good credit behaviours
- In January, Craig pays on time and achieves the following good credit behaviours:
  - **Pay off faster:** he pays **R150** (5%) more on his instalment, which means he repays a total of **R3 150** on his loan account this month (and not just R3 000)
  - **Take credit less often:** he hasn't taken up more than one additional credit product in the last 6 months, or used more than 95% of his available credit limits
- Since Craig paid on time and achieved both good credit behaviours, he will earn **R3 000 x 2% = R60** in cash back that's paid into his Capitec main savings account for the month
- If he achieves both good credit habits throughout the 12-month challenge, he stands to receive **R720** cash back in total!
- If Craig pays 5% more on his instalment every month for the 12 months of the challenge and continues doing this for his remaining term, his cost of credit will be **R2 953** less and he will pay off his loan **2 months earlier**

### Alternatively:

- If Craig paid on time, but only achieved one of the 2 good credit behaviours, he will earn **R3 000 x 1% = R30** in cash back paid into his Capitec main savings account that month
- If Craig paid on time, but didn't achieve either of the 2 good credit behaviours, he will **not earn any cash back**
- If Craig didn't pay on time, he would **not qualify for cash back**

Behaviours	Craig's monthly cash back
Didn't pay on time: don't qualify	No cash back
Pay on time: Qualify + 0 good credit behaviours	0% of instalment
Qualify + 1 good credit behaviour	1% of instalment
Qualify + 2 good credit behaviours	2% of instalment

## Criteria: qualifying behaviour

### Qualifying behaviour: Pay on time

Keeping a good repayment track record ensures that your credit record stays healthy. The first step towards qualifying for cash back is keeping your payments up-to-date on your Capitec term loan and all other Capitec credit accounts.

For example, if you have a Capitec credit card, you need to stay up-to-date with payments on that account as well, to be able to qualify for cash back on your term loan.

You will not qualify for cash back if:

- Your Capitec term loan or any other Capitec account is in arrears
- You dispute any of your Capitec loan instalments
- You're under debt review (or any other legal status e.g. administration, sequestration)
- Your loan was in arrears and you rescheduled it
- Your loan account is no longer active (e.g. settled your loan)

## Criteria: good credit behaviours

Just like a balanced diet and exercise ensure you stay healthy, there are 2 simple behaviours that will improve your credit health:

### 1st good credit behaviour: Pay off faster

By simply **paying 5% on top of your minimum instalment** every month, you significantly improve your credit health and reduce your total cost of credit. [Click here](#) to see how easy it is to pay just 5% more each month.

For example, if Craig pays R150 extra on his R3 000 instalment, he will get R30 cash back (and will be reducing his outstanding balance while doing so)!

### Want to pay one big lump sum instead of smaller ones each month?

If you pay a large lump sum of additional funds into your loan account in one month, you could still earn cash back in the following months. We will look at your repayments over a rolling 6-month period, and if you have, on average, paid 5% more on your monthly instalment, you will still earn cash back that month.

For example, if you pay 50% more than your monthly instalment in month one, and make no additional payments on top of your normal monthly instalment through months 2 – 6, you will still earn cash back for those months. From month 7 you will have to pay 5% extra again to earn cash back for that month.

### 2nd good credit behaviour: Take credit less often

Credit can help you reach your goals, but taking up credit too often can damage your credit health. In order to demonstrate the **take credit less often behaviour**, you need to ensure that:

- You haven't opened **more than one credit product in a rolling 6-month period** (as reflected on the Bureau). For example, if you open an additional credit product in January 2021 and another one in March 2021, your cash back for this behaviour will only resume in July 2021 – provided you didn't open any additional credit products after March 2021
  - The following accounts are not considered additional credit accounts. This means you're allowed to open more than one of the accounts below in a 6-month period and still receive your cash back:
    - Open-services accounts such as telecoms, security, cellular or subscription accounts for value-add services (prepaid, etc.)
    - Short-term and long-term insurance
    - Utilities such as rates, water, electricity and levies accounts
    - Rentals of assets, including vehicles and white goods (such as appliances, televisions, etc.)
    - Property rentals
- And, you have kept the utilisation to less than 95% of the total available credit limits on your revolving account, credit card and garage card. Utilisation is the total amount of your limit that you have used. For example, if your credit card limit is R5 000, and your store card limit is R5 000, the total outstanding balance on these revolving accounts should remain below R9 500 to qualify for this cash back

## Allocation of cash back

Cash back will be paid into your Capitec main savings account by the **15th of the following calendar month**. Please ensure that you keep your Capitec Global One savings account active during the challenge, to receive cash back.

The cash back is provided at Capitec's discretion and Capitec may terminate the payment of cash backs at any time without prior notice to you. If you qualify, it does not constitute an amendment to your credit agreement. Capitec reserves all its rights in terms of your credit agreement.

## #SimplifyBanking #LiveBetter



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Conditions apply.

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