

QBE LMI helps over 1800 borrowers facing financial hardship to get back on their feet

15 March 2010 -- In April 2009 the Federal Government announced a common set of principles with the four major banks to assist borrowers facing financial hardship. In response, QBE LMI expanded its home ownership preservation program led by a dedicated team to support insured borrowers who were suffering genuine mortgage stress. The program now has a strong commitment from all of QBE LMI's lender customers.

One year on, QBE LMI is pleased to announce the program has assisted over 1,800 families to retain their homes with the support of a temporary variation to their loan terms during their period of genuine hardship. Over 90% of borrowers who have received assistance have gone back to their original payment terms.

QBE LMI found that the predominant reason for hardship was unemployment (averaging 42% of applicants for 2009) closely followed by financial reasons, e.g. reduced income levels (averaging 34%) and some cases were also due to medical reasons and maternity leave.

CEO of QBE LMI, Ian Graham said "The deteriorating economic outlook and increase in unemployment in late 2008 and throughout 2009 placed continued financial pressure on households. QBE LMI had clear and effective arrangements in place that strongly supported the Federal government's initiative announced in April last year to assist borrowers facing hardship".

"I am extremely proud of the support we have provided so far, in particular the dedication of our Home Ownership Preservation team that has assessed each application and provided assistance to ensure all eligible borrowers return to their original payment terms and get back on their feet" said Mr Graham.

"In an uncertain economic environment, it is important that borrowers appreciate that lenders will try to help if their income is temporarily interrupted. At QBE LMI we are committed to facilitating the dream of home ownership for more Australians and wherever possible ensuring Australians have the opportunity to retain their homes when experiencing genuine mortgage stress. We will always work to ensure we are supporting our lending institution customers to provide this assistance to borrowers" said Mr Graham.

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@qbelmi.com or their Senior Relationship Manager.

For further information, please contact:

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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 45 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.