

## Free advice for battlers

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The State Government plan to broaden eligibility for mortgage assistance will ease the backlog as people flood into counselling services in a last-ditch effort to avoid bankruptcy.

As well as an extra \$1 million for financial counsellors, Premier Morris Iemma's battlers' budget boost also includes:

\* \$840,000 to fund interest-free loans of up to \$1000 to buy essentials such as white goods and furniture.

\* Broadening the eligibility criteria for a government scheme that covers mortgage payments in the event of a crisis such as job loss, accident or illness. The \$4 million Mortgage Assistance Scheme is helping 638 households with loans worth \$2.6 million.

\* A tough edict to all government departments and agencies to ensure they treat people struggling with their bills fairly and sympathetically.

Mr Iemma, whose Government already funds \$2.7 million of financial counselling services through non-government agencies, said he was determined to give practical assistance to people who were "doing it really tough".

"We understand that the combined pressure of rising interest rates and rents, rising grocery prices, high petrol prices and other cost of living issues is taking a real toll on some families," he said.

"We want people to know there is help out there. There is no shame in asking for help - anyone can find themselves in trouble. They should come forward and see what can be done to manage their financial situation before they hit rock bottom."

The move was welcomed by the Reverend Keith Garner, chief executive officer of Wesley Mission, Sydney, one of the organisations funded to provide counselling.

"In February we had to turn away 100 people from our Penrith service and our three centres across Sydney are booked out three weeks ahead," Mr Garner said.

"At our Penrith office, desperate people have threatened self-harm. "More of our clients are middle class people who would have never entertained the thought of bankruptcy, mortgage foreclosure or homelessness just a year ago.

"In the past it was traditionally renters and very low income people. "Tony Devlin, the financial counselling co-ordinator at the Salvation Army's Moneycare, said the number of people seeking help with mortgage issues had risen threefold. Free financial counselling would help Kevin and Fiona Bulman of Lalor Park, whose mortgage repayments have risen \$400 a month.

They had sought advice from a private counsellor but found the \$650 fee was too much.

Mr Bulman said he and his wife earned \$90,000 a year but were on the breadline, with all of her salary and \$800 of his wage paying off the mortgage each month.

"If you'd asked me a few months ago if I could find an extra \$800 for the mortgage, I would have said no, but we have cut back on everything else," the father of two said.