

# Rands with Sense

## When to Consider Going Under Debt Review

1. You can only go under debt review **if you have been approved by a debt counsellor** to do so. This means that, if you are really struggling to pay off your debt and you think that you are over-indebted, you should contact a debt counsellor. You will then have to provide a thorough budget of your income and expenses so that the debt counsellor can determine if you are in fact over-indebted.
2. **Over-indebted means that you are not making enough money to pay off your debt.** Remember that, if you are NOT over-indebted, your debt counsellor will reject your application and you will have to pay a penalty fee. If a debt counsellor finds that you are in fact over-indebted, you will be put under debt review.
3. Debt review **protects you against any legal action your creditors would want to take** against you and your outstanding debt. However, being under debt review will only protect you if no legal action has been taken already.
4. While under debt review, your debt counsellor will analyse your finances, come up with an adjusted repayment plan and propose this plan to your creditors. If all your creditors are in agreement, **a legal consent order will be obtained**, stating that your creditors cannot change the terms of the agreement.
5. Your new payment plan will then be submitted to the Payment Distribution Agency, and you will **pay this agency a lump sum every month** while they distribute the sum among your credit providers.
6. Once all your debt has been paid off, **you will be issued with a clearance certificate**, and you will no longer be under debt counselling.

