

Mortgage stress – self help guide

Guide to calling the lender to ask for a hardship variation

You need to make sure you cover the following when you call the lender:

1. Make a note of date of the phone call and what is talked about.
2. Ask to be transferred to the financial hardship team (if there is one) or to customer service.
3. Give the details of your loan (account name and number, and the amount you pay each week/fortnight/month).
4. Tell the lender you are in financial hardship. Explain why you are having trouble making payments/why you are in financial hardship. For example, lost your job, serious illness, and how long you think your financial problems will go on for.
5. Say that you want to change your loan repayments because you are experiencing hardship (in accordance with section 72 of the *National Credit Code*). Say what change you want and for how long. Say how you plan to catch up, for example:
 - Can you find the money now, or
 - Can you pay back what you owe over a few months.
6. Ask how much your new repayments will be at the end of the variation. If you won't be able to afford these new repayments, insist on extending the term of the loan instead.
7. Request that all legal action, default fees and default interest stop while the lender considers your request.
8. Ask for a postal address and/or email address for the lender.

If you can, confirm the agreement in writing.

Acknowledgement

Legal Aid WA would like to thank Legal Aid NSW and the Financial Rights Legal Centre for permission to reproduce parts of this checklist from the *Mortgage Stress Handbook (edition 3)* published by Legal Aid NSW in partnership with the Financial Rights Legal Centre.