

# Catholic Community Fund - Hardship Policy

## Section 1 - Purpose

(1) This policy document sets out the basis on which Catholic Community Fund Diocese of Maitland-Newcastle (CCF) will determine whether “exceptional circumstances” that may lead to financial hardship exist that would warrant the early release of funds to Non-Associate Retail Clients (retail investors).

## Section 2 - Legal Requirements

(2) The Catholic Community Fund (“CCF”) is regulated under the APRA [Banking Exemption No.1 of 2021](#) and [ASIC Corporation \(Charitable Investment Fundraising\) Instrument 2016/813](#).

(3) In so far as it relates to the CCF, the ASIC Instrument defines an associate client, as:

- a. a body constituted by or under the authority of a decision of the Diocese of Maitland-Newcastle (“Diocese”) or which is controlled by the Diocese;
- b. a person or body that constituted the Diocese or under whose authority the Diocese was constituted or that controls the Diocese;
- c. a charity with a charitable purpose (related charitable purpose) which is the same as or similar to the Diocese;
- d. a person acting as a trustee of a trust for the Diocese or a charity with a related charitable purpose;
- e. a member of clergy or employee who works for a person mentioned in any of sub paragraphs (a) to (d); and
- f. a person undertaking training or education to enable them to be a person mentioned in paragraph (e).

(4) All other clients will be treated by the CCF as non-associate retail clients.

(5) The CCF is not permitted to issue “short term investment products” to retail investors. The consequence of this is that retail investors that have invested with the CCF have to provide at least 31 days’ notice or await maturity before all or part of their funds can be repaid to them (subject to the terms and conditions of the relevant product, which may have a longer notice period).

(6) However, the above does not apply (that is, repayment can be made at any time) if the CCF is satisfied that the repayment to the investor would alleviate financial hardship that the investor is suffering or would suffer.

(7) This hardship provision only applies if the retail investor is an individual(s).

(8) Any early repayment made by the CCF under this exemption must be:

- a. made following a written request from the retail investor to the CCF requesting early repayment on the grounds of financial hardship; and
- b. in accordance with the provisions of this policy document.

## Section 3 - “Exceptional circumstances”

(9) Banking Exemption No.1 of 2021 provides that early repayment is permitted if a retail investor is subject to “exceptional circumstances” that may lead to hardship.

(10) The requirement for “exceptional circumstances” is that the hardship must be some unforeseen and substantial event that has affected or will affect the retail investor. Such circumstances could include:

- a. sudden and substantial medical expenses or significant health or medical problem;
- b. death in the family;
- c. natural disaster;
- d. litigation or other unforeseen legal expenses; or
- e. other factors resulting in unforeseen change in the retail investor’s capacity to meet their payment obligations to third parties or to sustain their usual living conditions, whether through a reduction in income or through an increase in non-discretionary expenditure.

(11) Circumstances under which the CCF will reject a request for early repayment due to financial hardship:

- a. if the hardship is not financial in nature;
- b. if the hardship has not yet occurred and will not likely occur within 31 days after the request for payment or before the maturity of a fixed term investment;
- c. if the retail investor requiring an early repayment for non-hardship reasons, (e.g. to make an investment elsewhere with the funds, or as discretionary spending);
- d. if the retail investor could be financially supported by some other means if the early repayment is not made (e.g. if a retail investor has been made redundant from his or her employment but could sustain himself or herself from the redundancy pay for a period of at least 31 days or until the fixed term investment matures);
- e. if the evidence of hardship provided by the retail investor is contradictory or incomplete; or
- f. the retail investor is otherwise unable to demonstrate to the CCF (acting reasonably) that he or she is or will likely suffer hardship if the early repayment is not made.

(12) The hardship provisions require the retail investor to be subject (or potentially subject) to financial hardship. Therefore, any potential hardship has to affect the retail investor directly.

## Section 4 - Procedure

(13) A written request from a retail investor requesting the early repayment of their funds should be accompanied by sufficient information and/or documents to allow the CCF to assess the situation. This may include:

- a. explaining the nature of the financial hardship that the retail investor is experiencing or may experience, including how soon they require the repayment of the funds;
- b. if the financial hardship has not yet occurred and will not likely occur within 31 days after the request for early repayment or before the maturity of a fixed term investment, providing sufficient information to allow the CCF to determine the likelihood of the hardship occurring if the early repayment does not occur;
- c. disclosing whether there are any other sources of money that the retail investor will have access to for the purposes of alleviating the hardship if the request for early payment is denied;
- d. explaining why the repayment needs to be made within 31 days of the request or before maturity; and
- e. providing documentation that would assist with evidencing the hardship.

(14) Each request for early repayment under the hardship provisions must be assessed on a case-by-case basis by the Fund Director or CCF Operations, Systems and Client Relations Manager pursuant to the provisions of this policy. The assessor may ask further questions or request further information from investors when assessing each request.

(15) Requests under the hardship provisions should be assessed as soon as reasonably practicable with a response provided within 2 business days of receipt of the request, provided sufficient information supporting the request has been received by CCF. Rejected requests should be notified to the investor as soon as possible.

(16) All recommendations for early repayment of funds to retail investors due to hardship should be approved by the Fund Director or the CCF Operations, Systems and Client Relations Manager.

(17) Where an application has been refused, the applicant must be informed they have the right to complain to the CCF or the Australian Financial Complaints Authority if they are not satisfied with the response and provided contact details accordingly.

## **Section 5 - Notations**

(18) Diocese of Maitland-Newcastle Catholic Community Fund ABN 62 089 182 027 has been engaged by CDFMN AFSL Limited ABN 74 623 033 830, AFSL No. 504182 to managed the hardship application and review process as it may relate to products and services issued on its behalf by CCF.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	7th July 2026
<b>Review Date</b>	25th May 2029
<b>Approval Authority</b>	Director Catholic Community Fund
<b>Approval Date</b>	25th May 2026
<b>Expiry Date</b>	To Be Advised
<b>Unit Head</b>	Michelle Forbes Acting Director Catholic Community Fund
<b>Enquiries Contact</b>	Catholic Community Fund