

DEBT HERO



THE DEBT REVIEW PROCESS

Debt Review is a legal process, stipulated in the National Credit Act 34 of 2005. Role-players, fees, actions, and timescales are strictly regulated by the National Credit Regulator (NCR). If at any time you feel we are not living up to these regulations, you may file a complaint with the NCR at dccomplaints@ncr.org.za. For more information, contact us at info@debthero.co.za



Day 0 - Apply for Debt Review



At the first interview, your Debt Counsellor may require you bring supporting documentation – typically, proof of identity, employment, income, address, marital status and so on. In addition, your Debt Counsellor may request permission to draw your credit report from one or more of the Credit Bureaux. If we do not have all the necessary documentation we will not be able to proceed and, later on, your application for Debt Review may be unnecessarily delayed, rejected or terminated. The clock starts running the moment you sign the completed application (Form 16).



Day 1-5 - Notify Creditors and Credit Bureaux



Once your Debt Counsellor has received the completed application and all the supporting documentation, he/she has 5 days in which to notify the Creditors and Credit Bureaux that you have applied for Debt Review. From this moment until you complete your Debt Review, you will not be eligible for further credit. However, you are also protected from any further legal action by your Creditors. Remember, your Debt Counsellor is authorised to act on your behalf with creditors – always refer Creditors and Collectors to your Debt Counsellor if they contact you directly!

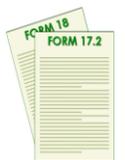
A fee of R50-00 (+VAT) is payable to the Debt Counsellor for processing the application.



Day 6-10 - Collect supporting information



The Creditors have 5 days in which to provide confirmation of credit agreements, balance owing, interest rate, terms and conditions, etc. During this time the Debt Counsellor continues to collect as much information as possible. All this information will eventually be presented to the magistrate to justify the restructure of your debt repayments.

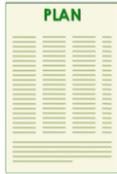


Day 11-20 - Construct interim repayment plan



Your Debt Counsellor completes an over-indebtedness assessment and an affordability assessment. Based on this he/she will work to propose a repayment plan for your Creditors, and a living budget for you. Your Debt Counsellor will advise you on cancelling your existing debit orders and setting up a new deduction to the PDA in accordance with the new repayment plan. Thus begins the negotiation process with your Creditors.

A fee equal to the first repayment, up to a maximum of R6000 (+VAT) will be paid by the PDA to your Debt Counsellor. If your application is rejected a fee of R500 is payable instead.



Day 21-39 - Negotiate long-term repayment plan



The Debt Review process is built upon a foundation of good faith. During negotiations between your Debt Counsellor and Creditors it is essential that you continue to make payments in accordance with the repayment plan, adjusting payments to the PDA as necessary. Creditors may accept or decline at any point. Remember to always refer Creditors and Collectors to your Debt Counsellor if they contact you directly!



Day 40-60 - Begin court proceedings



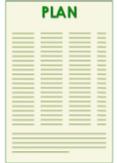
At last, understanding all aspects of your unique situation, your Debt Counsellor prepares a final repayment plan and appoints a legal representative. You will be required to sign an Affidavit summarising all the facts. This, together with your original application and all the supporting documentation, is prepared for court and a court date is booked to hear your case. The actual court date may be some months into the future. In the meantime, you must continue to observe all the terms of the final repayment plan until the court order is granted. **A fee equal to the second repayment, up to a maximum of R6000 (+VAT) will be retained by the PDA towards your legal fees. If your Creditors accept the proposed repayment plan the court application may be fast tracked through the NCT, capping legal fees at R750 (+VAT).**



ASAP - Court Order granted



The appointed legal representative appears in court on your behalf to ask the magistrate to approve the final repayment plan. You can help to ensure that the court order is granted at the first court date by making sure that your Debt Counsellor has all the necessary supporting documentation. The court order is binding on all parties and, once granted, your monthly payments are legally mandated. Now if you miss a payment you may be guilty of contempt of court, which is a crime, and Creditors may terminate your Debt Review.



Annual - Annual Review



Each month you continue paying the PDA, and each month you receive detailed statements as to how your money has been distributed amongst your Creditors. At least once a year your Debt Counsellor will contact you to update your repayment plan with any changes in income or expenditure that might have occurred. The goal is to pay off your debts as quickly as possible so that you can achieve full financial recovery.

**A fee equal to 5% of your monthly repayment, up to a maximum of R400 (+VAT) will be paid by the PDA to your Debt Counsellor for ongoing aftercare. After 24 months, this reduces to 3%.
A fee equal to 3% of your monthly repayment, up to a maximum of R500 (+VAT) is retained by the PDA for cost of administration of the distribution.**



Ad Hoc - Changes in circumstance



Make sure you stay in touch with your Debt Counsellor all the way through Debt Review. Keep him/her apprised of everything that is happening in your life – marriage, divorce, birth of another child, change of job, emergency medical expenses or repairs to home or vehicle, bonus payments, etc. Any deviation from the final repayment plan, which may or may not be ratified by court order by now, must be justified by your Debt Counsellor and he/she must negotiate for every once off, temporary or long term adjustment to your repayment plan.



Finally - Clearance Certificate – Financial Freedom At Last!



As time goes by you settle into the habit of frugal living and, sooner than you know it, all your debts are paid up. Your Debt Counsellor makes sure that end balances have been cleared by the Creditors and issues a clearance certificate notifying all the Credit Bureaux to clear your credit record. Your financial recovery is complete