

# DEBT SETTLEMENT ARRANGEMENT

Everything you need to know about a Debt Settlement Arrangement (DSA)

## THE DSA EXPLAINED

A **Debt Settlement Arrangement (DSA)** is a formal debt solution between you and your creditors that allows you to deal with your unmanageable debts by paying off what you can afford, whilst offering you legal protection.

In a DSA you make affordable monthly payments usually paid over 5 years (or if you can raise the funds, you can propose a lump sum payment towards settling the debts).

## WHAT YOU NEED TO KNOW

A DSA is only suitable for people with certain circumstances:

- You cannot afford to pay your debts.
- You must owe money to at least 1 creditor.
- You will need a surplus income available each month, after all expenses (not including your debts).

The debts allowed in a DSA are unsecured debts only. Unsecured debts would include credit cards, loans, payday loans, store cards, overdrafts, catalogues or any debt that is not secured against an asset. When your DSA is accepted, your creditors must cease all recovery action against you and freeze interest and charges on your debts.

You need a **Personal Insolvency Practitioner (PIP)** in order to apply for a DSA. A PIP is the professional who is licensed by the **Insolvency Service of Ireland (ISI)** and is qualified to put forward your DSA application.

You must sign a **Prescribed Financial Statement (PFS)** during the process of application, which will be drafted by your PIP. All information in the PFS must be true and accurate.

When you have completed your DSA, any outstanding debts will be written off, allowing you to start over debt free.

You can usually only complete 1 DSA in your lifetime.

You will NOT be able to do a DSA if :

- you have gained 25% or more of your unsecured debt in the past 6 months.
- you are currently subject of a Debt Relief Notice or have been in the past 3 years.

- you are subject of a Personal Insolvency Arrangement now or within the past 5 years.
- you are currently bankrupt or have been discharged from Bankruptcy in the past 5 years.
- you have been the subject of a DSA before (with exceptions).
- you have been subject of a Protective Certificate issued in respect of a DSA within the last year.

## THE PROCESS OF A DSA

### 1) GET ADVICE

Contact us to discuss your situation. We will run through some general initial questions to see if a DSA is your best option. All of our advice is free, without obligation and completely confidential.

### 2) APPLICATION TO ISI AND THE COURT

If you decide to apply for a DSA, our PIP will draft your PFS application, after gathering all of the required information from you. They will send it to the ISI and the court. The court will grant your **Protective Certificate** (which offers you legal protection from your creditors until your DSA is in place). Your PIP will then draft your **DSA proposal**. You then decide if you want to agree to the proposal.

### 3) CREDITOR VOTING

If you agree to the proposal, a creditors meeting is arranged where your creditors can vote on the proposal. At least 65% of your creditors (by debt value) must vote in favour of your proposal in order for it to be approved.

### 4) DSA APPROVED

The ISI, the court and the creditors carry out a final review before approving your DSA. Once it is approved, it becomes legally binding and your DSA payments can commence. We will assign dedicated case managers to look after your DSA for it's duration.

### 5) COMPLETION

When your DSA is complete you will be discharged from your debts. Any outstanding balances on your debts will be cleared and you can start over debt free.

## ADVANTAGES OF A DSA

- You will have 1 monthly affordable payment based on what you can afford.
- A DSA offers you and your assets legal protection from your unsecured creditors.
- We do not charge upfront fees.
- Creditor pressure is stopped. Your creditors must deal with your PIP.
- All interest and Charges are Frozen.
- Any remaining unpaid debt in the arrangement will be written off on completion.
- A DSA can be completed a lot sooner if you can gain access to a lump sum amount to put towards the debt.
- A DSA is suitable for tenants, homeowners, individuals, couples and businesses.

## DISADVANTAGES OF A DSA

- Your credit rating will be affected and you cannot obtain further credit when in the DSA.
- If you have a change in circumstances and your creditors do not agree to the amended terms, your DSA could fail.
- If you fail to make payments on time or fall into arrears your DSA could fail.
- Your DSA will be entered on a public register.

## THE COST OF A DSA

- We do not charge any upfront fees and you will never receive a bill from us. Only if your DSA is accepted will we receive any payment. If your DSA is not approved, you will not be charged for the work done on your proposal.
- Our fees for managing the arrangement will vary from case to case and will be built into the monthly DSA payment.
- It is your creditors who will determine what fees can be charged for the work we do. We cannot draw any fees without their approval.

Call us if you have any questions  
**1890 719 465**

## WHY CHOOSE MCCAMBRIDGE DUFFY

- For 85 years we have been helping people and businesses to regain control of their finances and get the help they need to get back on track.
- We offer a full debt advice service so you know about all of your available options.
- We have 5 full time highly regulated PIPs and a dedicated team of staff who have a wealth of knowledge and experience in insolvency.
- We are a family business with experienced staff that are friendly and helpful no matter what your query.
- Ronan Duffy, one of our PIPs has had input into the drafting of the legislation for the Insolvency Solutions in Ireland. He has also been involved in recommending suggestions for streamlining the new processes to improve the current Insolvency Solutions.
- We were the first company to successfully put through the first Insolvency Solution in Ireland for a client.
- We have a very high acceptance rate with all of the cases we have put forward to date. We do not put forward a DSA unless it is your best option and we think it will be successful.
- We do not charge any upfront or consultation fees, unlike a lot of other companies as we believe this to be unethical.

### CLIENT TESTIMONIAL



“ Professional and Understanding

...from my first contact the team were understanding, sympathetic and confident they could help me.

We now have a plan in place for the next five years that is affordable and at the end of that period I will be debt free.

I am extremely grateful to them for all their hand work on my behalf and would highly recommend them. “

Barb | 5 star TrustPilot review

**M<sup>c</sup>CAMBRIDGE DUFFY**  
INSOLVENCY PRACTITIONERS

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Ronan Duffy, Daragh Duffy, Daniel Rule, James Green and Judy Mooney are authorised by the Insolvency Service of Ireland to carry on practice as personal insolvency practitioners. We are authorised to act as insolvency practitioners by Institute of Chartered Accountants Scotland