

DEFAULT & REPOSSESSION



OVERDUE

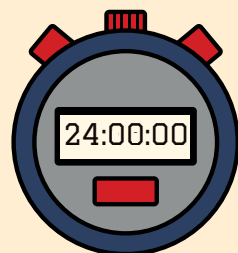
Default occurs when you fail to make your loan repayment on time. Repossession of the loan collateral, such as a house or car, can occur when there is an ongoing default on a secured loan.

ACT EARLY

REMEMBER: One day late = Default.

BENEFITS OF ACTING EARLY

- Cheaper - less enforcement expenses added to your debt.
 - More likely to be approved for refinancing.
 - More likely to get a hardship variation.



CONSEQUENCES OF DEFAULT

ENFORCEMENT PROCEEDINGS MAY BE COMMENCED

If the default is not fixed within 30 days, your lender may take steps to:

- send debt collectors (see our infographic [here](#));
- repossess any collateral, such as your house or car;
- add any enforcement costs to your default amount; and/or
- note the default on your credit file.

WHAT ARE MY OPTIONS?

No matter which option you choose you'll have to pay the **default amount** and any **enforcement expenses**.

PAID

PAY THE ARREARS

The arrears includes any repayment due during the notice period.

NEGOTIATE WITH YOUR LENDER

Your lender may:

- give you more time to pay the default amount; or
- give you time to sell any collateral yourself.

Remember: you will remain liable for any shortfall between the sale price and the amount owing on the loan.



GET A HARDSHIP VARIATION

If you've defaulted because of a temporary setback you may be able to vary the terms of your loan to get back on track. See our Hardship Variation [infographic](#) for more information.

PAY OUT/REFINANCE THE ENTIRE LOAN

- Beware any break fees or sign up fees.
- Only ever refinance on terms you can afford.



NEED MORE INFORMATION?

For advice specific to your personal circumstances contact the CCLSWA advice line on (08) 9221 7066 or your nearest financial counsellor.