

My-Debt: Debt Management FAQ's

- **What is a Debt Management Plan?**
 - A Debt Management Plan (DMP) is a method used in various countries for paying personal unsecured debts. Typically, such debts are out of control – payments are late and/or take too large a portion of income, or even exceed it. A DMP usually involves a third party organisation that looks at all or some of the debts, assessing income and budget, and re-negotiating interest rates and payments with the lenders. The negotiated rates and payment plan is based upon the probability of a higher likelihood of collection by the lenders in light of the debtor's more realistic monthly repayment. Some debts (such as secured accounts) have priority over others and not all are amenable to participating in a DMP. Money left over after dealing with these debts and priority expenses may be suitable for a DMP.
- **How does it work?**
 - We will assess your income and outgoings and ultimately prove to your creditors that you cannot meet all of your payments. We will then negotiate and agree a single new affordable payment which is payable to us every month. From this payment we will then distribute an amount to each creditor on a “pro-rata” basis. We will also review your circumstances with you on a six monthly and advise you accordingly on any changes to your plan.
- **How do I apply for a Debt Management Plan?**
 - You can fill in our fully online application form by **clicking here** or if you want to go through a consultation with one of our specialist advisors complete our quick application form or call **xxx**.
- **Am I eligible for a Debt Management Plan?**
 - You will be eligible for a debt management plan if you have at least 2 different creditors owing more than £1,800 in total and can't afford your current contractual repayments, but can afford at a minimum of £100 per month towards your debts.
- **I have a Debt Management Plan already but the company I use is not very good, can I change it?**
 - Yes. We deal with many clients who had not been previously happy with their provider. We have a proven track record in negotiating with your creditors to stop or reduce the interest that you may be paying and reduce the terms of your debt management plans. Complete our online application form or call us today to find out what we can do for you!
- **What do I do if my creditors keep calling me?**
 - You do not have to deal with your creditors. As we act as your nominated third party we hold full authority to discuss your accounts with your creditors and there is no need for them to contact you direct. Should you find that you are still receiving calls let us know and we will contact them direct to request that full contact is made with us directly.
- **Can I check the status of my plan online?**
 - Yes of course. Your plan is fully online integrated which means you can check the status, recent activity and make requests direct to our administrators to act on your behalf and sort out any issues that you have. We are always here to help you and your online account means you have access 24 hours a day 365 days per year.
- **Can I make a payment online?**
 - Yes. We have an online payment system should you wish to make payments by debit card. We do prefer that payments are collected by regular monthly standing orders however should you need to make an online payment this can be done.

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- **Can I add another creditor to my list of creditors?**
 - Yes. If you have forgotten to add an account then this can be added at any stage. It is best to note though that if your plan has been set up and we have made offers of repayment to your creditors; it is best to increase your monthly payment to cover the new debt – this is to ensure that all creditors still receive the amount we have offered and not affect your plan in any way.
- **Will I have to pay for longer due to the reduced payments involved?**
 - This is possible; however, the payments will be affordable every month. In addition to this, every effort will be made to encourage your creditors to freeze interest and other charges to ensure your debt reduces as quickly as possible. Should your circumstances improve, your plan can be amended to speed things up. Please note that if your creditors refuse to freeze interest, paying the same debt over a longer period of time will increase the total amount to be paid.
- **When will my plan be reviewed?**
 - We review your plan every six months and take into account any changes in your circumstances. If your situation changes in any way, we would ask you to contact us immediately. If your situation has worsened we will write to your creditors to negotiate a new affordable repayment plan.
- **How long will my plan last?**
 - Each plan is individual to each customer's financial circumstances. Due to the fact you are paying less than the original contracted payment to each creditor, the term to repay the debt will be longer but the repayments are more affordable.