

January 2019

QBE Lenders' Mortgage Insurance - Hardship Repayment Assistance changes

Changes to our Hardship Repayment Assistance Program

At QBE LMI we're committed to making the dream of home ownership a reality for more Australians and we recognise the importance of supporting borrowers experiencing genuine hardship. We're focused on ensuring that we're easy to do business with and are providing all the support that our partners need to assist their customers.

In line with this focus, the way we consider Hardship Repayment Assistance is changing.

From Monday 25th February 2019 you don't need our prior approval to grant Hardship Repayment Assistance for LMI Insured Loans.

To grant Hardship Repayment Assistance you should continue to consider all applications for Hardship Repayment Assistance within your lending and hardship policies and procedures and in accordance with any applicable law ensuring that assistance is not unsuitable for the borrower.

From 25th February 2019 you'll be required to include ALL policies that are approved for Hardship Repayment Assistance on your monthly arrears report template using the current collection status 'Hardship'. These accounts should continue to be reported as 'Hardship' until Hardship Repayment Assistance arrangements have been finalised or the account moves to another Arrears reporting status.

You will find following a guide on the changes to the Hardship Repayment Assistance Program.

Please contact your Partnership Manager if you have any questions.

Change Guide

What's changing?

We're simplifying the process. Removing the need for our partners to refer Hardship Repayment Assistance requests to us for review and approval.

Why the change?

This will simplify the process. We believe that you, our partners, understand your clients' situation. You are best placed to make the decision within your lending and Hardship policies and procedures and in accordance with any applicable law ensuring that assistance is not unsuitable for your customer.

Can I still submit a Hardship Repayment Assistance request for review and approval?

No. You're best placed to make the decision within your lending and Hardship policies and procedures and in accordance with

any applicable law ensuring that assistance is not unsuitable for your customer.

How do I notify QBE LMI of an approved Hardship Repayment Assistance application?

From 25th February 2019 please include ALL policies that are approved for Hardship on your monthly Arrears report template using the current collection status 'Hardship'. These accounts should continue to be reported as 'Hardship' until Hardship Repayment Assistance arrangements have been finalised or the account moves to another Arrears reporting status.

What if I currently report policies in Hardship using the Arrears reporting template?

If you currently report policies using the arrears template, then no change to your existing process is required.

Do I need to provide QBE LMI any further information about my Hardship approval?

No, not at the time of your Hardship review and approval, however in the event of a claim for loss, we may ask you to provide further information.

Your Hardship approval requirements?

You should continue to consider all applications for Hardship Repayment Assistance within your lending and hardship policies and procedures and in accordance with any applicable law ensuring that assistance is not unsuitable for the borrower.

Will these changes affect my claim for loss?

There should be no impact on your claim for loss if you continue to consider all applications for Hardship Repayment Assistance within your lending and Hardship policies and procedures and in accordance with any applicable law ensuring that assistance is not unsuitable for the borrower.

What if I approve Hardship outside my lending policy and any/all applicable laws? Will this affect my claim for loss?

Yes, in the event you approve Hardship Repayment Assistance that fails to take reasonable care or reasonable action to avoid a loss or fails to comply with prudent lending policies and procedures or any applicable law or is unsuitable for the borrower QBE LMI may suffer prejudice.

In such circumstances, QBE LMI reserves the right to adjust the claim to the extent of any prejudice suffered as a result of your actions.

What should I do if I need more information?

You should contact your Partnership Manager, they will be able to assist you with your query.