

Sample letter requesting a repayment arrangement

Please delete those parts of the sample letter that do not apply to your circumstances.

Manager

Use contact details for the lender at www.afca.org.au

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Dear Manager,

Re: Hardship notice Loan account no:

I/we ask for a hardship arrangement under section 72 of the National Credit Code.

Change requested

I/we request the following change:

- Reduce each repayment to \$ per fortnight/ month, for (number of months) months. After this time I/we will return to making the normal scheduled repayments. The term of the loan to be extended and any arrears to be added to the loan. OR
- no repayments for 3 months with my circumstances to be reviewed at the end of this period to discuss if a further extension of time is needed. After the agreed period, I/we return to making the normal scheduled repayments, the term of the loan is extended and the arrears added to the loan. OR
- I/we continue making scheduled repayments and any arrears accumulated during my/our recent period of financial hardship are added to the loan and the term of the loan extended. OR

- no repayments or reduced repayments of \$ per month for (number of months) months to exchange an unconditional sale contract on my/our home.

I/we assume that you will not continue to charge default fees, default interest or make a default listing on my/our credit report while my/ our hardship request is being considered.

Supporting information

The reason for our financial hardship is [explain why you can't pay – eg. you are sick, or lost your job)

I/we expect that (choose from the following or add your own explanation about how you will pay the mortgage long-term):

- when I return to work I will be able to afford the scheduled repayments
- when I have recovered from my illness I can return to work and can afford the scheduled repayments.
- the loan will be repaid from the sale of my home

Please send me/us a Financial Statement of Position to complete, if required.

I/we await your reply in writing within 21 days of the date of this letter.

Yours faithfully

Name

Address