

Unforeseen Hardship Application

Can I make a Hardship Application?

You may make a hardship application using this form if you are not able (on a reasonable basis) to meet your obligations to Alphera Financial Services ("ALPHERA") because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause (**Hardship Event**), but reasonably expect to be able to meet your obligations if the agreement was changed by either:

- extending the term of the agreement and reducing the amount of each payment due under the agreement accordingly;
- postponing, during a specified period, the dates on which payments are due under the agreement; or
- extending the term of the agreement and postponing, during a specified period, the dates on which payments are due under the agreement.

The words "reasonable" and "reasonably" are objective. This means that a fair minded and impartial third person would agree. That may or may not be different from your own views, but for this application, the reasons given must be "reasonable".

You are not eligible to make a hardship application if:

- you have not paid amounts when they were due and you have;
 - been in default for 2 weeks or more after receiving a repossession warning notice; or
 - failed to make 4 or more consecutive periodic payments by or on the due dates; or
 - been in default for 2 months or more; or
- it was reasonably foreseeable to you at the time the contract was made that you would be unlikely to be able to meet your obligations under the agreement because of the illness, the injury, the loss of employment, the end of the relationship, or the other reasonable cause.

What if there is more than one borrower or lessee?

If there is more than one borrower or lessee on your agreement you both need to complete this application but only one of you need to have suffered a hardship event.

How do I make a hardship application?

Your hardship application needs to be in writing, sent to Alphera, set out the reasons why you are applying (being one of the reasons above) and the changes you want to make. The application form below is designed to help you with the application. We recommend you use this form. Once you have completed it please return it to **BMW Financial Services New Zealand Limited**. You can return this via email to hardshipnz@bmw.co.nz ; or via post to 7 Pacific Rise, Mt Wellington, Auckland 1060.

How important is it that the application is exactly right and contains all the information ALPHERA needs?

It is essential that the application contains all relevant information because you only get to make one hardship application in a four month period. It is important that this form is completed accurately first time.

If you are unsure about how to complete the form you should contact your local Citizens Advice Bureau, New Zealand Federation of Family Budgeting Services on 0508 283 438 or find a service near you via their website on <https://www.familybudgeting.org.nz> or other professional person such as a financial advisor, accountant or lawyer.

How do I know what type of change to request?

The change you request must not be more extensive than is necessary to enable you to reasonably expect to be able to discharge your obligations and it must be fair and reasonable to ALPHERA.

If you are not sure about how the change(s) might affect your monthly payments or the total amount you will need to pay, you could email ALPHERA on hardshipnz@bmw.co.nz or phone ALPHERA on (09)573 2535. ALPHERA will provide you with an indication of the change in monthly payments based on an extended term.

The person at ALPHERA who provides you with that information is not able to provide you any advice on your personal circumstances, confirm your eligibility to make a hardship application or advise how your hardship application might be determined.

What happens after I have made a hardship application?

Within 5 working days after receiving the application we will contact you to confirm either:

- the application has been received and will be considered by ALPHERA;
- ALPHERA does not believe you are eligible to have made the application and the reasons why.

Within 10 working days after receiving an eligible application from you we will let you know if we need any further information. If we request further information the timeframe in the next paragraph is the later of:

- (a) 10 working days after receiving the further information; and
- (b) 20 working days after making the request for additional information.

Within 20 working days after receiving an eligible application from you we will either agree or not agree to the change you have requested and will let you know.

If we do not agree to change the agreement in accordance with your application, we will explain the reasons and give you a summary of your rights to challenge that decision.

Does ALPHERA have to accept the application for consideration?

No. If you are not eligible to make a hardship application we will, within 5 days of receiving your application, let you know that you are not eligible to make the application and the reason why.

There are lots of reasons why you might not be eligible to make a hardship application, for example if we consider that the hardship is not unforeseen or you have not made payments when they are due and been in default for 2 months or more (see above for other eligibility criteria).

What does ALPHERA consider when it is looking at an eligible application?

If ALPHERA accepts you are eligible to make an application, ALPHERA will consider a range of factors in deciding whether to approve the application including:

- whether the extent of the change(s) sought are necessary;
- whether the change(s) sought are fair and reasonable to both you and ALPHERA;
- the likely duration of the unforeseen hardship and what steps, if any, you are taking to address it;
- your credit history and any of the other matters relevant to an assessment of whether you can make the proposed repayments without substantial hardship;
- whether the repayment plan will allow you to meet your obligations during the period of the proposed repayment plan and over the remaining life of the credit agreement; and
- whether the repayment plan would fail to enable you to meet your obligations during the period of unforeseen hardship, would unnecessarily prolong the period of difficulty, or would be likely to result in the borrower experiencing financial difficulties over the remaining life of the credit agreement.

If you think it would assist your application, you should address these issues and your views on them and send that as part of your application.

ALPHERA is not likely to approve an application when it reasonably believes you are unlikely to be able to make repayments without suffering substantial hardship. Sometimes, it is better for you if we repossess the vehicle early to avoid increasing costs and default interest. Hardship applications are usually only effective where the reason for the hardship is for a very short period and then life gets back to normal.

Section 1: Personal Information of Applicant

Mr Mrs Miss Other (please specify)

Last Name

First Name

Date of Birth

Phone Number

Street Address

Occupation

Dependents

Yes / No

Ages

Is this a joint application?

Yes

No

If yes, please complete section 2. If no, please proceed to section 3.

Section 2: Personal Information of Secondary Applicant

Mr Mrs Miss Other (please specify)

Last Name

First Name

Date of Birth

Phone Number

Street Address

Occupation

Dependents

Yes / No

Ages

Section 3: Reasons for Applying

What is your reason for applying?

- Loss of Job
 Illness
 Injury
 End of Relationship
 Death
 Other (please specify)

How is this affecting your current financial situation and how can ALPHERA help?

Supporting documents to be provided

Support documents can include:

- A personal financial statement to support your application, which outlines the details of your financial position including income and expenses
- A medical certificate (if applicable)
- A letter from your employer (if applicable)
- Payslips
- A WINZ/IRD statement
- A letter from your accountant
- Bank statements for the past three months
- Any other documents you believe will support your application

Section 4: Proposal

- Please outline below changes to your contract that you are requesting:
- Extend the term of the contract from _____ months to _____ and reduce the amount of each payment due under the contract accordingly without a consequential change being made to the annual interest rate or annual interest rates;
- Postponing payments due in the period _____ to _____ without a consequential change being made to the annual interest rate or annual interest rates
- Both:
- i. Extend the term of the contract from _____ months to _____ and reduce the amount of each payment due under the contract accordingly without a consequential change being made to the annual interest rate or annual interest rates;
- ii. Postponing payments due in the period _____ to _____ without a consequential change being made to the annual interest rate or annual interest rates
- Other (please explain): _____

Section 4: Income

How much is coming in? (after tax)	1st Person	2nd Person	Weekly/Fortnightly/Monthly
Salary and wages – including employed income			
Benefits (WINZ/IRD)			
Child Support			
Rental/Boarder			
Other			

Section 5: Expenses

How much is going out?	Expenses	Weekly/Fortnightly/Monthly
Housing costs (mortgage or rent)		
Rates		
Insurance		
Power/Gas/Water		
Phone/Mobile/Internet/Pay TV		
Food		
Credit Card Payments		
Hire Purchase Payments		
Personal Loan payments		
Store Card payments		
Other 1:		
Other 2:		

Section 6: Assets

What do you own?	\$Estimated Value	Details
Property 1		Address:
Property 2		Address:
Motor vehicle 1		Make/Model/Year:
Motor vehicle 2		Make/Model/Year:
Investments and savings		Who with:
Superannuation and KiwiSaver		Name of Provider:

Section 7: Debts

What do you owe?	\$Estimated Debt	Details
Loan secured by property		Address & Lender:
Loan secured by property		Address & Lender:
Loan secured by other assets		Asset & Lender:
Loan secured by other assets		Asset & Lender:
Personal loans and overdrafts		Lender:
Hire purchase		Lender:
Hire purchase		Lender
Credit card/store card balance		Lender and credit limit:
Credit card/store card balance		Lender and credit limit:

I confirm the details I have provided are true and correct to the best of my knowledge.

Applicant

Date

Co-Applicant

Date