

Where's My BAILOUT!

**Where Helping People Like YOU
Take Back Control Of Their Finances
FREE/ No Obligation Service...**

Unmanageable debt causes stress, anxiety and worse. It can cause arguments, leading to the breakdown of relationships. It can ruin family life and homes can be lost through it.

As a nation, we're in the dark about our finances, according to new research released by CreditExpert.co.uk today.

The survey reveals that despite 96 per cent of us claiming to be familiar with our current finances, when questioned further it appears that many of us do not have a clear picture of our credit commitments.

As well as being unaware of what is going on in our credit accounts, a significant proportion of us are also unclear about the APR (annual percentage rate) we are charged on credit cards, loans and overdrafts.

Whilst most of us know our overdraft limit, the study revealed that over a third (36 per cent) of the population are unsure what APR is. The lack of APR awareness is even more marked when it comes to credit cards, with 48 per cent of the nation unable to recall the APR on the cards they hold.

The British population spends a whopping 13 billion* hours every year worrying about spiralling personal debt according to new research from The Co-operative Bank.

It is a sobering fact that an average person in the UK will spend approximately 2 years** (or 16,848 hours) during their lifetime stressing about their spending and borrowing habits, which is equivalent to 730 sleepless nights.

Your Personal Credit History

Each time you apply for credit, whether it be a credit card, small loan or mortgage, the company in question will do a credit search on you.

The result will show them whether you are a good risk, moderate risk or bad risk. Only you, and with your permission, suppliers of credit and the agencies acting for them, will have access to this information.

Each month your creditors send information about your payment history for that month to credit agencies, and this information builds a profile of your creditworthiness.

The main UK agencies are:

- 1. Experion**
- 2. Equifax**
- 3. Callcredit**

All can be requested on-line, and the report will be either instantly accessible or will be sent to your home address, depending on which agency you use.

However, not all creditors send information to all three agencies.

They may, for example, send it to Experion and not to Equifax.

The effect of this from your point of view is that a report from one agency may not mirror exactly a report from another agency.

Therefore, in order to see exactly what you owe, to whom, and a complete payment history, it is advisable to obtain a report from all three agencies.

You can obtain a report which will contain information that is held by all three agencies from www.CHECHMYFILE.com.

This will provide you with a comprehensive list of your creditors, the original start dates of loans, and the outstanding balances.

In order to protect your identity and to ensure that the person requesting the report is actually you, Checkmyfile will send you a PIN addressed to you at your home address within two working days.

Once received, you will be able to access your credit file.

Needless to say, they do make a small charge for this service, but in relation to what you ultimately want to achieve, the cost is minimal and the money well spent.

Our advisors will need this information in order to negotiate with your creditors, and it will save you valuable time if you have the information readily to hand....

Debt Management Programs

These are voluntary agreements with creditors to repay debts over an extended period. They constitute an arrangement between yourself and a Debt Management company who agree to supervise and distribute your debt repayments. They take a payment each month and split it between your creditors.

It is sometimes possible to restructure repayments into a more convenient plan and you would therefore not have to sell your home as part of the agreement.

Interest charges can sometimes be stopped, and Debt Management companies may or may not charge a fee for their services. The Debt Advice Network would always endeavour to recommend non-fee-charging debt management companies.

Debt Management usually works best for those with at least three creditors, debts of £5,000 or more and at least £100 a month of free income to help settle the debts.

About Debt Consolidation.

Debt consolidation can be done in a number of ways and depends on your current residential status.

Two of the options are: unsecured loan and secured loan. You should always seek professional advice before pursuing the secured loan option as your home may be put at risk if you do not keep up the repayments

● Secured loan or remortgage - which is better?

This is down to individual choice. Mortgage rates are usually lower and setup fees higher than those of loans, because of the length of time involved. However, most of the costs can be incorporated in the loan. A mortgage and secured loans are secured on your home and therefore your home will be at risk in either case if you cannot meet the repayments.

● Will a consolidation loan help me?

If you can consolidate all of your existing debts into a loan that offers lower total repayments, then this could be the best solution. You would save money in the long run and avoid more drastic solutions.

However, many people who are experiencing serious financial difficulties tend to have poor credit rating and therefore a low interest rate would not be offered. If this is the case then taking on more financial responsibility is likely to make your situation worse.

● **Can I remortgage if I have a fixed / discounted mortgage?**

Yes, but you will normally have to pay an early settlement charge to your lender. If your settlement charge is high it might be best to opt for a secured loan until the fixed period has ended.

● **How long does the process take?**

Remortgages normally take approximately 8 weeks and secured loans approximately 3 weeks.

● **Are there any up front fees?**

Not on Secured loans. A remortgage application could have additional costs, for example conveyancing, and sometimes an application fee may apply. It would be wise to speak to an advisor before deciding on which option to take,

Individual Voluntary Arrangements

These are formal agreements arranged through a county court to pay off debts.

You pledge to pay a set sum monthly, with payments lasting between three and five years. Lump sums may also be included in the settlements.

In return, creditors will agree to write off a portion of the debt. negotiate with creditors and will handle the monthly payments.

If you do not keep up payments, you can be made bankrupt. You can be debt free in just five years and have one affordable payment, but there are many factors to be considered.

We'll keep you posted. NOTE that new legislation concerning IVAs is due to come into force later this year.

The following explanations address the most frequently asked questions.

● **Will I lose my home?**

Usually in an Individual Voluntary Arrangement the debtor is allowed to keep his house and continue to pay the mortgage. A re-mortgage of your property is required in some instances in order to contribute some funds to the Individual Voluntary Arrangement.

● **Will the Individual Voluntary Arrangement be advertised?**

No. Although a bankruptcy order must be advertised, this is not required in an Individual Voluntary Arrangement.

● **Will my employer be informed?**

No. The supervisors of your Voluntary Arrangement will not contact your employer unless required to do so under the terms of the arrangement. If your employers are amongst your creditors, they will of course be notified.

● **What will happen to my pension?**

It depends on the type of pension that you have. Usually, where you are an employee contributing to your employer's pension scheme, the creditors will allow you to continue to make contributions to the scheme. If you have a personal pension, then the creditors may insist that all further contributions be frozen for the duration of the Voluntary Arrangement.

● **Where will the creditors meeting take place?**

This is held at a place convenient for the creditors. A meeting will be called, although it does not always take place. Creditors rarely attend meetings when called and vote instead by proxy.

● **How long does it take for a proposal to be prepared?**

We expect to have a proposal prepared and returned to you, after submission to the Insolvency Practitioner, within 14 working days of receiving completed questionnaire. Delays can occur if the information requested is not forwarded to us, or is not complete.

● **I would rather certain creditors were not informed of the proposal and kept out of the arrangement.**

The nominee must send a copy of the proposal to all known creditors. You cannot pick and choose whom you pay. If a creditor is to be excluded details must be given in the proposal and the creditor must agree.

● **When will the meeting of creditors take place?**

The meeting will be called for a date approximately four weeks from when you return the duly signed proposal and sworn affidavit to the Insolvency Practitioner. This allows them to forward the paperwork to court, who then return it to the Insolvency Practitioner. Your creditors will have 14 days in which to consider the proposal. If 75% of the creditors, in value not number, accept the proposal it will be binding on the rest.

● **How are the Nominee and Supervisor's fees paid?**

The nominee and supervisor's fees are paid out of contributions you make into the Individual Voluntary Arrangement. Generally you do not have to pay any of these fees in advance.

● **What happens if my monthly bills increase, or there is a change in my financial circumstances?**

The supervisors will monitor the level of your income and expenditure throughout the duration of the Voluntary Arrangement. Such reviews are usually made every 12 months.

● **What if I lose my job or there is a dramatic change in my circumstances?**

There is a provision in the Voluntary Arrangement to call a further meeting of creditors if this proves necessary. In previous cases, where somebody has been made redundant or has become seriously ill, the Insolvency Practitioner has managed to persuade creditors to either extend the period of the Voluntary Arrangement or, in exceptional circumstances, consider the Voluntary Arrangement complete. The important thing is that you tell them as soon as possible when there is a change of circumstances in order that they can do something about it quickly.

● **Will creditors allow pet insurance/vet bills as part of my regular monthly expenditure?**

Yes. Creditors generally accept this as part of your normal household expenditure.

● **Can creditors pursue me for the balance of the debts after the Individual Voluntary Arrangement has finished?**

No. The purpose of the Individual Voluntary Arrangements is to ensure all known creditors are bound by a full and final settlement.

● **I have a car on finance. What will happen to it? Will the finance company repossess it?**

In most cases your creditors will allow you to keep a car where it is essential, for example, to get you to and from your place of work.

The proposal will include a provision that you will continue to pay the finance company their normal monthly installments.

In most cases the finance company will not repossess the car and will continue to collect the outstanding monthly payment.

● **Will my credit rating be affected?**

Yes. All major credit agencies get a monthly update of all IVAs. They keep a record of the IVA for at least six years from when it commenced. The important thing is to properly maintain your IVA with the supervisor.

Full and Final Settlement

Full and final settlement is the process of asking creditors to accept a lump sum which is less than the full balance owed on the debt, and in return for having a lump sum payment, the creditors agree to write off the rest of the debts.

They also agree in writing to change your credit reference file details to show that the balance is "satisfied".

The lump sum payment is often determined by a combination of disposable income and the level of equity you have in your property. Or perhaps a family member is offering to settle the debt for you...

Full and Final is not guaranteed. The creditor may refuse an offer.

If they do refuse, there are a number of options available for you to proceed..

About Bankruptcy.

This is the ultimate step - the last resort.

It's a legal process that allows you to free yourself from overwhelming debts and make a fresh start by selling your assets and using the funds raised to pay your creditors. Any assets, including your home, may be used to pay creditors.

After a period, usually one year, debts are written off. After your bankruptcy ends your creditors can make no fresh claims against you, but if, for example, you have assets remaining that gain in value (such as your home), your creditors can still force the sale of those assets within a period of three years.

This also applies to any assets you obtain before becoming discharged.

Although bankruptcy doesn't carry the same social stigma it did a few years ago, it does bring with it certain restrictions such as your bankruptcy being advertised in the local press, having your landlord informed, closure of your bank account, and in certain professions - including most positions in financial services - a risk of losing your job. The bankruptcy remains on your credit file for 6 years.

• About Bankruptcy Annulment

A bankruptcy order can be annulled by the court if

- (1) You have repaid your debts and bankruptcy expenses in full, or
- (2) You have provided full security to pledge to guarantee the debts, or
- (3) You should not have been made bankrupt at the time the original bankruptcy order was created, or
- (4) A creditors' meeting has approved an IVA proposal.

Even if you have been made bankrupt and have been discharged after 12 months, it is often in your interests to at least enquire whether this could be an option for you - the reasons being:

- Even when a bankrupt has been discharged after 12 months, if a trustee has been appointed then fees continue to accumulate and this can lead to the loss of your home and any saleable assets.
- Assets which you obtain before you become discharged will still be controlled by the trustee, who can deal with them at any time up to 3 years in the future.
- The bankruptcy remains on your credit file for 6 years
- Bank accounts are difficult to obtain
- You will not be able to obtain credit for £500 or more from any person without first telling them that you are bankrupt. To see whether you would qualify for a Bankruptcy Annulment, please fill in the [enquiry form](#) so that an expert in this field can assess whether a successful annulment is possible for you..

Welcome to Pacific Mortgages Debt Advisory Service...

POSITIVE SOLUTIONS FOR INDIVIDUALS & BUSINESSES

The Pacific Debt Advisory Service was established to offer free confidential advice to individuals and businesses experiencing financial difficulty.

With the help of our approved professionals, mortgage advisors, accountants, insolvency practitioners

and lawyers, we are able to offer you options which best suit your own individual circumstances.

We are not another Debt Management company and we do not charge fees to our clients for our services.

We will explain all options available to you and help you make an informed choice. All information you give us will be treated in the strictest confidence.

There will be no cost, pressure or obligation placed on you and the best advice will always be given in relation to your individual circumstances.

Once your situation has been assessed we will refer you to one of our professional advisors.

Regards Mark Moran

95 Links Avenue
Southport
PR9 9QD

01704-233788

07961509743

mark.moran4@btinternet.com

www.PacificMortgagesUK.co.uk