



Mortgage stress – self help guide

Sample letter asking for a change in the loan contract on the grounds of financial hardship

Get legal advice if you are not sure about anything.

Date: _____

[Name of Lender]
[Address of Lender]

Dear Manager

Request for change of contract on the grounds of financial hardship

Account name: _____

Loan account no: _____

I wish to apply to you for a variation of the above loan contract on the grounds of financial hardship under section 72 of the *National Credit Code* (Schedule 1 of the *National Consumer Credit Protection Act*).

I assume you will stay all enforcement action while you consider this application. If this is not possible, please let me know immediately in writing.

Financial hardship

I have been in financial hardship because of
[Give details eg I was unemployed for 6 months]

Expectation of being able to reasonably repay the loan if the variation is granted

Examples: [pick one of the scenarios below if it fits your situation and delete the rest, or write your own]

I have now returned to work and can now afford the scheduled repayments on the loan **OR**

I expect to return to work on [give date or number of months] and then I will be able to afford the scheduled loan repayments **OR**

I am recovering from my illness and expect to return to work.

Change requested

I request the following change to my contract:

Examples: [pick one of the scenarios below if it fits your financial situation, or write your own]

- A reduction of the amount of each repayment to \$ per week/fortnight/month. This change is requested for [number of months] months. The term of the loan will be extended and any arrears will be added to the loan (capitalised). AND/OR

Acknowledgement

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



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- I will resume making the scheduled repayments on [*date*] _____. The term of the loan will be extended and any arrears will be added to the loan (capitalised)
- Postponement of repayments for [*number of months*] the term of the loan will be extended for [*number of months*] and any arrears will be added to the loan.

I assume that you will not continue to charge default fees or default interest while my hardship request is being considered. Please confirm this is the case.

If required, please send a detailed Financial Statement of Position for me to complete. [or you may send this with your letter]

I ask that you consider this application as urgent.

Yours faithfully

[Full name]

Your address

Your telephone number

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