



## Help if you cannot pay a loan

**CREDITSMART<sup>®</sup>**.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.



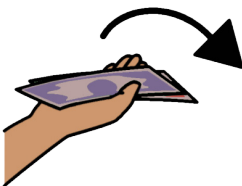
This book is about help if you **cannot** pay your **loan**.



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.

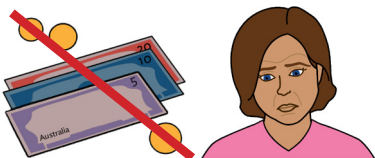


A loan can also be a credit card.



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

## What can make it hard to pay your loan?

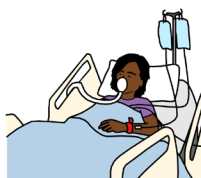


You might find it hard to pay your loan if you have **financial difficulties**.



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

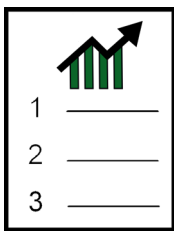


- there has been a natural disaster, like a flood or bush fire.

## How to get help if you cannot pay your loan

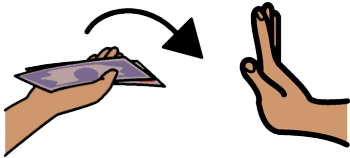


You **must** tell your lender as soon as possible if you **cannot** pay your loan.



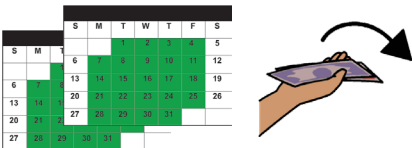
Your lender might make a **financial hardship arrangement** for you.

We call it a **loan plan**.



A loan plan might

- let you stop paying your loan for a while

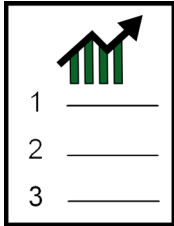


- give you more time to pay back your loan

- 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.



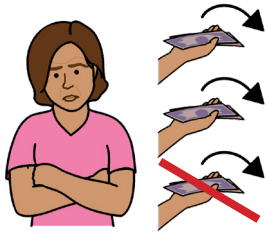
Permanent means it **does** last for the whole time of your loan.

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

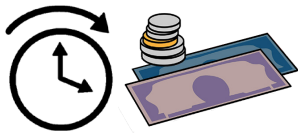


Your lender might make a new loan plan for you.

## What if you do not ask your lender for help?

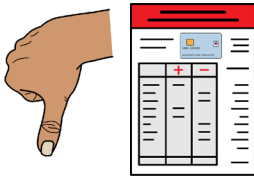


You might miss a lot of loan payments if you do **not** ask your lender for help.

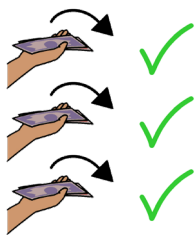


If you miss a lot of loan payments you might

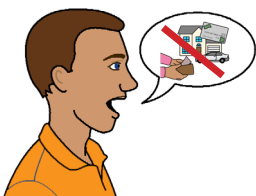
- have to pay a **late fee**
  - a late fee is when you have to pay extra money to your lender



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

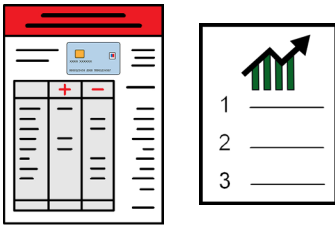


For example, if you have paid other loans on time.



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

## Does your loan plan go in your credit report?

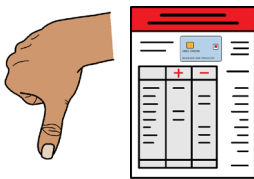


Your credit report will say you have a loan plan.

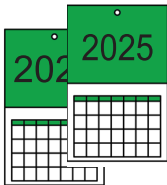


The information about your loan plan

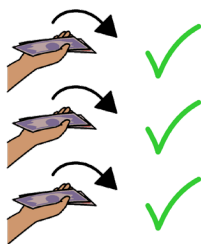
- will not say why you find it hard to pay your loan



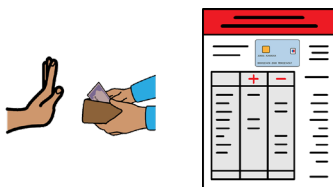
- will not mean you get a bad credit report.



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

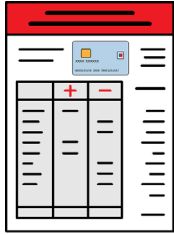


A loan plan does **not** stop you getting more loans in the future.



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 3 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 783 684



**Illion**

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

Call 13 23 33



## Where to get free financial counselling

Financial counselling is when someone helps you manage your money.



### National debt helpline

Website [ndh.org.au](http://ndh.org.au)

Call 1800 007 007

## More information

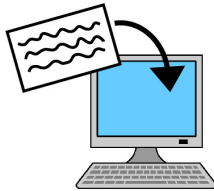


You can find more information on our CreditSmart website.



Website

[creditsmart.org.au/financial-hardship](https://creditsmart.org.au/financial-hardship)



Email

[creditsmart@arca.asn.au](mailto: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.



Call 131 450

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](https://accesshub.gov.au/nrs-helpdesk)



Call 1800 555 660







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