

Staying on top of money problems

What do I need to think about when I'm taking out a loan?

Good borrowing checklist

- ✓ Needs to be personally beneficial
- ✓ Can afford to repay (within my budget)
- ✓ Responsible lender
- ✓ Reasonable interest rate (shop around)
- ✓ Limited penalties for early payoff
- ✓ The purpose of the loan is to purchase something lasting (ie. building up an asset)

Checklist: before getting a home loan

This checklist explains some of the common documents and terms that are used when applying for a home loan.

<https://financialrights.org.au/checklist-getting-a-home-loan/>

Choice

Choice provides information on credit cards and loans – what to look out for, what to avoid, and how to stay out of trouble.

<https://www.choice.com.au/money/credit-cards-and-loans/>

Checking for the best rates

Canstar is Australia's biggest financial comparison site – use it to compare home loans, credit cards and insurance.

<https://www.canstar.com.au/>

How do I make a complaint?

Australian Financial Complaints Authority (AFCA)

AFCA provide free and independent dispute resolution for financial complaints. If you are having a problem with a lender or an insurance company and are unhappy with their response, you can take your complaint to AFCA.

<https://www.afca.org.au>

To check if a lender or financial service provider is a member of AFCA, you can go here:

<https://www.afca.org.au/make-a-complaint/findafinancialfirm>

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Where can I borrow safely if I'm on a low income?

Good Money stores

Good Money stores are a partnership between Good Shepherd, the Victorian Government and NAB. They offer safe, affordable and responsible financial services for people on low incomes.

<https://goodshep.org.au/services/good-money-stores/>

Call 1300 770 550

Household Relief

Household Relief is a free, friendly, confidential service available for Australian households financially impacted due to COVID-19. They can provide loans of up to \$3000.

Eligibility criteria:

- You or your partner must have either incurred additional expenses or reduced income due to COVID-19
- You must be an Australian citizen, permanent resident or hold a valid visa that expires after the loan term
- You must have an annual income less than \$60,000 (single) or less than \$100,000 (couple) (before tax)

<https://householdrelief.org.au/>

Call 1300 121 130

What loans should I be careful about?

Payday loans

A payday loan is a loan of up to \$2,000 from a lender that is to be paid back within 16 days to 1 year. Before you take out a payday loan, make sure you understand the risks, and consider the cheaper, less risky alternatives first.

For more information about the risks associated with payday loans, go to:

<https://ndh.org.au/Debt-problems/Payday-short-term-loans/Risks-of-payday-short-term-loans/>

Buy now pay later

One in five people have trouble repaying on time and get late fees as a result. If you're short of money, these schemes can be very risky.

What can I do if I can't pay my bills?

Utility Relief Grant Scheme (URGS)

URGS pays overdue electricity, gas or water bills when you are experiencing unexpected financial hardship. For more information about URGS, see:

<https://services.dffh.vic.gov.au/utility-relief-grant-scheme>

Contact your gas, electricity and/or water retailer (for example, AGL or Origin Energy) to see if you are eligible and to apply. Application forms can only be provided by your retailer.

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Financial Capability and Wellbeing Program

A free, non-judgmental, confidential service for people to build their money management skills, knowledge and confidence. To be eligible you need to be:

- receiving a Centrelink payment
- a newly arrived migrant, non-citizen or refugee, or
- a woman experiencing family violence.

<https://goodshep.org.au/services/financial-counselling-financial-capability-and-wellbeing/>

What can happen if I fall behind on a loan?

Credit reporting

A credit report is a report that details your credit history, including every time you have applied for credit or defaulted on a repayment. It is held by a credit reporting agency. A bad credit report can limit your options in the future.

For a free credit report, go to <https://www.equifax.com.au/personal/products/equifax-credit-report>

Debt collection guidelines

Some lenders will engage debt collectors to chase up unpaid bills and credit. This site provides you with information about dealing with debt collectors – including what debt collectors can and cannot do, your rights, and how to get help.

<https://moneysmart.gov.au/managing-debt/dealing-with-debt-collectors>

If I need more help, I understand that I can contact a financial counsellor by calling the National Debt Helpline:

1800 007 007

ndh.org.au

Financial counsellors are a free service where you can work through your questions and understand the choices you can make

Your conversation is private – no one will know what you talk about

Interpreters are available and everyone is welcome – there are no visa restrictions