

Mortgage Relief Loan

Fact sheet

The Department of Housing and Public Works through its Mortgage Relief loan, offers short-term assistance to people experiencing difficulties with their home loan repayments. These difficulties may be as a result of unemployment, accident, illness or some other crisis.

The Mortgage Relief loan is an interest free loan that must be repaid. There are no application fees or ongoing charges payable.

What you must do first

A Mortgage Relief loan will generally only be offered when all other options have been considered and you are in danger of losing your home. You must demonstrate that you have exhausted all reasonable avenues of help. This includes a postponement or restricting of your loan repayments with your current lender.

Mortgage Relief provides **short-term** assistance only. If you are experiencing **long-term** financial problems, seek advice from a financial counsellor about other options to resolve these problems.

Eligibility for assistance

To be eligible for a Mortgage Relief loan, you must:

- be a permanent resident of Queensland
- have sufficient equity in your home to provide security for any assistance given
- the value of your mortgage must be less than \$500,000
- be an owner-occupier and have every intention of maintaining ownership
- not own or part own any other real estate
- be financially distressed and in danger of losing your home
- the unforeseen change in circumstances must have caused the level of your home loan repayments to exceed 30% of your gross household income
- have taken all reasonable steps to meet your liabilities, and be able to demonstrate that you have been making home loan repayments of more than 30% of your gross household income
- complete an application form and give written authorisation for your home lender and other creditors to disclose information concerning your financial affairs to the Department of Housing, Local Government, Planning and Public Works. This authority will continue until the Mortgage Relief loan is repaid.

How to apply?

Application forms can be obtained from the Department of Housing and Public Works. You must complete the application and send it to the department for assessment.

How is assistance given?

The Mortgage Relief loan is paid directly to your home lender. Funding is usually provided to clear any home loan arrears and to subsidise home loan repayments for a period of up to six months.

While receiving Mortgage Relief, you will be required to meet a portion of your home loan repayments. In some cases, you may be asked to pay your full repayment. At the time you receive the

Mortgage Relief loan, you will be required to contact your lender who will advise you on how much you will be required to pay.

The department will secure the Mortgage Relief loan by way of a registered mortgage over your home. A mortgage is a legal document which provides a lender with enforcement rights against a property to recover a loan.

The amount of assistance?

The maximum Mortgage Relief loan available is \$20,000

Repaying your Mortgage Relief loan

Mortgage Relief is an interest free loan that must be repaid. The loan is repayable over a 10-year term. However, repayments are not required for the first 12 months. After that, you will be required to make regular monthly repayments, in addition to maintaining your home loan repayments.

The department will contact you 12 months after you receive the loan to arrange for monthly repayments to commence. If you sell your home or re-finance or renegotiate your loan, you will be required to repay the Mortgage Relief loan in full at that time.

More information

Email: hscsloaninformation@housing.qld.gov.au

Phone: 1300 654 322 Monday to Friday, 8.30am to 4.30pm

Post: Loans and Debt Management

Department of Housing and Public Works
GPO Box 690
BRISBANE QLD 4001

Need more help?

Visit www.qld.gov.au/housing or call 13 QGOV (13 7468)