

Where,

- (a) RR indicates the reference rate, being the ruling SA Reserve Bank Repurchase Rate;
- (b) 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
<b>Mortgage agreements</b>	(a) R1 000 per credit agreement, plus, 10% of the amount of the agreement in excess of R10 000 (b) But never to exceed R5 000.
<b>Credit facilities</b>	(a) R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000 (b) But never to exceed R1 000.
<b>Unsecured credit transaction</b>	(a) R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000 (b) But never to exceed R1 000.
<b>Developmental credit agreements</b>	
for the development of a small business	(a) R250 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000. (b) But never to exceed R2 500.
for low income housing (unsecured)	(a) R500 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000 (b) But never to exceed R2 500.
<b>Short term credit transactions</b>	(a) R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000 (b) But never to exceed R1 000.

Sub-sector	Maximum Initiation Fee
<b>Other credit agreements</b>	(a) R150 per credit agreement, plus, 10% of the amount of the agreement in excess of R1 000 (b) But never to exceed R1 000.
<b>Incidental credit agreements</b>	Nil.

Where,

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

### 43 Supplementary conditions on the application of the maximum initiation fee

The following supplementary conditions shall apply on the application of the maximum initiation fee:

(1) An initiation fee may be charged at the registration of a replacement mortgage in respect of a transfer from one credit provider to another, without there being a transfer of ownership of the mortgaged property, only if—

- (a) the transfer is done at the request of the consumer; and
- (b) the levying of the fee and the amount of the fee has been disclosed to the consumer by the acquiring credit provider before the consumer has agreed to the transfer.

(2) No initiation fee may be charged on credit agreements as envisaged in section 101(2).

(3) Initiation fee may never exceed 15% of the principal debt.

### 44 Maximum service fee

The maximum monthly service fee, prescribed in terms of section 105 (1) of the Act, is R50.

(1) Where an annual service fee is levied, the applicable limit is

- (a) the monthly limit on the service fee, multiplied by 12, and
- (b) where the period for which the fee is levied is less than 12 months, the monthly service fee multiplied by the number of months in such a period.

(2) If a service fee is payable on a transaction basis, or on a