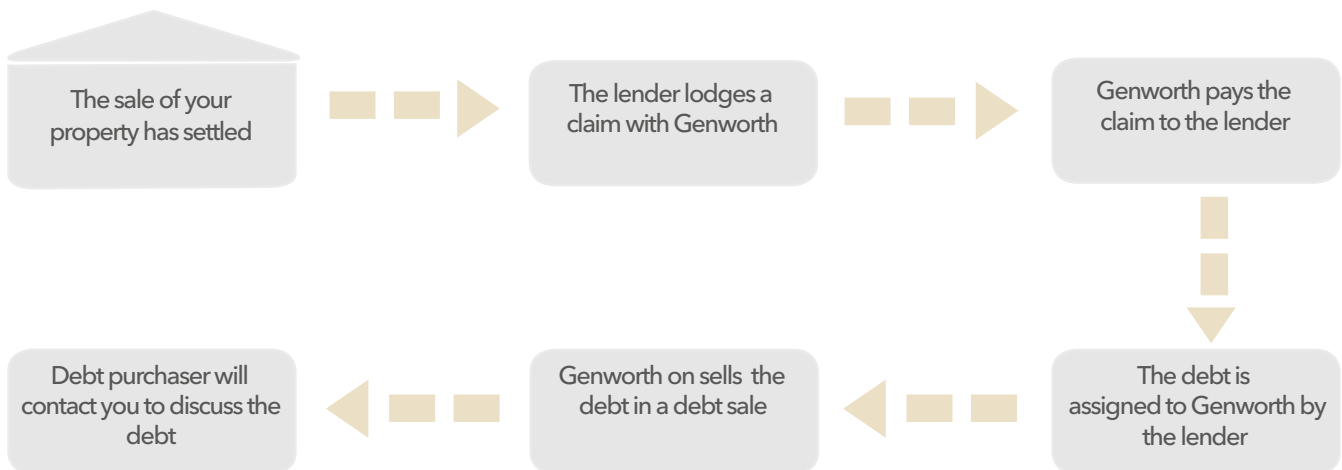


# Genworth recoveries process

Your property has sold and settled with a shortfall. What happens now?

Once your property is sold with a shortfall, the lender submits a claim and the outstanding debt is assigned to Genworth. The timeframe from when settlement occurs and when the debt is assigned to Genworth will vary depending on your lender's processes. However, if you have any queries, Genworth can be contacted at any stage to discuss the recovery process.

The below map shows the current process after settlement.



## Standards for recoveries

We, as well as any Collection Agent or solicitor collecting money for us, will comply with the Debt Collection Guideline published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.

We, as well as any Collection Agent or solicitor collecting money for us, is required to:

- understand the Financial Hardship requirements in the General Insurance Code of Practice; and
- receive training to help identify whether you might need Financial Hardship support.

When we first communicate with you about any money owed, then we will ensure that this communication will provide you with information to show that the amount we are seeking to recover from you is fair and reasonable. This may include information on the relevant loss and/or damage and the claim and the evidence we relied on when we calculated the amount.

This communication will also include information about our Financial Hardship process and contact details to enable you to contact us to discuss Financial Hardship support or if you have any questions.

If our Collection Agent or solicitor communicates with you about money owed, then that communication will identify us as the insurer that they are acting on behalf of and will specify the nature of our claim against you.

If you tell our Collection Agent or solicitor that you are experiencing Financial Hardship, then they notify us and give you information in writing about our Financial Hardship process.

# Financial Hardship support

We encourage you, or your representative, to tell us about your Financial Hardship so that we can work with you to discuss your situation and the options available to support you – otherwise there is a risk that we may not find out about it.

If you tell us, or we identify, that you are experiencing Financial Hardship, we will give you a form for you to apply for Financial Hardship support. A copy of this form can be accessed anytime via this [link](#). You may also telephone the National Debt Helpline on 1800 007 007 if you wish to receive financial counselling free of charge.

If we are taking action to recover an amount from you, we will put that action on hold if we identify that you are experiencing Financial Hardship, or if you ask us for Financial Hardship support in relation to that amount. When we put the action on hold, we will contact any Collection Agent or solicitor that we have appointed and tell them the action is on hold.

The action will stay on hold until we have assessed your application for Financial Hardship support and notified you of our decision about it.

If we decide you are entitled to Financial Hardship support, then you may ask us to release, to discharge, or to waive a debt or obligation. However, you are not automatically entitled to this.

## Communication

When we communicate with you about your Financial Hardship Support application, where possible, we will use your preferred method of communication. If we know that you have nominated a representative, then we will keep that person updated about your request for Financial Hardship support, unless you tell us not to.

If you tell us, or we identify, that you are experiencing financial hardship, we ask that you please complete a hardship application form and submit this to the team at [AUrecoveries@genworth.com](mailto:AUrecoveries@genworth.com).

## Our assessment

When we are assessing your request for Financial Hardship support, we will consider all reasonable evidence – for example:

- evidence of serious illness that prevents you from earning income
- evidence of a disability, including a disability caused by mental illness
- if you are a Centrelink client, your Centrelink statements
- evidence of your unemployment.

We will request information from you only if it is reasonably necessary for us to assess your application for Financial Hardship support. If you do not believe the information we have requested is necessary, we encourage you to contact us to discuss this further.

If, after we receive your application for Financial Hardship support, we need more information from you before we can make our decision, then we will:

- tell you the information we need as early as possible; and
- be specific about the information we need.

You have 21 Calendar Days from the date of our further information request to provide that information to us. We encourage you to contact us to agree an extension to this timeframe if you need further time to provide the information which has been requested.

## Our decision

We will tell you in writing of our decision about whether to give you Financial Hardship support within 21 Calendar Days after we receive your application, unless we have asked you to provide us with more information.

If we do ask you for more information and:

- you provide all information we requested, then within 21 Calendar Days of receiving it we will tell you in writing, our decision about whether to give you Financial Hardship support; or
- you do not provide all information we requested within 21 Calendar Days (or by a later date we agree to), then within 7 Calendar Days of that deadline passing, we will tell you in writing, our decision about whether to give you Financial Hardship support.

If we decide you are entitled to Financial Hardship support, then we will work with you to implement an arrangement that could include any one or more of the following:

- delaying the date on which the payment must be made
- paying us in instalments – we will not refuse a reasonable request from you to pay the amount you owe in instalments
- paying a reduced lump sum amount
- release, discharge or waive a debt or obligation
- delaying one or more instalment payments, for an agreed period.

We will confirm the agreed arrangement with you. Where possible this will be in your preferred method of communication.

If we agree you are entitled to Financial Hardship support, but we are unable to agree about how you can be supported, then we will tell you in writing, about our Complaints process.

If we decide that you are not entitled to Financial Hardship support, we will tell you the reasons for our decision and about our Complaints process. Where possible, we will tell you this in your preferred method of communication.

### **Change of circumstances**

If your circumstances change, then you may re-apply for Financial Hardship support in relation to the amount you owe. However, for any further application you make, it will be at our discretion whether we again put any recovery action on hold.

### **Bankruptcy**

If you tell us that you intend to declare bankruptcy, then we will work with you (or your representative) to agree on the amount owed. We will also give you written confirmation of that amount for the purposes of your declaration of bankruptcy.

If we cannot agree on an amount, then we will provide details of our Complaints process in writing.

## **Frequently asked questions**

### **Who is Genworth?**

Genworth provides Lenders Mortgage Insurance (LMI) which allows lenders to lend over 80 per cent LVR and protects your lender against a loss should you as a borrower default on your home loan.

### **Why doesn't LMI cover me?**

LMI is insurance that protects the lender in the event that the borrower defaults on their home or investment property loan. If the security property is required to be sold as a result of the default, the net proceeds of the sale may not always cover the full balance outstanding on the loan.

By taking out LMI, a lender reduces its risk at the outset, allowing borrowers to secure a loan with a deposit as low as five per cent. This takes much of the difficulty out of saving a deposit for prospective home buyers.

### **What is the difference between lenders mortgage insurance and mortgage protection insurance?**

LMI covers the lender in the event the property is sold with a shortfall, whereas mortgage protection insurance covers a borrower in the event of death, sickness, unemployment or disability.

### **Can I speak with my lender?**

While the property is on the market or a sale is taking place, contact should only be made with the lender. You can also discuss other alternatives with your lender to assist you with arrears, payment arrangements or even if you have a complaint.

### **What if I am experiencing Financial Hardship?**

Please refer to the 'Financial Hardship support' section for further details.

### **For more information**

Contact the Genworth Collections team on 1300 661 118 - option 2.

Disclaimer: information contained in this fact sheet is intended to be a general information source regarding the matters covered, does not constitute legal, accounting, tax or other financial advice, and is not tailored to a borrower's specific circumstances. Borrowers should consider their own personal circumstances and seek advice from their professional advisers before making any decisions that may impact their financial position.

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