

GUIDELINE TO HARDSHIP

National Consumer Credit Protection Act 2009 - Section 72

Purpose

A consumer who is unable to meet their repayments under a credit contract or lease can give the credit provider notice (a hardship notice). The notice can be made verbally or in writing.

Procedure

The most common way a consumer will request hardship will be over the phone, often in response to a debt collection call.

There must be a reasonable cause for the financial hardship. A reasonable cause must impact on the consumer's income in some way. Examples of reasonable causes may be:

- Illness (which includes mental illness)
- Unemployment
- Family breakdown
- Business failure
- Caring for an ill relative
- Funeral expenses

Before we will consider a hardship application, a statement of position **must** be completed.

Within 21 days after the day of receiving the consumer's hardship notice, CCC will send a Hardship letter, requiring the consumer to give CCC specified information within 21 days of the date of the hardship notice. **The consumer must comply with the requirement.**

We may request documentation relevant to support your application ie:

- Income (and evidence of this)
- Major expenses (e.g. loans and evidence of this)
- Medical certificates
- Separation certificate
- Evidence as to why they are not receiving Centrelink
- Workcover documentation

If the information is received within the 21 days CCC will respond within 21 days (either accepting or declining the offer). CCC is under no obligation to agree to the request for hardship.

Acceptance of the hardship can be verbally or in writing. All hardship payment plans are reviewed every 90 days.