

Signs you might have mortgage problems

- ▶ You're worried about interest rates going up
- ▶ You've had a drop in your family's income
- ▶ You're struggling to pay your bills
- ▶ You've been through a relationship breakdown and this has caused money problems
- ▶ You're using your credit card to pay for essential items and bills
- ▶ You're having trouble paying your mortgage
- ▶ Your health is suffering due to money worries

This brochure gives you simple steps to get on top of your mortgage and your bills.



Smart tip



Taking quick action can stop a small problem from becoming a big one. Don't put it off. Take action today!

Follow our simple steps to get your mortgage back on track

- ✓ Check ASIC's MoneySmart website
- ✓ Do a budget
- ✓ Talk to your lender
- ✓ Talk to a free financial counsellor
- ✓ Get free legal help
- ✓ Get emotional support (if you need it)



ASIC's
MONEYSMART

moneysmart.gov.au

Call ASIC: **1300 300 630**

Disclaimer

Please note that this is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice.

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Problems paying your mortgage?

Spot the signs – get back on track

"the first sign was that we couldn't pay the bills"



ASIC's
MONEYSMART
Financial guidance you can trust



ASIC
Australian Securities & Investments Commission



Are you having problems paying your mortgage?

Most of us manage our money well, even if things are a bit tight.

But when something happens out of the blue it can be a struggle to make ends meet.

Events like these can play havoc with your finances:

- ▶ Losing your job
- ▶ Reduced work hours
- ▶ A family break-up
- ▶ A death in the family
- ▶ A serious illness or accident.

If you're having difficulty with your mortgage, here are some practical things you can do to get back on track.

Get guidance from ASIC's MoneySmart

moneysmart.gov.au



- ▶ videos on how to sort mortgage problems
- ▶ budgeting tools
- ▶ calculators to work out mortgage repayments
- ▶ information on your rights



Check where your money is going

Use ASIC's MoneySmart budget planner to create a budget at moneysmart.gov.au



Talk to your lender

You can talk to them about changing your repayments or your loan term through a hardship variation. Your lender must assess and respond to your request.



Talk to a free financial counsellor

Financial counsellors can explain your options when you need help with your debts. They can even negotiate with your lender on your behalf. Find your closest financial counsellor at moneysmart.gov.au or call 1800 007 007.



Get free legal help

If you have received a legal letter from your lender you will need to get legal help fast. See moneysmart.gov.au for your nearest free legal service.



Talk to the Ombudsman

If you are not happy with your lender's response, you can get free assistance from an external dispute resolution scheme:

- ▶ Financial Ombudsman Service 1300 367 287
- ▶ Credit and Investments Ombudsman 1800 138 422



Get emotional support

Call Lifeline on 13 11 14 (24 hours a day).

Busting mortgage myths

Myth: I can't afford to get help

Fact: Contacting your bank won't cost you anything. Nor will going to a financial counsellor or getting advice from a free legal service (all are free and not means tested).

Myth: The bank will take my house if I contact them

Fact: They can only sell your house after a set legal process and only if you are unable to pay your mortgage, or the money you owe, within a reasonable time.

Myth: I can consolidate my debts and save money

Fact: Debt consolidation services cost money and may not be your best option. Talk to a financial counsellor and check moneysmart.gov.au before doing this.

Myth: I can juggle my mortgage by borrowing more credit cards

Fact: This can lead to more expensive and deeper debt. What you really need is to work out a better spending and saving strategy.