Request for a credit hardship variation

Use this sample letter to request a hardship variation for any credit debts including home loans, loans, credit cards, store cards and payday loans.

This sample letter is for information only and should not be relied upon as legal advice. The information applies only in Victoria, and was updated on 1 June 2020.

**Template letter to lender or lessor notifying it of your hardship**

* **Make sure you keep a copy for your records**
* **You can call the National Debt Helpline on 1800 007 007 to speak to a free financial counsellor.**
* **Your credit provider must be a member of an independent external dispute resolution (EDR) scheme the Australian Financial Complaints Authority (AFCA** <https://www.afca.org.au/>)

Dear Sir/Madam

**Loan Contract No: XXX**

**Date:**

I am applying to you for a variation to the above loan contract under section 72 of Schedule 1 of the *National Consumer Credit Protection Act* 2009. I seek to change the terms of the above contract by:

*Specify how you need the loan to change in order for you to repay it (the following options are* ***examples******only.*** *It is* ***important*** *that you insert an option that is realistic and which suits your long term personal financial circumstances:*

* extending the period of the contract for (*XXX months*) and having the amount of each payment reduced accordingly to (*$XXX a financial counsellor might need to calculate this figure)* without a change to the annual percentage rate. OR
* postponing the payment due on (*specify date*) so that it will now be due on (*specify new date and continue this for each payment you wish to be postponed)* without a change to the annual percentage rate. OR
* postponing or reducing the repayments until I have had the opportunity to sell the property or obtain a refinance (*evidence that you have actively sought to do this will be necessary*). OR
  + extending the period of the contract to (*specify date*) and changing the due dates of payment without a change being made to the annual percentage rate as follows:

*List old dates and then new dates: eg. payment due on 1 August 2020 postponed so that it is due on 1 January 2021, etc.*

OR

* + postponing repayment of the loan until I have sold the property which is currently on the market, has a market value of $[amount] and is due to go to auction on [date].

In support of my application I note that:

*Provide information to show why you are unable to or will be unable to comply with your loan obligations along with details of income and expenditure to demonstrate that you will be able to meet your obligations under the varied contract* eg.: *My current income is $XXX per week, consisting of: list income, e.g. salary, maintenance, board etc My current expenses are:(list expenses) OR eg. documents which confirm the value of the property and the date the auction is listed for.*

As you can see I will be able to discharge my obligations under the contract if the changes sought above are made.

Unless you respond to this letter by *(put a date in here, eg. 24 hours after you have faxed the application if the matter is urgent, or 21 days from the date on the letter if the matter is not so urgent)* I will complain to AFCA.

Yours faithfully

(Sign and print your name)