



NORTH STATE FINANCE LIMITED

A.B.N. 18 003 959 126

Hardship brochure

Financial hardship?

Contact us

If you are having trouble meeting the repayments on your loan you should contact us as soon as possible to discuss your situation. Make sure you are honest. Remember, the sooner you act the easier it will be for us to assist.

If you are unsure about whether you can afford to pay or not, contact a financial counsellor for help (see www.fido.gov.au).

You can ask for a hardship variation

If your loan is covered by the National Credit Code, you have the right to ask us to enter into a hardship variation to:

- extend your loan to reduce your repayments, and/or
- postpone your repayments for a period of time.

Note: A hardship variation gives you temporary relief. You still need to pay off your entire loan, but it will be stretched over a longer time period (and you will pay more interest in the long run).

A financial counsellor, community legal centre or solicitor may be able to help you ask for a hardship variation (see www.fido.gov.au).

You do not have to agree to a hardship variation if it is not on the terms you requested.

We do not have to agree to your request to change the terms of your loan.

If we do not agree

If we refuse your request to change your contract because of hardship, you can dispute our decision.

We are a member of an external dispute resolution scheme approved by ASIC, the Credit Ombudsman Service Ltd (**COSL**), which may be able to hear your complaint. Please refer to our Complaints and Dispute Resolution Guide for further information.

You can also apply to a tribunal or court in your state for an order to change the terms of your loan.

Talk to other creditors

You should also talk to all of your other creditors about your situation. Again, the sooner you take action and discuss your financial problems with your creditors, the easier it will be to try and work out a solution. If the credit is covered by the National Credit Code, you can request a hardship variation for those products also.

Other options

Here are some other options that may be that you may wish to consider if you are experiencing financial hardship.

- **Budget** - Take some time to think about your income and expenses, and see if you can reduce your expenditure. You can use FIDO's budget planner to help you prepare a budget and manage your income. There is also lots of information and tips on budgeting and dealing with debts at www.fido.gov.au
- **Negotiate a better interest rate** - See if you can negotiate a better interest rate with your lenders.
- **Refinance** - You might consider switching to another type of loan product or changing to a different lender because they have a cheaper loan. Although refinancing might look like a good idea, weigh your options up carefully before making a decision. If you are already in default or under financial stress, be realistic about whether you can afford repayments under a new refinancing arrangement. You may have to pay large fees to get out of your existing loan and pay mortgage insurance again. Go to www.fido.gov.au for more tips and a checklist on what to look out for when switching loans.
- **Seek government assistance** - Find out if you are entitled to benefits or other government assistance. Visit the Centrelink website to see if you are eligible for any entitlements. The site includes specific information for unemployed, self-employed, people in crisis (e.g. recently separated, divorced or bereaved, ill or injured). Some state governments offer short- term interest-free mortgage relief loans to cover temporary shortfalls. Contact your local state Department of Housing.
- **Ask for help** - Financial counsellors can help people who are in financial difficulties. They provide a free, independent and confidential service to help you work out the best options for your situation. ASIC also has information about credit and other financial issues. A full list of financial counsellors is at www.fido.gov.au. ASIC Infoline: 1300 300 630
- **Sell your property** - You could downsize or consider renting for a while. If you are really struggling to meet the repayments on your loan and you do not see your financial position considerably improving, it may be better to sell your property now then leave it till later when you have incurred more fees or perhaps gone through an expensive refinance. Also, if you leave things too late (which can happen very quickly) you will lose your ability to sell the property on your terms.
- **Access your superannuation early** - Hardship provisions allow for early withdrawal of superannuation by people who are experiencing severe financial difficulty. This is a last resort option and you should think about it carefully. You may risk losing your house and your superannuation. Get the advice of a financial counsellor to help you decide what is best for you.

General Financiers, Investments & Deposit Facilities Mortgage & Finance Brokers, General Insurance & Green Slips

Registered Office - HO:
46 Park Avenue (PO Box 270)
COFFS HARBOUR NSW 2450
TEL (02) 66487500 FAX (02) 66514079
FREECALL 1800 069 950
e.mail: nsfcoffs@nsf.com.au

Lismore Office:
Lismore Professional Centre
103-105 Molesworth Street (PO Box 1036)
LISMORE NSW 2480
TEL (02) 66222030 . FAX (02) 66220600
e.mail nsflismore@nsf.com.au