



## *Blue Key Consult –P-KOSH*

NCR NO: NCRDC 519

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### ***Important Information***

*“Pay what you can afford”*

*“Get immediate protection under the National Credit Act”*

## **Welcome to Blue Key Consult**

### **The Debt Review process and how you can benefit.**

The National Credit Act 34 of 2005 came into full effect on 1 June 2007. The Act was designed to regulate the credit industry and to protect the consumer.

More importantly, there is provision for the Debt Restructuring of consumer’s monthly budgets in the event of Over-Indebtedness.

In terms of the Act, all Debt Counsellors are regulated by the National Credit Regulator (NCR), a department within the Department of Trade and Industry.

Being over indebted simply means your expenses are greater than your monthly income. In other words, you cannot afford to pay all your debt.

That’s where we come in. If you are over indebted, you are legally entitled to apply for Debt Review.

### ***Debt Review Process***

1. We will send you an assessment form (Form 16) that you should complete and fax back together with the documents requested on the check list. Once your completed application and all documents have been received, we will be able to conduct an assessment to verify your financial situation. We will contact you by telephone or arrange an interview to discuss your assessment in more detail.
2. We will notify all Registered Credit Bureau’s and Credit Providers on your behalf to list you as having applied for Debt Review thereby ensuring that no more actions can be implemented against you, **provided that you honour your payment arrangements.**
3. For the next 60 working days you have protection under the National Credit Act and also up until the Courts have ruled on this matter. No creditor can take any further action against you. Your assets are safe. This means they may not take legal action against you and may not call or contact you to harass you to pay them! If they do, simply refer them to your Debt Counsellor. Don’t sign any forms or hand over anything.
4. **Blue Key** will act as a mediator between yourself and all your creditors. We will draft a proposal on your behalf, showing your new reduced payments per month. This proposal will be based upon your own individual circumstances and what you can afford. This proposal will be sent to all your Creditors if your Creditors agree to this proposal we will obtain a court order that formalizes this new reduced payment schedule.

- 5 **The first month you pay no one except the agreed amount to the Debt Counsellor.** The second month you will start to pay the Payment Distribution Agency (PDA)
6. You will be required to pay the reduced amount in terms of the new payment schedule to a Payment Distribution Agency (PDA) for the period until the proposal is approved by all your credit providers. A debit order at your new bank needs to be implemented in favour of the PDA for the new reduced payment.
7. This will allow you to pay your creditors, while meeting your daily financial commitments.
8. You will continue to make payments to the PDA until all your debts are settled. Included in this payment will be the relevant Legal Fees to have the Debt Review processed through the courts.
9. Once all your debts are settled, we will issue you with a Clearance Certificate and will notify the Credit Bureaus of your status.

You are able to increase your monthly payments over time, and this will mean that your debt will be settled sooner.

### ***Debt Counselling Fee Guidelines as prescribed by the NCR***

1. The debt review cost is maximum R 3 050 for a single application and R4 050 for a combined application (If married COP). Please bear in mind that you will not be asked to pay more than your "disposable income" if less than the prescribed amounts above. Also, you will not pay any creditors for the first month and instead you will only pay the Debt Counselor's fee. You will also have to pay a rejection fee of R300.00 at your first consultation that will be deductible from first distribution if & when your application is accepted.

### ***Please Note***

1. Your financial situation will improve immediately.
2. The Credit Bureaus will flag you as 'Under Debt Review'.
3. **During the debt review process you may not incur any new or additional debt** until all your debt is settled. Once you have applied for Debt Review, you may NOT under any circumstances use your credit cards. If you do so, your creditors will cancel your Debt Review and you will have NO protection from them.
4. You do not need to own a home to go under Debt Review.
5. You may receive a Default Notice from your Credit Provider(s) when you pay a lowered monthly payment. This is because you will be in default of your original agreement with your creditors and as a result a Default Notice may be issued. They may not pursue you to hand over any property or vehicles or for any payments. Don't sign any forms without first consulting with your Debt Counsellor.
6. The Debt Review Process as well as the Debt Counsellors and PDA's are regulated by the NCR.
7. Any of your accounts in respect of which legal action has already been initiated (prior to your application for debt review) or where judgment and/or garnishee order(s) have been instituted, cannot be included in the debt review process.
8. You do not have to attend an interview; everything can be done via telephone, fax and email.

**For any assistance please feel free to call us 24 Hours of the day - 0867227826**

<<See form 16>>