



Help if you cannot pay a loan

CREDITSMART[®].ORG.AU
CLEARER CREDIT HISTORY



Easy English

Blue words



Some words in this book are **blue**.

We write what the blue words mean.

Help with this book



You can get someone to help you

- understand this book

- find more information.



Contact information is at the end of this book.

About this book

This book is from Arca.

We used to be called the Australian Retail Credit Association.



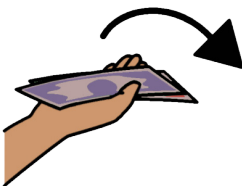
This book is about help if you **cannot** pay your **loan**.



Loan means a business gives you money to buy something.



For example, a bank gives you money to buy a house.



You have to pay the money back.



A loan can also be a credit card.



A business that gives loans is called a **lender**.

What can make it hard to pay your loan?



You might find it hard to pay your loan if you have **financial difficulties**.



Financial difficulties means you do **not** have enough money.

You might **not** have enough money if there is a sudden change in your life.



For example

- you get very sick



- you find it hard to pay bills



- you lose your job

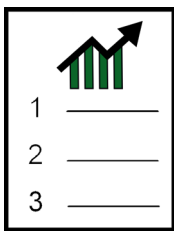


- there has been a natural disaster, like a flood or bush fire.

How to get help if you cannot pay your loan

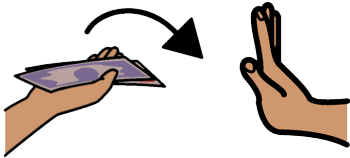


You **must** tell your lender as soon as possible if you **cannot** pay your loan.



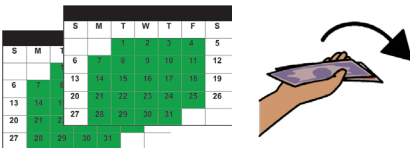
Your lender might make a **financial hardship arrangement** for you.

We call it a **loan plan**.



A loan plan might

- let you stop paying your loan for a while

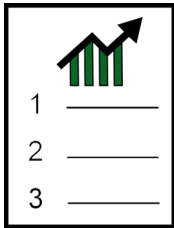


- give you more time to pay back your loan

- let you pay only the **interest** on your loan for a while.

Interest means the extra money you pay on top of your loan.

You still have to pay back **all** of your loan.



A loan plan can be

- **temporary**

or

- **permanent.**

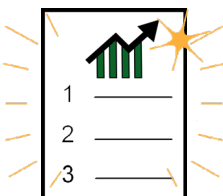


Temporary means it **does not** last for the whole time of your loan.



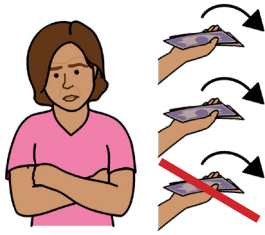
Permanent means it **does** last for the whole time of your loan.

You **must** talk to your lender if you still **cannot** pay your loan when your loan plan ends.

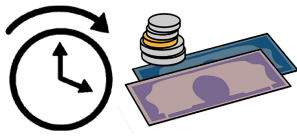


Your lender might make a new loan plan for you.

What if you do not ask your lender for help?

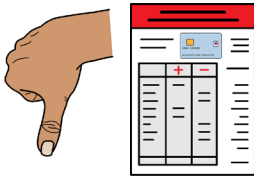


You might miss a lot of loan payments if you do **not** ask your lender for help.

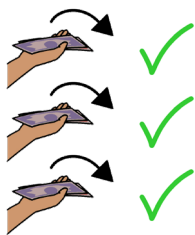


If you miss a lot of loan payments you might

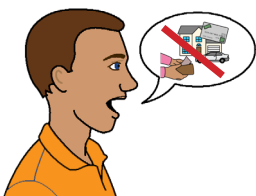
- have to pay a **late fee**
 - a late fee is when you have to pay extra money to your lender



- get a bad **credit report**
 - a credit report is one of the things lenders look at when you ask for a loan.

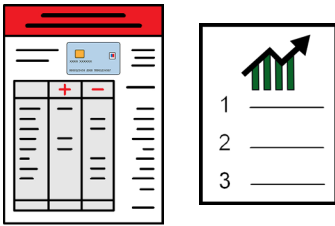


For example, if you have paid other loans on time.



You might **not** get a new loan if you have a bad credit report.

Does your loan plan go in your credit report?

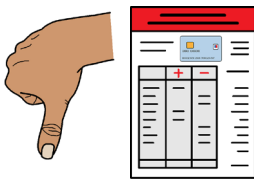


Your credit report will say you have a loan plan.

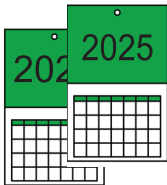


The information about your loan plan

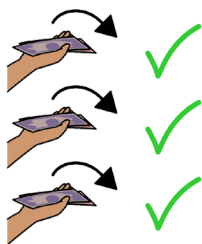
- will not say why you find it hard to pay your loan



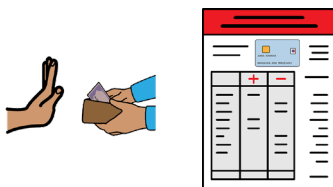
- will not mean you get a bad credit report.



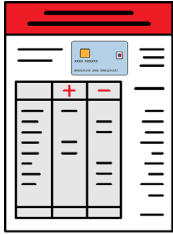
The loan plan information stays on your credit report for 1 year.



A loan plan does **not** stop you getting more loans in the future.



You can get a free copy of your credit report every 3 months.



How to get a free copy of your credit report

There are 2 places to get a free copy of your credit report.



Equifax

Website [equifax.com.au](https://www.equifax.com.au)

Call 13 83 32



Experian

Website [experian.com.au](https://www.experian.com.au)

Call 1300 783 134



Where to get free financial counselling

Financial counselling is when someone helps you manage your money.



National debt helpline

Website ndh.org.au

Call 1800 007 007

More information

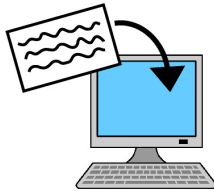


You can find more information on our CreditSmart website.



Website

creditsmart.org.au/financial-hardship



Email

creditsmart@arca.asn.au

If you need help with English



Use the free Translating and Interpreting Service or TIS to make a phone call.

You can call the TIS in your language.



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Give the TIS officer the phone number you want to call.

If you need help to speak or listen



Use the National Relay Service to make a phone call.

You must sign up to the service first.



Website accesshub.gov.au/nrs-helpdesk



Call 1800 555 660

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