



valrose

## Banks who are offering relief packages to help manage the impact of Covid-19

Following the RBA's emergency cut to the national cash rate last week, many Australian banks have announced relief packages to help manage the economic impact of the COVID-19 crisis.

As well as offering support for Australian small business, several of these banks have offered home loan customers being affected by coronavirus the chance to take a mortgage holiday. This allows these affected mortgage holders to pause their loan repayments for a limited time to help relieve pressure on household budgets.

So which banks are offering to temporarily freeze mortgage payments for affected customers?

Here are all the banks that have made specific announcements so far (terms and conditions apply, contact the individual banks for details):

Huge credit to **Mark Bristow** for sourcing this information

<https://www.ratecity.com.au/home-loans/mortgage-news/banks-freezing-mortgages-covid-19>

## What is interest capitalisation?

In many cases, while you're taking a mortgage holiday, your interest charges will be capitalised, meaning they'll be added onto the outstanding balance that you owe.

At the end of your repayment holiday, your lender may increase your monthly mortgage repayments or extend your loan term by the same length as your mortgage holiday to make up for the extra money you now owe.

This means that while taking a mortgage holiday could relieve pressure on your budget in the short term, you could end up paying more in total interest charges over the long term.

Consider contacting a financial adviser before making a decision.

**AMP:** Offering to pause home loan repayments for three months, with the option to extend for a further three months, for clients experiencing ongoing financial challenges as a result of COVID-19.

**ANZ:** Customers can request a deferral of home loan repayments for up to six-months, with a review at three-months, with interest capitalised, meaning it is added to the customer's outstanding loan balance to be paid over the remaining loan term.

**Auswide Bank:** Home loan, personal loan and business loan customers requiring financial assistance as a result of COVID-19 may be able to defer repayments, with interest capitalised, for up to six months.

**Bank Australia:** Offering a deferral of scheduled home loan repayments for up to 3 months, with further 3 month extension possible following a review.

**Bank of Melbourne:** Customers who have lost their job or suffered loss of income as a result of COVID-19 can contact BoM for three months deferral on their home loan mortgage repayments with extension for a further three months available after review.

**Bank of us:** If you are experiencing financial difficulty due to COVID-19 you can apply for an up to six-month payment deferral on loan repayments, with interest capitalised.

**BankSA:** Customers who have lost their job or suffered loss of income as a result of COVID-19 can contact BankSA for three months deferral on their home loan mortgage repayments with extension for a further three months available after review.

**Bankstown City Unity Bank:** If you need financial assistance during this time, BCUB will be able to defer your loan repayments, with interest capitalised, for up to six months.

**Bankwest:** To provide additional support to home loan customers who may need assistance at this time, Bankwest is offering an option to defer home loan repayments for six months. Customers will be able to apply for a deferral of home loan repayments through an online registration process, which is currently under development and will be made available as soon as possible. In the meantime, customers wanting to request a deferral of their home loan repayment can do so via secure messaging through Online Banking, or the Bankwest Mobile App, or by calling Bankwest.

**BCU:** Members who have been affected by the current COVID19 situation, are unable to repay their home loan as a result, and are in advance of their scheduled loan repayments or are able to access their offset account, can draw these funds at no cost. If no redraw or offset funds are available, all eligible members can apply for a repayment holiday on their home loan, for up to 6 months. This applies to both owner-occupied and investment loans for principal & interest or interest only repayment terms. Interest will be capitalised during the payment holiday.

**Bendigo and Adelaide Bank:** Extending its existing COVID-19 assistance package for home loan customers, so affected customers can now apply for six months relief on loans, up from the three months previously announced on 16 March 2020.

**Beyond Bank:** Offering eligible customers the chance to defer loan repayments for up to 6 months. Interest will be capitalised to the loan amount.

**Commonwealth Bank:** All home loan and small business customers are now eligible to defer loan repayments by up to 6 months.

**Coastline Credit Union:** Offering repayment relief by way of a pause (deferral) of principal and interest repayments for selected loans for 3 months (interest will be capitalised). Where your loan is on a fixed rate, the current fixed rate period will be extended by the deferred payment period at the current fixed rate. If a fixed rate is terminated during the deferral period then break fees and applicable loan charges will be payable. Following 3 months the member's financial position will be reviewed for possible extension of the hardship requirement for by way of a further 3 months loan repayment deferral period.

**Delphi Bank:** Home loan and business loan customers can apply for relief on loans for up to six months.

**G&C Mutual Bank:** Recent borrowers who have no advance payments, or those who are otherwise facing financial hardship due to loss of their ordinary source of income, G&C will allow scheduled loan repayments to be deferred (with any interest capitalised and with the underlying loan term extended as required) for an initial 3 month period and with the potential for a further 3 month deferral upon a financial review by G&C.

**Gateway Bank:** The type of assistance Gateway can offer will depend on individual circumstances, and may include deferring repayments of up to three months on loans.

**HSBC:** Offering to defer home loan, personal loan and credit card repayments by up to six months.

**Hume Bank:** Owner-occupied, investment and personal loan customers can request to have their loan repayments deferred for up to 6 months.

**ING:** To support customers who have suffered a loss of income or employment due to COVID-19, you can contact ING for a three month payment pause on your ING home or personal loan repayments. An extension for a further three months (total 6 months) may also be available on request and is subject to financial assessment.

**Macquarie Bank:** All Macquarie Business and Personal Banking clients who are experiencing financial difficulty can immediately defer their repayments for six months.

**ME Bank:** Borrowers experiencing financial difficulty will be able to pause their home loan repayments for up to six months, with a review at three months.

**Move Bank:** Financial relief for impacted members with loans includes deferment of home loan payments up to 6 months, including a 3 month checkpoint, and deferment of all other loan payments for 3 months. The deferred interest on your loans will be capitalised.

**NAB:** Pause home loan repayments for up to six months, including a three-month checkpoint.

**Newcastle Permanent:** Home loan and small business customers who are impacted can request a pause in their repayments for up to six months if necessary, with interest capitalised.

**P&N Bank:** If you have been affected by the current COVID-19 situation, and you are unable to repay your home loan as a result, P&N Bank members who are in advance of their scheduled loan repayments or have the ability to access their offset account can draw these funds at no cost. If no redraw or offset funds are available, all eligible members can apply for a repayment holiday on their home loan for up to 6 months. This applies to both owner-occupied and investment loans for principal & interest or interest only repayment terms; interest will be capitalised during the payment holiday.

**People's Choice Credit Union:** Will pause repayments for up to 6 months, with a review at 3 months, for home loans and personal loans.

**QUDOS Bank:** Will be offering vulnerable customers the ability to pause home loan repayments for up to 6 months, along with a number of other relief measures until circumstances improve.

**Queensland Country Bank:** Offering a relief package that includes deferred repayments on loans for up to six months.

**RAMS:** Customers who have lost their job or suffered loss of income as a result of COVID-19 can contact RAMS for three months deferral on their home loan mortgage repayments, with extension for a further three months available after review. Interest capitalised.

**Service One Alliance Bank:** As part of its financial assistance package, personal and business borrowers can apply for relief on loans for up to six months.

**St.George:** Customers who have lost their job or suffered loss of income as a result of COVID-19 can contact St.George for three months deferral on their home loan mortgage repayments with extension for a further three months available after review.



**TicToc:** Home loan customers can apply for relief on loans for up to six months.

**Well Home Loans:** Home loan and business loan customers can apply for relief on loans for up to six months.

**Westpac:** Customers who have lost their job or suffered loss of income as a result of COVID-19 can contact Westpac for three months deferral on their home loan mortgage repayments, with extension for a further three months available after review.

***If your bank doesn't appear on this list, don't panic. Even if your bank has not yet announced it is offering repayment holidays for home loan customers, almost all banks offer financial hardship programs, intended to help customers experiencing difficulties manage their finances. Contact your bank, explain your situation, and work with one another to look for a suitable solution.***