



# The Consumer Voice

A PUBLICATION OF THE CONSUMER WELFARE UNIT OF THE MINISTRY OF LABOUR & NATIONAL INSURANCE

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SEPTEMBER/OCTOBER/NOVEMBER 2016

# LOAN APPLICATION

Personal Information

Name (Last) PUBLIC

Address (Mailing Address) 12345 MAIN STREET

E-Mail Address JQP-JQP@JQP.JQP

Services needed

UNDER REVIEW

Current Income



# CPC CONSUMER BANKING SURVEY

FIND OUT WHY YOUR LOAN APPLICATION WAS REJECTED

WHAT IS A MORTGAGE BROKER?

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# What is a mortgage broker?

By **LISA TUCKER**  
**President, Mortgage Services Group**

PURCHASING a home will likely be the biggest investment one can make. How often do we find ourselves thinking we can't afford a home! Or too afraid to ask how to go about purchasing a home. We all know that purchasing your first home can seem complex. Chances are you're unsure, a little apprehensive about making this first step. At some point, you will require the assistance of a mortgage professional for advice and consultation.

Mortgage brokers are here to make your process as smooth and as comfortable as possible, negotiating the best available terms and rates on your behalf, to help you purchase or construct your first home, refinance your existing mortgage using the equity in your home, debt consolidation, buy investment property, or get financing to remodel your existing home.

You ask, what is a mortgage broker?

To put it simply, a mortgage broker is a go between the borrower and the lender, who negotiates the loan on your behalf, without you having to shop around with the different Banks.

## Why use a mortgage broker?

A mortgage broker will take the time to discuss with you, your needs and circumstances by evaluating your current situation. Lending institutions can be time-consuming, so we provide one central point for the mortgage information including appraisers, real estate agents and attorneys.

The broker's experience in the credit industry will help you to make informed decisions, allowing you to feel confident through the process. Once the broker has an understanding of your objectives and financial position, they discuss with you the loan products, including but not limited to making an offer on a home through the real estate companies purchasing a home package, construction matters, stamp tax and how it relates to first time home owners, legal fees, closing cost and the necessary documents and insurances.

Persons don't always meet their target requirement when it comes to being qualified, so we help you to determine an amount that should be set aside to assist in obtaining your financial goal to qualify for your purchase.

Our services are not limited to assisting you with obtaining a loan for home purchase or construction, but also debt consolidations for a lower interest rate or repayment, home improvements, vacant land, condos and apartment purchases.

It's all based on what you're qualified for at the time and your situation.

Brokers are familiar with what each lending institution has to offer and have the ability to compare terms and conditions to ensure that we have the right fit for each unique situation.

Brokers are also able to provide information on the different areas of real estate and assist you in understanding all costs related to different types of communities, eg gated communities versus condominium, lease options etc.

## Our meeting

- We meet with you to discuss your situation, your goals and targets you hope to obtain.
- We set up a time that is convenient to you.
- Discuss and assist you with your financial goals.
- Evaluate the type of loan you're requesting.
- Determine what you are qualified for.
- Explain banking requirements as it relates to stamp tax, legal fees and closing cost, and deposits Home equity and its uses.
- Suggest purchasing options and loan products.
- Advise consumers on the documentation required to begin the loan process

- Any other questions you may have including why you may not be qualified at the time.

There is no set time on the process, as each borrower, loan request and Lenders are unique.

Once a decision is made, qualifying amount is determined, and all requested documents are received, we begin an application process, completing the necessary paperwork and liaise with the lender on the client's behalf.

The application along with documents are completed and submitted to the lenders. The selected lenders will review and communicate with the broker until the loan is approved.

Once approved, the lender will meet with the client providing a letter outlining the terms and conditions of the loan. They would at this point manage the account.

We further discuss the importance of disclosing credit history.

It is important that all credit information is disclosed with the broker, we find that some persons withhold information that could deny financing by the lenders. Past or present delinquencies should be discussed, so that the broker can help you get back on the right track.

With the present discussion of implementation of a credit bureau, all credit

information from various sources on persons borrowing amounts, how previous and existing loans are serviced, how bills are paid and any other credit account information will be disclosed. Credit bureaus compile data, both positive and negative on the borrower, providing reports that assist lenders in assessing credit worthiness, the ability to repay loans and provide an overall credit risk assessment. This credit report will aid the lenders with information on any bankruptcy, court judgments, returned cheques and amount of loans the borrower has.

Credit bureaus are independent agencies, established to support financial stability, and assist in mitigating market failures. It will assist with reducing delinquency and minimising debts, preventing excessive borrowing. However, credit bureaus do not make any actual lending decisions; it's entirely up to the lender.

Self-employed persons somehow always feel that they cannot get financing, the good news is that lenders do assist self-employed persons as long as they can substantiate their income and provide the right paperwork.

We assist small business owners with proper set up of their financial information. This is very important. We provide information that lead to good business practice and favourable banking consideration.



# Top Ten Consumer Banking Tips

**B**anking fees can add up quickly. It's your money; keep more of it for yourself. Save money while you are banking. In a world where the economy is seemingly taking a nose dive, every little penny counts.

**1. Savings Accounts -** Opening and using a savings account may be to your advantage, especially if you keep large amounts in your account at one time. This is because savings accounts draw in interest. There are some banks that also pay interest to those who have direct deposit into their account.

**2. Overdraft Protection -** It has happened to the best of us. When you get one of those hefty draft fees, it causes a ripple effect. Ultimately, your account is in turmoil. Many banks offer overdraft protection so that if this were to happen, you won't be paying triple to even your balance back out.

**3. Get to know bank employees you can turn to for help -** write down the names and numbers of bank employees who, in-person or over the phone, seem to be especially helpful and knowledgeable. If possible, become a familiar voice or face to them. Why go to this trouble? A good bank teller, branch manager, customer service representative, loan officer or supervisor can help get your banking questions answered and your bank problems solved. They may even come to your aid in a financial emergency; especially if they know you and that you have a good relationship with

the bank.

**4. Do not be afraid to make a complaint at your bank.** No bank employee really enjoys hearing from a disgruntled customer. But your bank's managers probably would prefer you bring a banking problem to their attention and be given the chance to fix it rather than take your business elsewhere or tell all your friends about "that lousy bank". If you do not get satisfaction from a customer service representative or another employee, consider talking to a bank supervisor...And if you are still having problems, consider contacting the banking institution who regulates banks (in The Bahamas, Central Bank of The Bahamas), or the Consumer Protection Commission.

**5. ATM Conscious -** do you realise that you spend anywhere from \$1-\$3 every time you visit an ATM machine. So limiting your ATM visits can greatly decrease banking fees.

**6. No Balance/No Minimum Banking -** It is best to find a bank that you can bank with which will not charge a fee if you don't keep the minimum amount requirement in your account. Some banks require you to keep a minimum amount in your account or you will be charged. Avoid these fees whenever possible.

**7. Online Bill Pay -** it is looking as though resorting to automatically paying bills online will be no choice but a must. Many are resorting to paying bills online versus sending it in the mail and spending the money on a

See PG5



**A GOOD** bank teller, branch manager, customer service representative, loan officer or supervisor can help get your banking questions answered and your bank problems solved.



**LIMITING** your ATM visits can greatly decrease banking fees.

# Top Ten Consumer Banking Tips

From pg4

stamp. Also, to save time you may choose to have your payments automatically withdrawn.

## 8. Ask yourself, and your bank, if you're getting the best deal -

About once a year, talk to a customer services representative at your bank to make sure you're signed up for the right banking programs to meet your needs. Ask a representative for any banking tips that would help you.

## 9. Read your monthly bank statements -

Your bank statements, credit card bills and other mailings from your

bank may not make for exciting reading, but they can be among the most important literature you will read.

Also review your bank statement as soon as possible after it arrives to make sure there are no unauthorized charges. If you suspect that a thief has used your credit card, go right to the phone and call the bank.

## 10. Keep good bank records -

Hold on to your bank receipts for deposits, ATM withdrawals credit card charges, and other bank transactions long enough to confirm that your monthly bank account statements (or credit card

statements) are correct.

Later, it's OK to toss these pieces of paper in the trash, but be sure to rip them up enough so that a thief cannot read or use them. Also, keep copies of any contracts or other documents you sign with the bank (loans, certificates of deposit, etc.), along with any accompanying materials. If there is ever a dispute or a discrepancy with your bank, you will have use of these as an information resource.

It is a good idea periodically to shop for and compare financial services, just as you would any consumer good. If nothing else, you will want to know that the rates, fees and services at your existing bank are at least comparable to what is out there in the marketplace.



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\*Loan rate of 5.0% applies to auto loans only. Limited time offer ends September 30th 2016. Loan applications subject to normal lending criteria

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# FIND OUT WHY YOUR LOAN APPLICATION WAS **REJECTED**

If your loan application was rejected, you will need to determine the reason, so that you can take steps to correct any problems, or to improve your ability to get a mortgage in the future.

In The Bahamas, lenders are not legally required to explain in writing, their decision to deny credit. But go back and talk to the loan officer to find out the specific reason your request was rejected. You may discover something that could cause your request to be re-considered.

At any rate, you should not necessarily assume that a rejection by one lender means your loan application would be rejected by all lenders.

Below are some possible reasons for a loan denial.

## Low Appraisal

Perhaps your loan application was rejected because the appraisal of the property was too low compared to the agreed upon purchase price. You may be able to use the low appraisal to help you re-negotiate the pur-

chase price to an amount the lender would agree to finance. If the low appraisal reflects some structural problem or needed repairs, see if you can get the owner to agree to fix the problem before the sale. Or maybe the lender will approve your loan request if the seller agrees to set aside funds in an escrow account to be used to make the needed repairs after the sale.

## Poor credit rating

If you are refused credit on the basis of a credit bureau report, you are entitled to a free copy of the report from the credit reporting agency. You can then challenge any errors and can also insist that the credit reporting agency include your side of any unresolved credit disputes in

its reports.

If, however, your credit history is deficient in some way, you should start repaying debts in order to get current. After you

have improved your credit profile, you may be in a position to begin house hunting again. If you have applied for a loan using a non-traditional credit history that documents payments to landlords and utility companies, you may want to ask a non-profit housing group or mortgage broker to help you present that documentation in a more favourable light.

## Insufficient funds

If you are a low-to-moderate income home buyer, renting with an option to buy may help you overcome the problem of insufficient savings for a down payment.

If all else fails, start a serious savings plan so that you will be in a better position to buy a house a year or two from now. Another option is to try to get

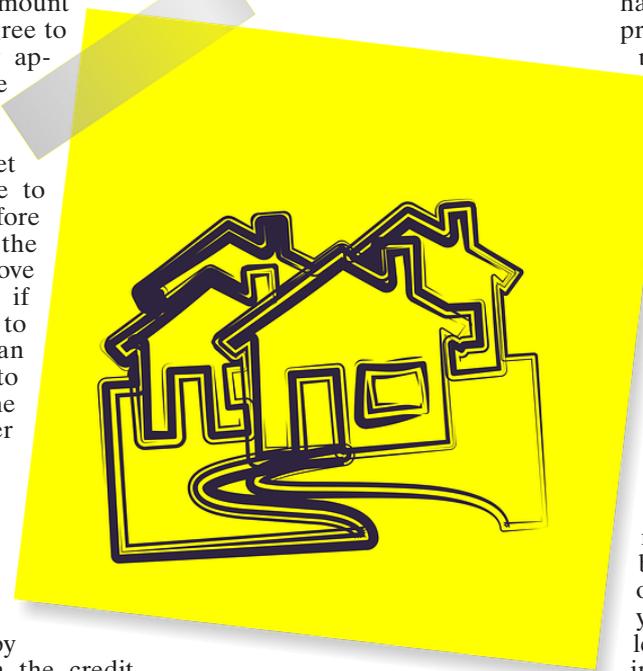
the seller to agree to finance a second mortgage, thereby reducing the amount of down payment required.

## Insufficient income

If the lender's qualifying formula shows that you can't afford the house you are proposing to buy, are there perhaps some extenuating circumstances that you might point out to the loan officer – for example, the rent you are already paying may be as great as the proposed monthly payment. Or if you're due for a raise, maybe a letter to this effect from your employer would help.

## Too much debt

If you have too much debt but you are very close to qualifying, you may be able to convince the lender to reconsider, especially if you have an excellent credit history. Otherwise, you may need to pay off some of your debts before you can buy a house (or choose a less expensive house).



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## CARIBBEAN WELLNESS DAY



# 'Our children should have safe, healthy environments'

OUR children should have safe and healthy environments, including homes, schools, and communities to ensure a healthy mind, body and spirit. This would enable them to maximize their potential. It is with this in mind that Caribbean Wellness Day (CWD) 2016 focuses on children, under the theme, Healthy Children in Healthy Environments.

CWD will be observed across the Region on Saturday 10th September. This annual event launched in 2008, has raised the profile of non-communicable diseases (NCDs), which continue to severely and adversely impact the health, economy and development of the Caribbean. CARPHA will collaborate with the Caribbean Community (CARICOM), in helping to shape regional and country-level policy and programmes that address the epidemic of chronic diseases, the roots of which begin in early life.

The Caribbean has the highest burden of NCDs in the Americas, and is in the midst of a rapidly growing childhood obesity epidemic. At least 1 in every 5 of our children are car-

rying unhealthy weights and at risk of developing NCDs and other problems later in life. With such conditions prevalent in the Region, it is important to get and use solutions that might help with these challenges.

Reducing weight-related health issues is a priority for CARPHA as illustrated in the Plan for Action for Promoting Healthy Weights. The Plan supports measures to effect change at the individual and community levels, as well as to provide medical, health and family support for the child, who is already affected by overweight/obesity. Recently, CARPHA produced a Parents' Guide to a Healthier Child. Parents can use this as a starter kit to develop a plan to keep their children healthier and reduce their risk of developing NCDs associated with unhealthy weight such as diabetes and high blood pressure.

Although lifestyles, including physical activity and diet, are not the only cause of obesity, they are an important factor. Lifestyles can be shaped by individual factors, such as attitudes, beliefs, and knowl-



**DR C JAMES HOSPEDALES**

edge, as well as environmental factors, including the physical, social, political, and economic environments. The built environment, which provides for sidewalks, bike lanes, community parks, green spaces, and healthy schools, is one of these factors that influence lifestyles, body weight, and generally improve health.

CARPHA aims to stop and reverse the rise in obesity in children and adolescents by 2025, and is working with

## CARIBBEAN WELLNESS DAY MESSAGE FROM DR C JAMES HOSPEDALES, EXECUTIVE DIRECTOR, CARIBBEAN PUBLIC HEALTH AGENCY

Member States to support national implementation to achieve this. These actions will ensure that the environments in which our Caribbean children live and learn are more supportive of physical activity and healthy eating; that our communities are empowered to embrace healthy living. The measures will:

- establish nutrition labelling of processed foods reduce salt and sugar consumption

- advocate to ban the importation of products containing trans fats reduce marketing of unhealthy foods and "fast foods" to children promote

physical activities

- introduce public recreational spaces

- promote consumption of local fruits and vegetables align taxes with nutritional value

So, as we celebrate health and our children, I urge policy makers, communities, and each and every individual to act now. Let us tackle public health concerns and bring immediate positive benefits to our children's health. Let us ensure that our children live, learn and play in safe environments as they are important to our future development.

# PRICE COMPARISON BASKET OF BASIC CONSUMER GOODS

## SELECT FOOD COMMODITIES

### 3rd Quarter

Brands	Unit	Actual Controlled Price (VAT Inclusive)	Super Value		Lil General	Pheonix	Solomon's	Xtra Value	Budget	John Chea	Minimum	Maximum
			East St. & Robinson Rd.	Blue Hill Rd.	East Street	East St.	Old Trail Rd.	Oakes Field	Bernard Rd.	Wulff Rd.		
Yellow Onions	3 lbs	N/A	2.99	2.99	2.39	2.59	1.29	1.99	3.29	2.99	1.29	3.29
White Potatoes	5 lbs.	N/A	2.99	2.99	3.29	3.31	2.99	2.69	3.19	3.71	2.69	3.71
Quaker Oatmeal	18 oz.	N/A	3.99	3.99	3.95	4.49	4.29	3.99	3.99	3.69	3.69	4.49
Brunswick Sardines	3.75 oz.	N/A	1.05	1.05	1.28	1.04	1.09	1.08	1.09	1.06	1.04	1.28
Mahatma Rice (Gold Parboiled)	5 lbs	4.31	3.59	3.59	4.29	4.01	4.29	3.69	4.01	4.31	3.59	4.31
Quaker Quick Grits (White)	5 lbs	4.66	4.33	3.79	4.29	4.33	4.65	4.37	4.35	4.65	3.79	4.65
Robinhood Flour (Poly)	5 lbs	5.03	4.68	4.68	5.03	4.68	4.18	3.89	3.99	5.03	3.89	5.03
Campbell's Vegetable Soup	10.5 oz.	N/A	1.06	1.06	1.21	1.09	1.23	1.01	1.01	1.14	1.01	1.23
Sugar (First Choice)	4 lbs	3.45	1.79	1.79	2.49	2.30	2.33	1.99	2.39	2.58	1.79	2.58
Roman Meal	Loaf	N/A	3.79	3.79	4.09	3.51	4.29	3.20	3.51	3.80	3.20	4.29
Eggs	1 dozen	N/A	1.92	1.67	1.50	1.73	1.59	1.79	1.18	1.42	1.18	1.92
Special Blend White Bread	Loaf	N/A	3.25	3.25	3.64	3.01	3.38	2.70	n/a	3.29	2.70	3.64
Hellman's (Real) Mayonnaise	30 oz.	6.87	5.49	5.49	5.85	5.85	5.75	4.99	5.49	5.44	4.99	5.85
Wesson Cooking (Veg. Oil)	48 oz.	5.00	4.65	4.65	4.29	4.56	N/A	3.89	3.99	4.65	3.89	4.65
Carnation Evaporated Milk	410 g.	1.32	1.06	1.19	N/A	N/A	N/A	1.29	1.14	1.23	1.06	1.29

### EDITOR'S NOTE

The minimum and maximum prices displayed are not controlled prices, but rather reflect the price variations found by our inspectors in the field. The controlled price reflected under '**Actual Controlled Price**'.





## Consumer Banking Survey

THIS survey measures overall consumer satisfaction with the commercial banking experience, and consumers' perceptions of the fees charged for banking services.

We seek feedback from individuals 18 years and over who possess a commercial bank account.

**• Instructions: Please complete the following questions as accurately as possible. Your answers will be kept strictly confidential. The survey is expected to take 8-10 minutes of your time. Thank you for your participation.**

1. Before this survey, were you aware of the Consumer Protection Commission of The Bahamas?
  - a. Yes
  - b. No
2. Do you think there is consumer protection in The Bahamas for retail bank customers?
  - a. Yes
  - b. No
3. What is your gender?
  - a. Male
  - b. Female
4. What is your age?
  - a. 18-24
  - b. 25-34
  - c. 35-44
  - d. 45-54
  - e. 55-64
  - f. 65+
5. What is your employment status?
  - a. Employed
  - b. Self-employed
  - c. Out of work
  - d. A student
  - e. Retired
  - f. Unable to work
  - g. None of the above
6. Where do you conduct most of your banking?
  - a. New Providence
  - b. Family Islands/Out Islands
7. How often do you go into the branch of a commercial bank?
  - a. Often (weekly or more)
  - b. Sometimes (monthly)
  - c. Occasionally (every few months)
  - d. Rarely
  - e. Never
  - f. Don't know
8. What type of account(s) do you have? Select all that apply.
  - a. Current/Chequing account
  - b. Savings account
  - c. Personal loan
  - d. Time deposit
  - e. Credit card
  - f. Car loan
  - g. Housing mortgage
  - h. Other
9. Do you think the service fees/charges associated with your account(s) are appropriate for the services you receive?
  - a. Yes
  - b. No
10. With respect to the number of fees, are there:
  - a. Too few fees
  - b. A fair number of fees
  - c. Too many fees
  - d. Don't know
11. How do you contact your bank? Select all that apply.
  - a. Through staff in the branch
  - b. Company website
  - c. Email
  - d. Letters/Mail
  - e. Telephone
  - f. I do not contact my bank

**SEE NEXT PAGE**

The Consumer Protection Commission is on a mission to ensure that local consumers are made aware of their rights as consumers, also just as important, that local goods and service providers are aware of and respect and incorporate those rights into their respective business practices.

These rights include, but are not limited to:

- The right to be informed
- The right to choose
- The right to be heard
- The right to redress
- The right to consumer education



**MINISTER** of Labour and National Insurance and Minister of the Public Service, Shane Gibson addresses the opening ceremony of the Consumer Protection Commission Centre in offices next to the Teachers & Salaried Workers Cooperative Credit Union, East Street South in April this year.

Photo by **Raymond Bethel**/BIS



## Consumer Banking Survey

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### FROM PAGE 9

12. How does your bank contact you? Select all that apply.

- a. Through staff in the branch
- b. Company website
- c. Email
- d. Letters/Mail
- e. Telephone
- f. My bank does not contact me

13. Are you given advanced notice of fee changes (e.g. new fees or fee increases)? If never, skip to question 15.

- a. Almost always
- b. Often
- c. Sometimes
- d. Rarely
- e. Never

14. How are you notified of any fee changes?

- a. Through staff in the branch
- b. Company website
- c. Email
- d. Letters/Mail
- e. Telephone

15. Have you ever had a complaint or dispute with your bank? If no, skip to question 19.

- a. Yes
- b. No

16. Was your complaint or dispute resolved in a timely manner?

- a. Yes
- b. No
- c. I never pursued my complaint or dispute
- d. I stopped pursuing my complaint or dispute
- e. Not resolved yet

17. Was your complaint or dispute resolved to your satisfaction?

- a. Yes
- b. No
- c. Not applicable

18. How many times did you contact your bank about your complaint or dispute?

- a. 0
- b. 1
- c. 2
- d. 3
- e. 4
- f. 5+

19. Would you recommend your bank to family, friends, or associates?

- a. Yes
- b. No

20. On a scale of 1-10, with 10 being the highest, rate your satisfaction with your local bank.

- 1    2    3    4    5    6    7    8    9    10



# The Consumer Right To Redress Who To Call



## PRICE CONTROL

Consumer Welfare Unit  
Tel: (242) 698-0725  
Hotline: (242) 327-2309  
Fax: (242) 327-8831



## GOODS AND SERVICES

Consumer Protection Commission  
Tel: (242) 393-7795-7  
Toll Free: 1 (866) 251-5404  
Fax: (242) 393-7798  
Email: info@cpcbahamas.org



## UTILITIES

Utilities Regulation & Competition Authority (URCA)  
Toll Free: (242) 300 URCA (8722)  
Tel: (242) 396-5200  
Email: info@urcabahamas.bs  
Website: www.urcabahamas.bs



## DATA BREACHES

Office of the Data Protection Commissioner  
Tel: (242) 702-1552/702-1534/702-1571  
Email: dataprotection@bahamas.gov.bs  
Website: www.bahamas.gov.bs/dataprotection



## ATTORNEY COMPLAINTS

Bahamas Bar Association  
Tel: (242) 393-3220  
Email: administrator@bahamas-barassociation.com



## INSURANCE

The Insurance Commission of The Bahamas  
Tel: (242) 397-4100  
Fax: (242) 328-1070  
Website: www.icb.gov.bs



## SECURITIES INVESTMENTS

Securities Commission of The Bahamas  
Tel: (242) 397-4100  
Fax: 396-7530  
Email: info@scb.gov.bs  
Website: www.scb.gov.bs



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