

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.

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