



# Rural Financial Counselling Service NSW Northern Region

*Servicing rural communities on the Mid North Coast*

A division of:  
Richmond Valley  
Business & Rural  
Financial Counselling  
Services Inc  
Casino NSW 2470

Reg No: Y2436622  
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## **NATURAL DISASTER RELIEF SCHEME ~ Assistance for Primary Producers**

***The Natural Disaster Relief Scheme assists primary producers affected by flood/fire/storm damage or any other declared natural disaster.***

**PURPOSE:** Funding by way of a loan is available for:

- **Essential Working Capital:**

The amount required to continue normal business operations for the next twelve months or until the next major income is received.

- **Replacement and repair of damage caused to the property and associated improvements not covered by insurance.**

Assistance does not cover costs unrelated to the business enterprise or commitments overdue at the time of the disaster, such as; trading accounts, lease or hire purchase instalments, interest on borrowings or loan repayments.

**The assistance is not compensatory and does not cover loss of trade or income.**

**AMOUNT:** A loan to a maximum of \$130,000 is available.

**INTEREST:** The interest rate is a concessional rate of interest, fixed for the term of the loan. Currently the rate is 1.69%.

**TERM:** A repayment term of up to ten years dependent upon the amount borrowed and the applicant's ability to repay. The repayment term is preceded by a two-year interest and repayment free period.

**REPAYMENTS:** Monthly, half-yearly or annual repayments of principle and interest generally in line with the applicant's cash flow.

**SECURITY:** Registered mortgage over land, not necessarily a first mortgage. Other security, including a mortgage from another person may be considered.

The above information is a guide for prospective applicants. Full details can be obtained by contacting your Mid North Coast Rural Financial Counsellor, Terry Pearce on 02 65683888 who can assist with the compilation of your application.

## **Frequently Asked Questions – Natural Disaster Relief Assistance for Primary Producers and Small Business**

Q1. Who can apply?

A. This assistance is available to primary producers and small business operators in N.S.W who are in a declared natural disaster area and have been affected by flood/fire/storm damage or any other declared natural disaster.

Q2. What can I apply for?

A. Loans to a maximum amount of \$130,000 are available depending on your need. These funds are provided to meet:

- essential working capital needed until receipt of your next major source of income,
- replacement and repair of damage not covered by insurance.

However assistance is not compensatory and does not cover loss of trade or income.

Q3. How do I apply?

A. You will need to complete our application form and forward it together with any supporting documentation to the Authority.

The application form is available from your Rural Financial Counsellor (phone 02 65683888 or email: [macksville.rfcs@bigpond.com](mailto:macksville.rfcs@bigpond.com)) or from the web site of Rural Financial Counselling Service NSW – Northern Region ( [www.rfcsnsw-northernregion.org](http://www.rfcsnsw-northernregion.org) ) or you can contact the NSW Rural Assistance Authority direct on 1800 678 593.

Q4. How long to I have to apply for assistance?

A. Applications to be lodged within 6 months of the declared date of the natural disaster.

**Q5. What information do I need to provide?**

**A. The application form details the information you need including details of the damage you suffered due to the disaster.**

**In addition you need to provide the last 3 years financial statements for your farm/small business as well as any other inter-related businesses (companies, partnerships trusts etc) that you may have, plus the personal taxation returns for all partners associated with those enterprises. You will also require:**

- **A rates notice for all property**
- **Details of your farming operation eg. Size of lease, stocking levels**
- **Details of all financial commitments eg. Loans, Overdrafts, Credit Cards, Leases, Interest Rates, Repayment amounts**
- **Detailed description of your losses and the amount required for assistance**

Q6. Do I need to provide security for my loan?

A. Yes. All these loans require you to provide acceptable security. This is usually a registered mortgage over land, however it does not need to be a 1st mortgage.

Q7. How long will a decision take?

A. The Authority aims to have an answer to you as quickly as possible following receipt of the completed application. This period may however be extended depending on the complexity of your application and the level of demand for Natural Disaster Relief Assistance.

Q8. When will I have access to my loan funds?

A. Once all the legal requirements have been completed the Authority will draw down your loan in full and deposit it direct to your nominated bank account.

Q9. How do I repay my loan?

A. These loans have a 2 year period where no interest or principle repayment is required. Repayments are generally in line with your income cycle and can be monthly, half yearly or yearly. The preferred method of payment is by way of Direct Debit from you nominated bank account. With the exception of monthly payments we will also send you an Instalment Notice a few weeks before hand to remind you that a payment is due.

Q10. What costs apply to my loan? A. The only set up costs you are required to meet are:

- Registration Fee of the Mortgage,
- Mortgage duty based on the amount of your loan,
- Agent Fees,
- Land Title Search Costs.

There are no Establishment or ongoing fees applying to these loans. Your financier may however charge fees to your account when consenting to the Authority's request to take a mortgage over the property offered as security.

Q11. Can I repay my loan early?

A. Yes, you can repay *your* loan before its expiry date. The Authority does not charge early repayment fees. Your loan can also be repaid during the interest/repayment free period, again without any penalty. You can contact the Authority at any time to obtain a payout figure.

This information is prepared by the Rural Financial Counselling Service NSW – Northern Region as a guide only and is current as at the 21<sup>st</sup> February 2013.

The Rural Financial Counselling Service is a free and confidential service to Primary Producers and small rural business.

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