

DRAFT ONLY – Hardship application for individuals

Dear Sir/Madam

Application to change contract terms on grounds of financial hardship

I/We, the undersigned, hereby make application to you under Section 72 of the National Credit Code (Schedule 1 National Consumer Credit Protection Act) to change the terms of our existing contract on the grounds set out herein.

1. I/we are experiencing financial hardship
2. This hardship is due to unemployment/illness/other good reason
3. Give details plus supporting documentation such medical certificates, termination letters, centerlink income statement etc.

Enclosed is a summary of my/our current financial position demonstrating the financial hardship being endured. Please forward a copy of any additional financial assessment you need completed.

If the change I/we request is acceded to, I/we expect to be able to discharge my/our obligation to you under the current contract, in full. My/our reasons for this belief are:

- a. *Explain what is going to make it possible for you to repay you debts and when this is likely to happen.*

In light of the foregoing, I/we request the terms of our contract be changed as follows: *(Choose one of the following and expand upon it)*

- Extend the period of the contract to reduce the amount of each payment to \$ /month ; or
- Postponing payments until (date); or
- Both.

I/we further request that all arrears of principal arising from the variation be capitalized and added on to the end of the contract. I/we accept that interest will continue to accrue except between the period beginning when we submit this application to you and when we receive your written decision.

In making this request I/we ask that, if you are a member of a peak body that has a Code of Conduct which addresses such circumstances, that you are mindful of your commitment under that Code. If you are not so obliged, I/we draw your attention to the legal precedent whereby It is incumbent upon you as a party to a contract to, “facilitate the performance of the contract,”¹ and to “comply with the reasonable requests of the other party.”²

Refrain from other action

This application is made in good faith. I/We ask that you undertake to refrain from taking recovery action against Me/Us or imposing interest charges while a decision on this application is pending. If you cannot give this undertaking please advise Me/Us in writing, promptly.

Additional information

If you require additional information please write to me/us at the above address. Thank you in advance for your consideration of this application. I/We look forward to receiving prompt written advice of your decision.

Signed

Applicant 1: _____

Please print name:

Applicant 2. _____

Please print name:

¹ *Butt v McDonald (1896) 7 QLJ 6 (FC) per Griffith J at 70 – 71*

² *Secured Income Real Estate (Aust) Ltd v St Martins Investments Pty Ltd (1979) 144 CLR 596*