NCR
National Credit Regulator
Protecting the consumer

Beware of Call Centre agents offering debt review services. This is not allowed!

Debt Counselling

the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

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What is Debt Counselling / Debt Review?

Debt Counselling is a debt relief measure available in South Africa provided for in terms of Section 86 of the National Credit Act 34 of 2005 as amended (the NCA). This process is intended to assist over-indebted consumers who are struggling with debts, by offering:

- Budget advice
- Negotiations with credit providers for reduced payments
- Restructuring of their debt
- Assessment of income and expenses

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What is over-indebtedness?

It is when the consumer gives the Debt Counsellor information indicating that he/she cannot or will not be able to meet his/her monthly obligations to credit providers.

3

Some indicators of over-indebtedness

You are over-indebted when you:
- Your monthly expenses are more than your monthlyin come/salary;
- You borrow money to pay other debts;
- You use your credit card and/or overdraft facility to pay debts,buy food, pay school fees and other necessities; and
- You skip payments on some accounts in order to pay others.

4

Who can apply for debt counselling?

- A consumer who is employed and still struggling to pay his/her monthly debt obligations.
- Consumers who are married in community of property must complete a joint application.

5

Who provides debt counselling?

- A Debt Counsellor who is registered with the National Credit Regulator (NCR). To confirm if a Debt Counsellor is registered with the NCR or to find a Debt Counsellor in your area, please call **011 554 2700** or log on to **www.ncr.org.za**

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Will a consumer be negatively listed ("blacklisted") for being under debt counselling?

No. A consumer who is under debt counselling will have a debt counselling indicator placed on his/her credit bureaux profile. This is not negative, but an indication that the consumer has been declared over-indebted and placed under debt counselling.

7

Can a consumer still get further credit while under debt counselling?

No. A consumer who is under debt counselling cannot obtain more credit.

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Will the interest on the consumer's account stop when he/she is placed under debt counselling?

No. Interest does not stop.

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The National Credit Amendment Act empowers your Debt Counsellor to issue a clearance certificate when you have paid up all your short-term debts and are only left with a home loan account, which is up to date as per the arrangement order.

How long does a consumer have to be under debt counselling?

A consumer will be under debt counselling until a clearance certificate is issued by the debt counsellor only when:

- All short-term debts (e.g. personal loans, retail accounts, credit cards, etc.) are paid in full; and if
- Consumer has a bond – bond payments must be up to date.

Is Debt counselling the same as Debt Administration or Debt Consolidation?

No

Debt Administration	Is a legal debt relief measure, which aims to assist a consumer to pay off his/her debts. If your total debt is less than R50 000, you can apply for debt administration, as this will help you pay off your debts in reduced monthly instalments. The process is governed by Section 74 of the Magistrate's Court Act and not by the NCA.
Debt Consolidation	When you have different debts/loans, you can apply for a single new loan which will combine all the amounts into one single amount. This new loan will pay off your other debts and you will then only be responsible to pay one monthly instalment for the new loan instead of many different instalments.

Consumer Rights And Responsibilities Under Debt Counselling

Rights	Responsibilities
A consumer has the right to apply for Debt Counselling.	A consumer has the responsibility to give full and honest or correct information when applying for debt counselling.
	A consumer can contact the NCR to confirm a debt counsellor's details or to verify if the Debt Counsellor is registered.
A consumer has the right know the full cost of debt counselling when he/she is applying for debt counselling. This includes a full written breakdown of all fees. **YOU HAVE THE RIGHT TO ASK FOR THE FULL COST OF DEBT COUNSELLING AND TO RECEIVE IT IN WRITING!**	A consumer has the responsibility to make sure that they fully understand the full cost of debt counselling fees before signing the application. **DON'T SIGN IF YOU DON'T UNDERSTAND!**
A consumer has the right to get regular updates on the progress of his/her debt counselling application from the Debt Counsellor	A consumer has the responsibility to follow up and request feedback from the Debt Counsellor regarding the progress of his/her debt counselling application.
A consumer has the right to choose how he/she makes monthly payments to credit providers while under debt counselling.	Consumers have the responsibility to ensure payments are made monthly and proof provided to the Debt Counsellor.
A consumer has the right to transfer from one Debt Counsellor to another.	A consumer has the responsibility to make sure that the reasons for transferring to another Debt Counsellor are genuine so as to not abuse the process.

Benefits of debt counselling?

- Helps you to pay your debt
- You don't have to borrow money to pay your debts
- Your assets are protected
- No more phone calls from your creditors
- Affordable instalments
- There is no limit in terms of your debts to go under debt counselling

NB: Debt Counselling is not a payment holiday or a means to save money by paying less to credit providers. It is a debt relief measure designed to rehabilitate over-indebted consumers.

Contact Details: Website: www.ncr.org.za Call Centre Number: 011 554 2700

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