



## **FINALLY SOME RELIEF!**

**I read that some people may be able to get mortgage relief. What do you need to do to apply for it? Do I go to Centrelink or the bank?**

**Janelle, Blacktown**

In some welcome news last month Janelle, the Federal Government announced a mortgage stress relief package with the four major banks, representing about 80% of the mortgage market. It is expected that credit unions and building societies will shortly join the ranks too.

If you have a mortgage and lose your job, the major banks can now offer the following options for assistance whilst you are experiencing financial hardship:

- postponement of repayments for up to 12 months (interest will still accrue and be capitalised into the loan);
- extension of the contract period of loans (eg from 25 to 30 years) and hence a reduction in the amount of each payment due;
- interest-only breaks on loan repayments; and
- fee waivers.

These options will hopefully offer temporary relief but you can generally expect that your debt will be higher in 12 months time compared to meeting your current mortgage obligations.

Of course, these options won't help you if you are not back on your feet within the year.

The bank can also disallow offering these options when they don't think you have the ability to meet new contractual obligations in the long term.

If you feel that your bank does not live up to their side of the bargain with this agreement then you should first raise it with their internal customer complaints area. If still not satisfied with their response, you can contact the Financial Ombudsman Service on 1300 78 08 08 or at [www.fos.org.au](http://www.fos.org.au)

***If you are facing hardship and need mortgage relief, then you can contact the major banks on:***

**ANZ** 1800 252 845

**NAB** 1300 661 114

**CBA** 1300 720 814

**Westpac** 132 668