

## HERE'S HOW WE HELPED SOME PEOPLE

### Lorraine

Lorraine had unsecured debts of £71,000. She was aged 40, had a young family, recently divorced and ill with worry. She had a good job but was unable to make ends meet. Lorraine agreed with her creditors to pay £600 per month for 5 years. This paid a dividend to creditors of 40p in the £. 'As soon as I met the team at **Straighttalkdebt.com** they made me feel confident that my debt was being dealt with. If I ever get the chance I would be delighted to recommend **Straighttalkdebt.com** I can now sleep at nights.'

### Nick and Sue

Nick and Sue had unsecured debts of £120,000. Both were mid 40's and had 3 teenagers. They owned their own house and there was a household income of £30,000. Nick and Sue agreed with their creditors to remortgage the property and pay £300 per month for 4 years. This paid a dividend to creditors of 38p in the £. 'Until we sat down with the team from **Straighttalkdebt.com** we did not realise the extent of our problems. They made us face up to reality but also came up with solutions that meant we could keep our house. To go to **Straighttalkdebt.com** to help was the best decision we have made in years.'

## WHAT TO DO NEXT?

Call us for a free consultation – we will be delighted to help.  
Freephone **0800 731 2205**  
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INDIVIDUAL VOLUNTARY ARRANGEMENTS  
CONSUMER DEBT

## INDIVIDUAL VOLUNTARY ARRANGEMENTS (IVA) CONSUMER DEBT

'I've already had a consolidation loan.....What do I do now?.....'

'I feel as if all I'm doing is robbing Peter to pay Paul.....'

'I can't bear to open the post because I know I can't pay the bills.....'

'I'm not sleeping at nights....I know I can't pay my debts.....'

### ***Do these comments sound familiar?***

Unsecured lending to Individuals (debtors) through credit cards or loans has become a feature of our modern economy. There is often a fine dividing line between being able to manage such debt or not. Events happen that can, overnight, have devastating consequences; illness, redundancy, marriage breakup, business problems..... or simply, it can be a culmination of problems that compound over a period of time to the reality that household debts cannot be met without further borrowing.

At **Straighttalkdebt.com** we understand this is a traumatic time for anyone confronted with these problems. We have the experience to help guide debtors through the minefield of personal insolvency. Call us for a free consultation to see how we can help.



## INDIVIDUAL VOLUNTARY ARRANGEMENTS (IVA) WHAT IS IT?

- An IVA is a tailored proposal by a debtor to his creditors to repay debt over an extended period of time. Typically, up to 75% of debt can be written off.
- An IVA has to be done through a Licensed Insolvency Practitioner. Up to the date of the creditors' meeting he is known as the 'Nominee'. From the creditors' meeting date he is called the 'Supervisor'.
- A detailed proposal will be forwarded to the creditors. In practice, this is prepared by the Insolvency Practitioner.
- A meeting of creditors will be called – approximately 6 to 8 weeks from the first contact with us.
- An IVA needs the approval of 75% of creditors voting at the creditors' meeting to be successfully implemented. This will bind all creditors.
- Immediately, the payment of unsecured creditors will stop. A manageable budget is agreed. A regular monthly sum that can be afforded is paid to the Supervisor.
- An IVA is not bankruptcy – the bankruptcy restrictions do not apply. For example, a director of a limited company can continue to act as such through an IVA.
- Any unpaid debts after completion of the arrangement will be written off.
- Court protection from creditors can be obtained.
- An IVA only deals with unsecured creditors. Secured creditors such as a mortgage provider will need to be paid as normal.
- In most IVA's it will not be necessary to sell the family home.

## WHAT IS THE PROPOSAL AND WHAT SHOULD IT CONTAIN?

The proposal is the written contract given to all creditors of the debtor to examine, discuss and formally vote on at the creditors' meeting. When approved, this proposal becomes legally binding. The main contents of the proposal are;

- A brief explanation behind the financial difficulties.
- The precise proposals put forward by the debtor – what instalments are proposed/how any equity in the home is to be dealt with etc.
- A summary of the debtor's financial position.
- An indication of dividend payments and the timing of those payments.
- A monthly income and expenditure account detailing the debtor's household income and expenditure.
- A comparison between the outcome of the IVA compared to bankruptcy.
- Valuation of the home where appropriate.

In practice, of course, we will draft these proposals following detailed discussions with the debtor.

## WHAT HAPPENS AT THE CREDITORS' MEETING?

In practice it is unlikely that any creditors will actually attend the meeting. They are likely to vote by proxy prior to the meeting. Sometimes 'modifications' can be put forward by the creditors. These need to be agreed by the debtor and may be the subject of negotiation, by telephone, on the day of the meeting. We will, of course, conduct any such negotiations on the debtor's behalf.

To assist with the approval of the proposals the Nominee can allow up to a 14 day adjournment of the meeting.