

Friday April 24, 2009

## **QBE LMI CREATES DEDICATED TEAM TO SUPPORT BORROWERS FACING HARDSHIP**

On 5 April 2009, The Federal Government announced a new agreement with the four major banks to ensure that borrowers who lose their jobs are provided with a range of assistance options if they are experiencing financial hardship<sup>1</sup>.

“Under our new Home Ownership Preservation program over 20 lenders have committed to work with us to support their insured borrowers who are suffering genuine mortgage stress. QBE LMI has already provided assistance to over 1,300 borrowers since the start of the 2008/09 financial year,” said Mr Ian Graham, CEO of QBE LMI.

“At QBE LMI, we have a stated goal of creating more home ownership opportunities for Australians. Strongly supporting this Federal Government Initiative, our Home Ownership Preservation Team has undertaken a comprehensive review of our Repayment Assistance policies for borrowers experiencing Genuine Hardship.”

“Having continually refined these policies since the beginning of the Global Financial Crisis, we are pleased to confirm that the review confirms that those policies continue to provide all the support that our lending institution customers need to assist borrowers who are experiencing financial difficulty.”

“We are adopting a case-by-case approach to Repayment Assistance for borrowers experiencing Genuine Hardship. To ensure that all options are explored, we will work with lending institutions to make assessments based on the ability of the borrower to meet any new contractual obligations in the long term,” said Mr Graham.

Key to QBE LMI's decision making process is the circumstances that the borrower has experienced and their ability to service the loan repayments once the temporary hardship circumstances are overcome. All borrowers/guarantors seeking assistance should provide a current Statement of Financial Position and provide the relevant supporting documentation which will enable a quick response to the application for assistance.

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<sup>1</sup> <http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2009/034.htm&pageID=003&min=wms&Year=&DocType>

Borrowers who have had a poor repayment history are unlikely to be considered for assistance unless their circumstances have dramatically changed or extenuating circumstances have arisen.

If lenders have any questions in relation to QBE LMI's Repayment Assistance and Hardship programme, please contact Craig Balcombe, Manager, Home Ownership Preservation, via [hardship@qbemi.com](mailto:hardship@qbemi.com) or their Senior Relationship Manager.

### **Background on QBE LMI**

QBE Lenders' Mortgage Insurance Limited (QBE LMI), is a leading mortgage insurer, credit enhancer and residential property market specialist with over 44 years experience in the Australian market and over 20 years in the New Zealand market. Through our proactive approach, innovative products and services, and longstanding knowledge and expertise, QBE LMI has helped its customers to manage and reduce risk.

### **For further information, please contact:**

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