

# Having trouble making repayments?



**BankVic**

members matter

police, health, emergency & public services

## Having trouble meeting repayments?

If you are finding it difficult to make repayments on your BankVic loan, credit card or overdraft, please contact us as soon as possible. The earlier you do, the easier it is for us to help you. We have systems in place to assist if you are experiencing financial hardship and we can give practical assistance, when it's appropriate.

As part of our lending practices, we work out your borrowing capacity and assess your ability to repay the loan. If something unforeseen happens, and your financial situation is not likely to improve in the short term (three to six months), the sooner you let us know, the sooner we can talk with you and work out how we can best assist you and your family.

### What sort of help can I ask for?

You can, for example, ask us for a hardship variation to:

- > extend the life of your loan and reduce the amount of your regular repayment; and/or
- > delay payments due on a specific date;
- > stop payments for a period of time and extend the period of the loan; and
- > any reasonable alternative to vary the credit contract that may help you to overcome your financial difficulty.

Hardship variations are designed to give temporary relief over a difficult period. You will still need to repay your loan, but it may be stretched over a longer time period (and you will pay a bit more interest in the long run).

It is important to note that you don't have to agree to a hardship variation if it isn't on the terms you requested or are comfortable with. Additionally, we don't have to agree to your request to change the terms of your loan.

### If we don't agree to your request for hardship assistance.

There is a certain process we must follow when you ask for a change to your repayments. We will look at your current financial position and may ask you for more information to assess how we may be able to assist you. We will consider whether or not things are likely to improve and whether you will eventually be able to repay the debt. If your circumstances have permanently changed, a variation to your credit contract may not necessarily be in your best interests as this may be postponing inevitable default under the facility.

- > If we refuse your request for hardship assistance, you can ask us to reconsider. If we still refuse, you can go to the Financial Ombudsman Service Limited by contacting 1800 367 287, [info@fos.org.au](mailto:info@fos.org.au) or GPO Box 3, Melbourne, Victoria 3001. Applications to FOS can be made immediately if we refuse your request or do not respond to your request within 21 days.

Alternatively, you can seek legal advice, for example a community legal centre or Legal Aid. There are other people such as financial counsellors that may be able to assist you.

### Options to consider when notifying us you are experiencing hardship

We will work with you and assess how to assist you and your family, based on your future ability to meet the obligations of your BankVic loan and other obligations. You should also think about other options, for example:

#### Budget

Look at your income and expenses and try to reduce your monthly expenses. Use our online budget planner to help you work out a budget and manage your income. You will also find information on budgeting and prioritising your debts at [moneysmart.gov.au](http://moneysmart.gov.au).

#### Refinance your loan

Think about switching to another type of loan. Make sure you look at all your options carefully and consider getting independent legal advice or see a financial counsellor before you make any decision on refinancing. And be realistic. If it

means you will be paying less in fees and interest, it can work but it can also be a short-term fix. Can you afford repayments under a new refinancing arrangement?

#### Find out about government assistance

Are you entitled to benefits or other government assistance? Centrelink provides information for people who are unemployed, self-employed or in crisis. Visit [centrelink.gov.au](http://centrelink.gov.au) to see if you are eligible for any entitlements.

#### Ask for assistance

Financial counsellors may provide a free, independent and confidential service to help you work out the best options for your situation.

#### Sell your property or assets

Downsizing your property may lower your repayments. You could also sell other assets or think about the possibility of renting but our aim is to preserve your assets.

#### Early withdrawal of superannuation

Hardship provisions may allow you to withdraw some of your superannuation, if you are experiencing severe financial difficulty.

#### What's the next step?

If you would like our help we need the following,

1. Download and complete our Financial Hardship form at [bankvic.com.au/hardship](http://bankvic.com.au/hardship)
  - a. for us to consider your request, please provide us with documentation you think may assist us e.g. payslips, bank statements, medical certificates, written confirmation of arrangements with other creditors and/or a letter from Centrelink; and
  - b. the form will give us written authority to discuss your financial situation with relevant third parties such as a financial counsellor;
2. Mail the complete form to Financial Hardship BankVic at Reply Paid, 90210, MELBOURNE VIC 8060, email to [assist@bankvic.com.au](mailto:assist@bankvic.com.au) or visit a branch.
3. We will contact you to organise an interview.

Please note that for us to consider your request for financial hardship assistance, you may need to provide us with documentation e.g. payslips, bank statements, medical certificates, written confirmation of arrangements with other creditors and/or a letter from Centrelink.

#### Where can I find more information on money matters?

Go online – [youandmoney.com.au](http://youandmoney.com.au) delivers clear, concise, unbiased information on a range of challenging money topics. You will find articles on managing debt, debt assistance and financial counselling, links to reputable counselling services, and a blog where you can ask questions and get feedback from people in similar situations.



[bankvic.com.au/hardship](http://bankvic.com.au/hardship)



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