

# Simple Options Overview

Here are some of the options that might be available to you. We'll need to gather more information from you at our appointment to see what will be available and appropriate.

Priority creditors: these have the most serious consequences if you don't sort them out. Rent arrears, council tax debts, magistrates court fines, tax debts.

Options	What is it?	Helpful Information
Negotiated arrangement with creditors	<p>A payment plan that you've agreed with your creditors.</p> <p>This could be <u>token payments</u> - making very small payments to your creditors of between £1 and £5/month or <u>pro-rata payments</u> - splitting your surplus income up on a percentage basis between your creditors.</p>	<p>Only suitable if you have some income left over after you've met all your needs.</p> <p>Priority creditors often want you to finish paying within 1-2 years.</p>
Debt Management Plan	Using a free company that you pay a single amount to and then they distribute the income between your creditors.	<p>You usually need to be able to give at least £5/month to each creditor.</p> <p>Some priority creditors won't agree to be in a debt management plan.</p> <p>Check the company is free</p>
Full and Final Settlements	Written agreement from your creditors to accept less than you owe them in full settlement of the debt.	<p>It is up to individual creditors to accept these offers.</p> <p>Priority creditors are less likely to accept this.</p>
Consolidation Loan	A low interest loan that allows you to pay off all your creditors and pay back the loan as a single payment.	<p>You'll need a decent amount of income left over and a good credit score to get a decent rate on a loan.</p> <p>Some debts won't have any interest being charged on them.</p>
Write Off	A request to creditors that they write off your debt.	This is discretionary - creditors may or may not agree. You will need to present evidence.
Administration Order	An debt management plan arranged by the Magistrates Court to pay some/all of our debts.	Eligibility: less than £5000 debt, 2 creditors, a County Court Judgement and some surplus income.
Debt Relief Order	A scheme run by the Insolvency Service to write off your debts.	Eligibility: several criteria, including having less than £30,000 debt.
IVA	A payment plan agreed to with an Insolvency Practitioner which writes off some of your debts.	Eligibility: at least £80 a month in surplus income and better if you have more than £10,000 debt
Bankruptcy	A scheme run by the Insolvency Service to write off your debts.	Eligibility: you cannot pay your debts.