**Sample hardship variation application letter**

Mr John Smith

1 Smith Road,

**Step 1**: Fill in your name and the date

Perth, WA 6000

[DATE]

**Step 2**: Write to your lender’s internal dispute resolution department.

Search their details on the [Financial Ombudsman Service](http://www.fos.org.au/resolving-disputes/find-a-financial-services-provider/) website or the [Credit and Investments Ombudsman](http://www.cio.org.au/members/search-members/) website.

Big Bank

Complaints Resolutions Department

2 Big Bank Road,

Perth, WA 6000

Dear Sirs or Mesdames

**Step 3**: Write your name and the account number

**Insert Name**

**Account No.:**

I am applying for a variation to my loan contract for reasons of financial hardship.

I have reasonable cause to be temporarily unable to meet my obligations under the loan contract.

At the time I entered into the loan contract, I was employed as a [FULL TIME/ PART TIME/ CASUAL] [OCCUPATION] earning $[INCOME] per [WEEK/FORTNIGHT/MONTH].

**Step 4**: Tell the lender about your change of circumstances

On [DATE/MONTH], I lost my job. I am actively looking for work and now receive Centrelink benefits. My income has reduced by approximately $[AMOUNT INCOME REDUCED] per [WEEK/FORTNIGHT/MONTH]. By [DATE], I could not make the repayments due on the contract.

I have applied for several jobs and I expect to find a new job with my experience and skills.

**Step 5**: What are you doing to improve your situation?

My statement of account shows that I made regular repayments from the date of the contract until [DATE]. In spite of a reduced income, I continued to make what payments I could, in good faith.

**Step 6**: If you have a good repayment history, tell them about it.

However, my reduced income means that I have difficulty meeting my obligations under the contract.

Therefore, I request that [LENDER] vary the contract as follows:

1. The [FORTNIGHTLY/WEEKLY/MONTHLY] instalment amount be reduced to $[AMOUNT].

**Step 7**: State the variation/change you are asking for.

1. The existing arrears be ‘added’ to the end of the contract.
2. The period of the contract be extended by such time to allow me to discharge the existing arrears and to make repayments at $[AMOUNT].

Please provide a written response to my hardship variation application within 21 days.

If you have any questions or would like to discuss this matter further, please contact me on [EMAIL ADDRESS].

Yours sincerely

[YOUR NAME]

**Important:**

The above sample letter is a guide for borrowers in financial hardship to use to ask their lenders for a variation of their loan contracts. It is likely that your circumstances may vary from those described in this letter, therefore, you may need to adapt the letter to suit your circumstances.

You would need to insert your own details where appropriate and delete any information that is not relevant to your situation. Always date your letters. Always keep a copy of the letter you send. Obtain legal advice if you do not understand.