



## Options for your loan repayments during COVID-19:

With many people laid off work or on a reduced income, there are quite a few options you can take regarding your repayments. Banks are already taking many calls above and beyond their normal enquiries, so they may take a while to process things. Some options available to you are:

### Financial Hardship – Take a repayment pause/ holiday:

Many Banks are offering a 3 month repayment pause which can then be extended to 6 months, so interest is capitalised during this period onto your loan. You actually need to contact the bank to request this repayment pause and you should mention that its because of COVID-19, not just financial hardship. You also need to do this **BEFORE** you go into arrears (start missing repayments), if you don't then this could affect your credit report, rating and future lending. If you have money in offset or redraw, some banks may not extend the pause for you, each bank is different with their assessments.

### Be Aware – The Holiday Must End

When you talk to your lender, don't be rushed to agree to what they offer, it may put you into a financial position you cannot get out of in 6 – 9 months, so it is important to consider what your situation will be at the end of the holiday period. This could include:

- Your monthly instalments may increase
- Your remaining term may increase
- Your Credit Rating may decrease and include adverse history reporting\*

*\*Most lenders have advised this will not be the case and your credit history will not be affected*

- The amount of interest and fees you need to pay increases
- If you are still in financial distress at the at the end of the holiday you may be transferred to the recovery division of the bank. In extreme circumstances, this could then result in the lender calling up your security.

### Other options available

If you are still able to work, be it from home/ online etc and your income has not been impacted a great deal, other options available to make repayments easier are:

- 1. Rate Reduction** - many lenders have reduced their rates dramatically since this started In Jan. This may include taking advantage of some low fixed rates as low as 2.29%, we can assist you with doing a rate review.
- 2. Interest Only** - Going from principle and interest to interest only for 6 –12 months to reduce your commitment – this may require a full assessment by the lender
- 3. Credit Cards & Personal Loans** - Some lenders are also giving repayment pauses on personal loans and credit cards
- 4. Offset & redraw** - If you have money sitting in an offset or redraw, you can use that to make repayments
- 5. Minimum repayment** - Reduce your monthly repayment down to the minimum repayment reflective of the rate– this doesn't automatically happen when rates decrease, so most people will be paying a higher repayment.

If you would like assistance with any of the above or just want to have a chat about your situation, please feel free to contact me on 0438 190 599 to discuss what might be the best way forward for you. We are in this together and we will get through this so stay strong and be optimistic, it will pass and we will get back to a different type of normal to what we knew before.

## Bank links regarding COVID-19

 **AdelaideBank** <https://www.adelaidebank.com.au/coronavirus-assistance/>

 **AMP** <https://www.amp.com.au/support/COVID-19>

 **ANZ** <https://www.anz.com.au/personal/home-loans/your-loan/covid-19/>

 **bankwest** <https://www.bankwest.com.au/help/coronavirus-support>

 **BOQ** <https://www.boq.com.au/help-and-support/assistance>

**CommonwealthBank**  <https://www.commbank.com.au/latest/coronavirus.html>

 **citibank** <https://www1.citibank.com.au/COVID-19-Update>

 **firstmac** <https://www.firstmac.com.au/products/faqs>

**ING**  **DIRECT** <https://www.ing.com.au/help-and-support/coronavirus-covid-19.html>

 **MACQUARIE** <https://www.macquarie.com/au/personal/coronavirus>

 **me Bank** **BANK FAIRER.** <https://www.mebank.com.au/support/coronavirus-information/>

**MyStateBank**  <https://www.mystate.com.au/about-us/covid-19>

 **nab** <https://www.nab.com.au/personal/customer-support/covid19-help>

 **pepper** **CAN DO** <https://www.pepper.com.au/covid19>

 **SUNCORP** <https://www.suncorp.com.au/banking/covid19-information.html>

 **Westpac** <https://www.westpac.com.au/help/disaster-relief/coronavirus/>