



Financial Rights

LEGAL CENTRE

KNOW YOUR RIGHTS CHECKLIST



Financial Rights Legal Centre Inc.
ABN 40 506 635 273

We provide FREE legal and financial advice about loans, debts and money problems.

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GETTING A PERSONAL LOAN

Getting a personal loan is a **BIG DECISION**

Shopping around can save you a lot of money! Compare interest rates, product features, fees and charges. Don't let a pushy lender convince you to sign if you're not ready.

BEFORE you sign up you MUST ask for the following documents:

- Key Facts Sheet (KFS)
- Credit Guide
- Your Contract (Particularly look at the summary on the front page)

These documents contain critical information that the lender must disclose about the total cost of your loan, including interest, fees, penalties, etc.

READ THESE DOCUMENTS and confirm that this loan is right for you.

Repayments

Think about the timing of your repayments. Do they coincide with your pay cycle? (e.g. fortnightly or monthly?)

Can you afford the repayments?

Guarantee

If you are considering guaranteeing a loan, get legal advice.

If the borrower doesn't repay the loan, YOU WILL!

Warning about business purpose declarations

Only sign a 'business purpose declaration' if you are really using the loan for business or you could lose valuable rights under the National Credit Law.

www.financialrights.org.au



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Co-borrowers

If you are borrowing money with another person you will BOTH be liable for the ENTIRE debt (it's called joint and several liability)

This is true even if the other borrower is in possession of the goods, or if you have a deal with the other person that they will repay the loan.

If you aren't getting a benefit from the loan, DON'T be a co-borrower!

Do you need LOAN PROTECTION INSURANCE?

This covers you if you can't repay your loan because of sickness, injury or losing your job.

This type of insurance may not be good value for money, so think twice before you take up the offer.

You should NOT take out this type of insurance if you are already unemployed or receiving most of your income from Centrelink.

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Credit & Debt Hotline 1800 007 007

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