

Hardship Policy and Procedures

Purpose

The purpose of this section is to set our policy and procedures for hardship.

Our obligations

The National Credit Code says that if a debtor considers that he or she is or will be unable to meet his or her obligations under a credit contract, the debtor may give us a notice (a **hardship notice**), orally or in writing, of the debtor's inability to meet the obligations.

Within 21 days after the day of receiving a debtor's hardship notice, we may give the debtor a notice, orally or in writing, requiring the debtor to give us specified information within 21 days of the date of the notice stated in the notice. The information specified must be relevant to deciding:

- whether the debtor is or will be unable to meet the debtor's obligations under the contract; or
- how to change the contract if the debtor is or will be unable to meet those obligations.

The debtor must comply with the requirement.

We must respond to a hardship notice within the timeframes in the table below.

We do not require further information	21 days after the day of receiving the hardship notice
We require further information but we do not receive any information in compliance with the requirement	28 days after the stated date of the notice requiring further information
We require further information and we receive the information in compliance with the requirement	21 days after the day of receiving the information

If we do not agree to change the contract, we must, before the end of the period identified in the table above, give the debtor a notice in writing that states:

- we and the debtor have not agreed to change the credit contract; and
- the reasons why they have not agreed; and
- the name and contact details of the approved external dispute resolution scheme of which we are a member; and
- the debtor's rights under that scheme.

If we agree to change the contract, we must give a notice in writing to the debtor which details the changes agreed within 30 days after the agreement is made. We do not have to give a notice if the change is a simple arrangement which defers the obligations of the debtor for a period of not more than 90 days.

In addition to these specific obligations, we have a general obligation as a licensee under the National Credit Act to deal with our customers efficiently, honestly and fairly. Behaving fairly means that we act reasonably when our customers have good reasons why they cannot meet their current loan obligations.

We must have a dedicated telephone number and where possible fax number, postal address, and email address to accept and handle hardship applications. Disputes involving hardship applications or postponement of enforcement proceedings must be treated as urgent matters.

While a default notice dispute is being handled at IDR, and for a reasonable time after that (at least 14 days), we must not commence or continue legal proceedings or any other enforcement action, unless the statute of limitations is about to expire.

Where the customer seeks hardship relief or postponement of enforcement proceedings and the matter is not resolved within 21 days, the matter must be referred to EDR (AFCA).

The right to go to EDR and the EDR's contact details must be included when the disputant is advised in writing of the outcome of the hardship or postponement request, or when the terms of approved hardship or postponement are confirmed in writing to the customer.

A disputant may lodge their dispute directly with the EDR where the dispute involves a default notice that has been issued after a request for hardship assistance or postponement of enforcement proceedings has been declined.

What is financial hardship?

Financial hardship arises where a customer is reasonably unable to meet their contractual obligations due to illness, unemployment, or other reasonable cause.

Other reasonable causes could include a change in the customer's financial circumstances, a relationship breakdown or reduction in income.

Avoiding financial hardship

Hardship is not always possible to avoid if unforeseen circumstances such as unemployment occur. However, to the extent that hardship is foreseeable, we seek to avoid our customers experiencing hardship, by lending responsibly. This includes making an assessment of the customer's capacity to repay, so that (based on the information we have at the time of the loan application) we can be satisfied that the customer will be able to meet their commitments under the contract without substantial hardship.

Making information available to customers

We will provide customers with general information about financial hardship where possible before they experience financial difficulties. This will include an information brochure on hardship, and information on our website.

We will also provide customers with information about hardship assistance when they have defaulted under their contract. This will include providing the customer with a copy of our hardship brochure, as well as the details required to be included in a

default notice by the National Credit Regulations, which includes information about hardship.

How we will manage hardship enquiries

Customers may contact us at any time regarding hardship matters by calling our dedicated telephone number for hardship matters.

If a customer contacts us through our general customer service number with an enquiry or requested that relates to financial hardship, we will refer them to a nominated officer of our business who will deal with hardship matters.

Identifying financial hardship

We will seek to make our staff competent to identify situations where a customer may be experiencing financial hardship but has not yet requested hardship relief.

When a loan is in default, we will require our collections staff to identify the cause of the customer's financial difficulties so they can assess if the customer may be eligible for hardship assistance.

If the customer is in default and the customer has consumer credit insurance, we will assist and encourage the customer as appropriate to make any claim which they may be eligible to make under the terms of the policy, such as when they experience unemployment or illness.

Dealing with requests for assistance

After a customer has requested hardship relief, we will ask the customer to provide evidence of their financial hardship and expenditure. This will include, as applicable:

- Payslips or bank statements.
- Medical certificate.
- Centrelink statements.
- A statement of financial position or a statement of income and expenditure.

We will not request this information if we believe that the request can be dealt with by providing short-term relief or where we do not have any concerns with granting the relief requested.

In assessing an application for hardship relief or assistance, we will seek to determine that there is a need for assistance and that if this assistance is provided, it will not merely delay the customer continuing to be in default.

Other factors we will consider when we make an assessment of a hardship application will include:

- The term of the contract.
- The value of any loan security.
- Eligibility for early access to superannuation.
- Consumer credit insurance.

We will seek to provide a response to the customer on a request for hardship assistance as soon as possible. Our service standard is to provide a response within 2 business days. We may take longer to provide a response if there are delays in obtaining all the necessary information, or if there are other unusual circumstances. We must provide a written response to the customer within 21 days after receiving the application.

Types of assistance we will provide

The following are kinds of hardship assistance that we may provide if approve the request for assistance:

- Postponing repayments during a specified period.
- Extending the term of the contract and reducing the amount of each payment under the contract accordingly.
- Extending the term of the contract and postponing repayments during a specified period.

- Adding arrears to the balance and extending the term of the contract.

- Debt consolidation.

In deciding the form of the assistance we can provide, we will seek to provide assistance that is appropriate to the particular customer's situation.

Confirming an arrangement

If we agree to the arrangement, we will confirm this in writing to the customer within 21 days after receiving application for assistance.

If we do not agree to the request, we must also respond in writing within the 21 day period. The notice must include the name of our EDR scheme, details of the customer's rights under that scheme, and the reasons why we did not agree to the change.

If the loan involves more than one customer, we will require that all parties to the loan agree to the terms of the arrangement.

If we enter into an agreement with the customer, not later than 30 days after the date of the agreement, we will give to the customer and any guarantor a written notice setting out particulars of the change in the terms of the credit contract, and any information required by the legislation.

Refusing an application

We will refuse an application for hardship assistance where:

- we do not consider that the customer is in hardship;
- we consider that the customer would not be able to meet the repayments terms of the contract even if they were varied as requested; or
- we consider that the customer would be unable to meet their credit obligations in the long run. If our refusal is not accepted by the customer, any further dispute will be referred to our EDR scheme

Hardship Contact Information

Email: hardship@mybond.com.au

Phone: 1300 342 342 and press 2 for Accounts

Postal Address: PO BOX Q543 Queen Victoria Building, NSW, 1230.