

MEDIA STATEMENT

6th April 2009

R.T.A Staff Credit Union - HARDSHIP ASSISTANCE

Members come first at R.T.A. Staff Credit Union, in good times and bad.

This week's announcement by the Federal Treasurer about the big four banks agreeing to a common approach for assisting borrowers facing financial hardship has focused attention on how lenders respond when borrowers run into difficulty.

"R.T.A Staff Credit Union does not need to be persuaded by the Government to put members first," said John Kavalieros, General Manager.

"Our members are our owners and that's how we treat them.

"Firstly, we lend responsibly so members are not over-stretched and, secondly, if tough times arrive we work with members to help them get back on their feet wherever we can.

"Under our industry's new Mutual Banking Code of Practice to be implemented on 1 July, we make a firm commitment to work with borrowers in financial difficulties in a constructive way.

"We promise under the new Code to do this whether or not we are obliged to do so under consumer credit laws.

"Measures that typically are considered as part of our hardship assistance response include:

- in relation to mortgages, repayment postponement (with interest to be capitalised into the loan);
- an extension of the period of the contract and a reduction in the amount of each payment due under the contract;
- interest only breaks on loan repayments; and
- fee waivers.

Media coverage has suggested that the big banks will offer automatic repayment holidays and other measures. This is not the case – the big banks have agreed to look seriously at hardship applications on a case by case basis, and to work with their customers more sympathetically. These are commitments we *already* make.

Most importantly, you can be confident that we will work with members to help them get back on their feet wherever we can. If any member is facing financial hardship they are encouraged to contact R.T.A. Staff Credit Union on (02) 8202 8555 for discussions.

For further information, contact:

John Kavalieros
General Manager, R.T.A. Staff Credit Union
(02) 8202 8555