



# DEBT HELP SYSTEM ENHANCEMENTS

## CIRCULAR NO. 7 OF 2016: DEBT HELP SYSTEM ENHANCEMENTS

The purpose of this circular is to inform all registered debt counsellors (DCs) and credit bureaus (CBs) of the amended status codes on the Debt Help System (DHS). In February 2015, the National Credit Regulator ("the NCR") issued guidelines on different ways in which a consumer can be withdrawn from debt review. These amended status codes align the system with the debt review process, particularly the withdrawal from the debt review process.

DCs are required to notify CBs of each debt review application in terms of Section 86(4) (b) of the National Credit Act 34 of 2005 as amended ("the Act") and to update progress of the application through use of the DHS.

## NEW PROCESS AND STATUS CODES FOR DEBT COUNSELLORS

**Prior to enhancements of DHS the following status codes were applicable:**

STATUS CODE	STATUS CODE DESCRIPTION
<b>A</b>	Applied for debt counselling and being assessed
<b>B</b>	Assessment has resulted in a rejection
<b>C</b>	Assessment has resulted in a decision that the consumer is over-indebted
<b>D3</b>	Formal debt re-structuring through the courts has commenced
<b>D4</b>	Formal debt re-structuring is completed, and a court order granted
<b>F</b>	DC declares that the consumer is no longer over-indebted
<b>G</b>	Voluntary withdrawal of consumer from the debt relief process
<b>H</b>	Application for debt review withdrawn by debt counsellor

Post the enhancements of DHS the following processes and status codes are applicable and will come into effect on the 12<sup>th</sup> of June 2016.

1. **New records will all have a status code A- Applied for debt counselling and being assessed. From this status a record may only be moved to any of the following status codes depending on the applicable circumstance:**

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
<b>A1</b>	Voluntarily withdrawal by consumer prior to being determined over-indebted	<ul style="list-style-type: none"> <li>DCs to issue Form 17.W (a) to the credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
<b>B</b>	Assessment has resulted in a rejection	<ul style="list-style-type: none"> <li>DCs to issue Form 17.2(a) to the credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
<b>C</b>	Assessment has resulted in a decision that the consumer is over-indebted	<ul style="list-style-type: none"> <li>DCs to issue Form 17.2(b) to the credit providers.</li> <li>Update DHS accordingly.</li> <li>If the above is completed, the process remains in progress.</li> </ul>
<b>I</b>	Consumer deceased	<ul style="list-style-type: none"> <li>DCs to notify the credit providers.</li> <li>Record the copy of the relevant documents in the file.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

2. **From status code C- Assessment has resulted in a decision that the consumer is over-indebted, a record may only be moved to any of the following status codes depending on the applicable circumstance:**

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
<b>D3</b>	Formal debt re-structuring through the courts has commenced	<ul style="list-style-type: none"> <li>Upon commencement of the legal process; DCs to update DHS accordingly.</li> <li>If the above is completed, the process remains in progress.</li> </ul>
<b>F1</b>	All short-term restructured debts have been settled; except for the mortgage agreement	<ul style="list-style-type: none"> <li>DCs to request paid up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
F2	All restructured debts have been settled	<ul style="list-style-type: none"> <li>DCs to request paid-up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
G	Voluntary withdrawal by consumer after issuance of Form 17.2, BUT prior to granting of debt review court order	<ul style="list-style-type: none"> <li>DCs to obtain the copy of a declaration court order which declares the consumer no longer over-indebted.</li> <li>Issue Form 17.W(d) to the credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
I	Consumer deceased	<ul style="list-style-type: none"> <li>DCs to notify the credit providers.</li> <li>Record the copy of the relevant documents in the file.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

**3. From status code D3- Formal debt re-structuring through the courts has commenced a record may only be moved to any of the following status codes depending on the applicable circumstance:**

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
D4	Formal debt re-structuring is completed, and a court order granted	<ul style="list-style-type: none"> <li>Upon receipt of a granted court order, DCs to notify credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the above is completed, the process remains in progress.</li> </ul>
F1	All short-term restructured debts have been settled; except for the mortgage agreement	<ul style="list-style-type: none"> <li>DCs to request paid-up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
F2	All restructured debts have been settled	<ul style="list-style-type: none"> <li>DCs to request paid-up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
G	Voluntary withdrawal by consumer after issuance of Form 17.2, BUT prior to granting of debt review court order	<ul style="list-style-type: none"> <li>DCs to obtain the copy of a court order which declares the consumer no longer over-indebted.</li> <li>Issue Form 17.W(c) to the credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
I	Consumer deceased	<ul style="list-style-type: none"> <li>DCs to notify the credit providers.</li> <li>Record the copy of the relevant documents in the file.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

**4. From status code D4- Formal debt re-structuring is completed, and a court order granted a record may only be moved to any of the following status codes depending on the applicable circumstance:**

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
F1	All short-term restructured debts have been settled; except for the mortgage agreement	<ul style="list-style-type: none"> <li>DCs to request paid-up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
F2	All restructured debts have been settled	<ul style="list-style-type: none"> <li>DCs to request paid-up letters from credit providers.</li> <li>DCs to issue Form 19 to the credit providers and consumer.</li> <li>DCs to update DHS accordingly and simultaneously send a copy of the clearance certificate with paid-up letters to registered CBs.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

STATUS CODE	STATUS CODE DESCRIPTION	PROCESS TO BE UNDERTAKEN
G1	Voluntary withdrawal by consumer – Debt Review court order rescinded	<ul style="list-style-type: none"> <li>DCs to obtain the copy of a rescinded court order which declares the consumer no longer over-indebted.</li> <li>Issue Form 17.W(c) to the credit providers and consumer.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>
I	Consumer deceased	<ul style="list-style-type: none"> <li>DCs to notify the credit providers.</li> <li>Record the copy of the relevant documents in the file.</li> <li>Update DHS accordingly.</li> <li>If the following processes are completed, the process comes to an end.</li> </ul>

**5. Please note that we have under each status code created a field to enable DCs to update in cases where the consumer does not cooperate. This field does not represent a status code and is only a means to highlight records which have been suspended due to non-cooperation. The record will remain on the same status code for as long as the consumer does not cooperate.**

Below is the field to capture the above-mentioned information.

**Additional information**

**NB: CLEARANCE CERTIFICATES TOGETHER WITH THE PAID-UP LETTERS MUST BE SENT TO THE FOLLOWING EMAIL ADDRESS:**

CREDIT BUREAU	EMAIL ADDRESS
CPB	debtcounsel@cpbonline.co.za
COMPUSCAN	herbert@compuscan.co.za
XDS	Dispute@xds.co.za jpadiachy@xds.co.za
TRANSUNION	Debtcounseling@transunion.co.za
EXPERIAN	EZA.debtcounsel@experian.com

### ACTIONS TO BE TAKEN BY THE CREDIT BUREAUS

Upon receipt of the daily Secure File Transfer Protocol (SFTP), the CBs are expected to update the records as follows:

STATUS CODE	APPLICABLE ACTION
A	<ul style="list-style-type: none"><li>Load the debt review flag on the consumers' credit profile.</li></ul>
A1	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
B	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
C	<ul style="list-style-type: none"><li>Update the status code.</li><li>Retain the debt review flag on the consumers' credit profile.</li></ul>
D3	<ul style="list-style-type: none"><li>Update the status code.</li><li>Retain the debt review flag on the consumers' credit profile</li></ul>
D4	<ul style="list-style-type: none"><li>Update the status code.</li><li>Retain the debt review flag on the consumers' credit profile.</li></ul>
F1	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
F2	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
G	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
G1	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
I	<ul style="list-style-type: none"><li>Remove the debt review flag from the consumers' credit profile.</li></ul>
SUSPENDED	<ul style="list-style-type: none"><li>No action required.</li></ul>

### FOR MORE INFORMATION PLEASE CONTACT

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