



DEBT AGREEMENT
Information Brochure

TRUST | FREEDOM | UNDERSTANDING

DEBT
AGREEMENTS
EXPLAINED

Being unable to pay your debts and trying to avoid debt collectors is a recipe for a very stressful life. But you should know, this happens to tens of thousands of Australians every year. The good news is, a Debt Agreement can put an end to your struggle.

A Debt Agreement is a payment plan that your creditors agree to. It allows you to repay your debts at an amount you can afford.

The Debt Agreement system is regulated by the Commonwealth Government through the Australian Financial Security Authority (AFSA).

There are fees for the preparation and ongoing management of a Debt Agreement, but these are included in your one easy payment.

The process is quite complex but DCS Group does all the heavy lifting for you, making it as stress free as possible.

ADVANTAGES OF A DEBT AGREEMENT

- ✓ Combines your repayments!
- ✓ Freezes your interest!
- ✓ Debt collector calls stop!
- ✓ Legal action stops!
- ✓ Financed assets (e.g. your car & house) are safe
- ✓ You pay what you can afford!

THINGS YOU SHOULD KNOW

- » It is best to trade under your own name if you operate a business.
- » There will be a notation on your credit report and the government will keep a public record of your agreement (NP11) for 5 years**.
- » If you apply for credit over \$5,749.00 while in a Debt Agreement, you will have to inform the lender about your Agreement.
- » If your occupation requires you to be licensed, we recommend checking with your licensing body before entering into a Debt Agreement. Usually licensing bodies are understanding, but it's best to be cautious.

*Most debts can be included in a debt agreement, however, there are some exceptions and this will have been discussed with you during your consultation.

**There will be a notation on your credit report for 5 years, or until your agreement is completed, whichever is longer.



Change your life

with a
Debt Agreement

HOW LONG WILL IT TAKE ME TO REPAY MY CREDIT CARDS IF I ONLY MAKE THE MINIMUM REPAYMENTS?

Debt Amount	Interest Rate	Time to Repay my Credit Cards	
		Making Minimum Payments	Using a Debt Agreement
\$10,000	18%	43 years 11 mths	5 years or less
\$20,000	18%	54 years 9 mths	5 years or less
\$40,000	18%	65 years 8 mths	5 years or less

Minimum repayments are calculated as a percentage of the closing balance, typically 2 or 2.5%, or a set dollar amount, usually around \$20, whichever is greater. Your repayment will never be more than your closing balance. Source: ASIC's Moneysmart Website moneysmart.gov.au Credit Card Calculator.

DEBT AGREEMENT ELIGIBILITY

How do I qualify?

- » You earn less than \$85,858.50 annually (\$1,651.13 per week after tax).
- Family Tax Benefits and Child Support payments received are not included.
- » You have assets worth less than \$114,478.00.
- » You have unsecured debts totalling less than \$114,478.00.
- » You are unable to pay your debts on the date they become due.
- » You have not been in an insolvency arrangement during the last 10 years.

The information in this brochure is general in nature only and has been prepared without taking into account your particular objectives, financial situation or needs. It does not constitute personal financial advice. This brochure is not intended as the sole source of information on Debt Agreements.



3 Steps to Becoming Debt Free and we do it all for you

STEP 1

- » You return your application documents.
- » All companies that have been demanding payments are informed that we are now your representative and are required to stop calling you.
- » A comprehensive review is performed to ensure your proposal has the best chance of being approved.

We make Debt
Agreements
as easy as 1-2-3.

STEP 2

- » A consistent payment history is established.
- » Preparation of the formal documentation is completed.
- » The documents are sent to you for review and signing.

STEP 3

- » Your formal documents are submitted to AFSA.
- » At this point, interest on the debts in your proposal will be frozen and no legal action can be taken against you by those creditors.
- » Upon acceptance of your proposal, you will be on your way to being DEBT FREE.

Please be aware that any amounts in this information brochure change slightly from time to time. They were correct at the time of printing 26/04/2018.



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