

For pensioners in Australia who receive Centrelink payments, there are a few main types of loans and financial products available. Each has different eligibility rules, repayment methods, and risks:

1. Government-Backed Loans

- Home Equity Access Scheme (HEAS)
- Run by Services Australia.
- Lets eligible pensioners borrow against the equity in their home.
- Works like a reverse mortgage — you get fortnightly payments (or lump sums in some cases) secured against your property.
- Repayments are generally made when you sell the home or from your estate.
- Interest accrues over time.

2. Bank & Credit Union Loans for Pensioners

- Personal loans: Some banks allow pensioners to apply, but approval depends on income (Centrelink counted in many cases).
- Car loans: For purchasing vehicles, often harder to get on pension-only income unless secured.
- Secured loans: Using assets (like a car or savings term deposit) as security increases chances of approval.

3. Short-Term & Alternative Lenders

- Centrelink-friendly lenders offer small personal loans (\$300–\$5,000).
- Usually high-interest and fee-heavy.
- Some market themselves as “pensioner loans” or “bad credit loans”.

4. No Interest or Low Interest Loan Schemes

- NILS (No Interest Loan Scheme): Up to \$2,000 for essentials (appliances, medical, education).
- No fees, no interest, repayments are small and manageable.
- Available to Centrelink recipients.
- StepUP Loan (run by Good Shepherd & NAB, up to \$3,000–\$5,000, low-interest).

5. Payday & Cash Advance Loans (High Risk)

- Some lenders target Centrelink recipients with small cash loans (\$50–\$2,000).
- Very high fees and short repayment terms.
- Should be considered a last resort.

There are different types of [loan type for pensioners in Australia](#).