## Media release

Thurs 5th May 2022

**WA Community Legal Centre offers help for mortgage holders affected by interest rate hike.**

Consumer Credit Legal Service (WA) Inc. (CCLSWA) is urging mortgage borrowers not to stick their heads in the sand. They say West Australians struggling with their mortgages shouldn’t wait until they have missed repayments before they contact CCLSWA’s free telephone advice line. CCLSWA wants borrowers to address mortgage stress now to avoid worse debt spirals further down the line.

CCLSWA solicitors are specialists in Consumer Credit Law and can help borrowers understand their financial rights and obligations. Principal Solicitor, Roberta Grealish says, ‘banks have responsible lending obligations, and if they have not complied with those obligations when assessing a consumer’s loan application, remedies are available including reducing liability by the associated interest, fees and charges’.

Grealish adds, ‘If people are struggling to make repayments, they may be entitled to request a hardship variation to their credit contract. This may include a temporary moratorium or reduced repayments’. CCLSWA’s website has factsheets and sample letters that may help people draft their hardship requests. Borrowers can also be referred to a free financial counsellor.

CCLSWA is concerned that cost of living pressures and interest rate rises will leave vulnerable consumers more susceptible to predatory lending. Grealish knows from experience that, ‘generally, people do not willingly go into default and will exhaust all their resources before missing a mortgage payment. We have seen that people are more likely to accrue credit card debt or resort to payday loans and BNPL arrangements for other essentials, in order to maintain their mortgage and avoid risking their homes. This risky pattern of borrowing can quickly propel people into dangerous debt spirals’.

**Contact Information**

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**About CCLSWA**

CCLSWA’s telephone advice line is open and available to all Western Australians, Monday to Friday, 9am to 4pm: (08) 9221 7066

The Consumer Credit Legal Service WA (CCLSWA) is a specialist community legal centre which focusses on consumer and financial law. We work towards the CCLSWA vision of a strong community empowered by fair and just consumer and financial rights and responsibilities.

Our mission is to strengthen the consumer voice in WA by advocating for, and educating people about, consumer and financial, rights and responsibilities. We support the West Australian community to achieve this by:

* operating a free Telephone Advice Line
* providing free legal assistance to vulnerable and disadvantaged West Australians with consumer or financial issues
* providing community legal education on consumer and financial law to the general public
* conducting community legal education with other service providers, including staff of other community legal centres, financial counsellors and community support workers
* advocating for and contributing to law reform.

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