



Debt Counselling Rules System

CIRCULAR 15 OF 2014 – DEBT COUNSELLING RULES SYSTEM

The purpose of this circular is to communicate the National Credit Regulator's ("the NCR") position regarding Debt Counselling Rules System (DCRS).

In 2010, the NCR set up a task team to investigate bottlenecks in the debt counselling process. The task team identified a challenge of different and inconsistent restructuring methods used by debt counsellors and credit providers and recommended the development of the DCRS. The objective of the DCRS was to address the inconsistencies identified and to improve the solve rate of proposals through consensual agreements.

The DCRS is a set of standard rules agreed upon by credit providers that provide voluntary concessions by adjusting the contractual fees, interest rates and repayment terms on credit agreements that are restructured under debt counselling.

The NCR has noted that the system is not utilised optimally by the industry and would like to inform you that it recognizes the DCRS and encourages all credit providers and debt counsellors to apply these standard rules.

The NCR believes that application of the DCRS by all industry participants will positively impact the debt counselling landscape as more consensual agreements will be reached and consumers will save money on legal fees as matters will be referred to the National Consumer Tribunal for consent orders.

A DCRS-CIF subcommittee has been established to review all operational issues on the DCRS and a decision on the hosting and governance structure will be made and communicated by the NCR in due course.

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Training sessions on the usage of the DCRS will be conducted and communicated in due course.

For more information, please contact **Maryke Moore** on **011 554 2647** or e-mail **mmoore@ncr.org.za**.

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