

Mid-Derbyshire



MONEY ADVICE SELF-HELP PACK

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Mid-Derbyshire Citizens Advice Bureau
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Private Company, Registered in England and Wales
Limited by Guarantee No. 4429840
Registered Charity No. 1094369

1. INCOME AND EXPENDITURE

Work out your income and expenditure using the enclosed sheets in pencil or copy extra sheets. Work out things weekly or monthly and keep to this.

INCOME (A)

Add up the total income:

Wages
Benefits
Any other income (eg maintenance)

EXPENDITURE (B)

Work out how much money you have to pay out each week/month on basic living expenses. Don't include any debt.

Work out **AVAILABLE INCOME** by taking away the total of your **EXPENDITURE (B)** from the total of your **INCOME (A)**.

2. LIST YOUR CREDITORS UNDER TWO HEADINGS

PRIORITY DEBTS

Some examples:-

Mortgage arrears
Rent arrears
Secured loan arrears
Council Tax arrears
Utility arrears

PRIORITY DEBTS

Make arrangements to pay your priority debts first.

NON-PRIORITY DEBTS

Some examples:-

Loans
Credit/store cards
Bank overdrafts
Catalogue debts

NON-PRIORITY DEBTS

Your **AVAILABLE INCOME** can be used to pay your non priority debts. This should be distributed fairly among your non-priority creditors. This means that the creditors you owe most to should be offered most and those you owe least to should be offered least. This is called pro rata distribution.

3. HOW TO CALCULATE OFFERS

Multiply each debt by your **AVAILABLE INCOME** and then divide by the total of your **NON-PRIORITY DEBTS**. Use a calculator to work out payments:

Individual debt X **AVAILABLE INCOME** ÷ Total **NON-PRIORITY DEBTS**.

Example:

You owe:	Creditor A	£500
	Creditor B	£150
	Creditor C	<u>£350</u>
	TOTAL DEBTS	<u>£1000</u>

Your available income is £20 per month.

Your offers are:

Creditor A	$500 \times 20 \div 1000 =$	£10 per month
Creditor B	$150 \times 20 \div 1000 =$	£3 per month
Creditor C	$350 \times 20 \div 1000 =$	£7 per month

Offers should be rounded down to the nearest pound.

4. COMPLETE YOUR FINANCIAL STATEMENT (C)

You can now complete your **FINANCIAL STATEMENT (C)**.

Fill in information from the **INCOME** and **EXPENDITURE** sheets.

List **PRIORITY DEBTS**, if any, **NON-PRIORITY DEBTS**, the amounts owed and pro rata offers.

Write to your creditors using the sample letter as a guide and enclose a copy of your **FINANCIAL STATEMENT (C)**.

Always keep a copy of your **FINANCIAL STATEMENT (C)** and letters sent to your creditors.

You may find the Creditor Sheets on pages 7 & 8 useful for recording information.

INCOME (A)

NAME:		
INCOME	WEEKLY	MONTHLY
EARNINGS (NET)		
PARTNER'S EARNINGS (NET)		
JOB SEEKER'S ALLOWANCE (INCOME-BASED)		
JOB SEEKER'S ALLOWANCE (CONTRIBUTION-BASED)		
INCOME SUPPORT		
WORKING TAX AND CHILD TAX CREDIT		
CHILD BENEFIT		
MAINTENANCE RECEIVED		
INCAPACITY BENEFIT		
DISABILITY LIVING ALLOWANCE		
ATTENDANCE ALLOWANCE		
OCCUPATIONAL PENSION		
STATE RETIREMENT PENSION		
OTHER BENEFITS:		
TOTAL:		
£		
IF IN EMPLOYMENT – HOW MANY HOURS DO YOU WORK:		
HOW MANY HOURS DOES YOUR PARTNER WORK:		
ARE YOU IN RECEIPT OF HOUSING BENEFIT:	YES/NO	HOW MUCH:
ARE YOU IN RECEIPT OF COUNCIL TAX BENEFIT:	YES/NO	HOW MUCH:

EXPENDITURE (B)

NAME:			
EXPENDITURE	WEEKLY	MONTHLY	ARREARS
MORTGAGE			
SECURED LOANS			
RENT (after Housing Benefit)			
COUNCIL TAX (after Council Tax Benefit)			
INSURANCE: BUILDINGS			
CONTENTS			
ENDOWMENT			
LIFE			
MORTGAGE PROTECTION			
GAS			
ELECTRICITY			
COAL			
WATER			
TELEPHONE			
HOUSEKEEPING			
CLOTHING			
CAR: FINANCE			
INSURANCE			
ROAD TAX			
PETROL			
MOT & REPAIRS			
PUBLIC TRANSPORT			
TV LICENCE			
TV/VIDEO RENTALS			
SCHOOL MEALS			
CHILDCARE			
REPAYMENT OF SOCIAL FUND/BUDGETING LOAN			
ATTACHMENT OF EARNINGS (please specify)			
COURT FINES			
COUNTY COURT JUDGEMENTS			
OTHER EXPENSES:			
TOTAL:	£		

FINANCIAL STATEMENT (C)

NAME:
ADDRESS:

DATE:

Household consists of adult(s) and child(ren)

MONTHLY INCOME

MONTHLY EXPENDITURE

MONTHLY EXPENDITURE TOTAL

PRIORITY DEBTS	Monthly payments	Amount owed
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PRIORITY DEBTS TOTALS

MONTHLY CASHFLOW SUMMARY

Total monthly income

Total monthly expenditure

MONTHLY CASH AVAILABLE

NON-PRIORITY DEBTS	Monthly payments	Amount owed
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NON-PRIORITY DEBTS TOTALS

PLEASE LIST ALL CREDITOR DETAILS

PRIORITY DEBTS

eg mortgage, rent & council tax, fines, HP, maintenance, water, gas, electric.

CREDITOR'S: NAME, ADDRESS & TELEPHONE NO.	ACCOUNT REFERENCE OR AGREEMENT NO.	AGREED MONTHLY REPAYMENT	AMOUNT OWING (£)	ORIGINAL DATE OF DEBT	WHAT WAS THE DEBT FOR	HOW MUCH OF THIS DEBT IS STILL SECURED AGAINST PROPERTY

PLEASE LIST ALL CREDITOR DETAILS

NON-PRIORITY DEBTS

eg credit cards, catalogues, unsecured loans

CREDITOR'S: NAME, ADDRESS & TELEPHONE NO.	ACCOUNT REFERENCE OR AGREEMENT NO.	AGREED MONTHLY REPAYMENT	AMOUNT OWING (£)	ORIGINAL DATE OF DEBT	WHAT WAS THE DEBT FOR

SAMPLE LETTER

Your Address

Address of Creditor

Date:

Creditor's ref:

Dear (Name on Creditor's letter, or Sir/Madam)

Please find enclosed a financial statement giving full details of my/our current financial situation, and as you can see from this I/we are struggling to manage our priority commitments.

I/we ask that you accept an offer of £---.-- per month based on an equitable distribution of available income, and ask that you consider suspending interest and charges on this account to enable me/us to make some headway with the debt.

Whilst we appreciate that this offer is small I/we will look to improve the offer of payment should our financial situation improve.

Thank you for your assistance in this matter.

Yours sincerely

(Signed by those named on the agreement.)

USEFUL INFORMATION

- Emergency advice can be provided during an initial interview. Advice can be given about whether specialist advice is necessary and where it can be obtained. Some possible sources of help are listed below.
- National Debtline provides free, independent, confidential and impartial advice by telephone backed up by self help leaflets which they will send free of charge. They can arrange a Debt Management Plan (DMP) free of charge, but this will depend on the clients circumstances.
 - Telephone 0808 808 4000 between 9am and 9pm Monday to Friday or visit www.nationaldebtline.co.uk
 - 'dealing with your debts' a self help book, free to clients, is available from the above number.
- Consumer Credit Counselling Service (CCCS) a charity funded by the financial services industry specialising in Debt Management Plans (DMP). Some benefit from counselling only, others need a more structured DMP. The CCCS is completely free and confidential whatever the outcome.
 - Telephone 0800 138 1111 between 8am and 8pm Monday to Friday or visit www.cccs.co.uk
- Payplan provides a free debt management service. Payplan is an independent company whose aim is to help people set up and keep to a manageable repayment plan. Payplan is paid for by the credit industry. It offers a totally free service and 100% of an individuals payment goes towards debt reduction.
 - Telephone 0800 085 4298 or visit www.payplan.com
- Derbyshire Housing Aid (If housing debt) is a charity and part of the Shelter national network. The services are free to clients.
 - Derbyshire Housing Aid 46 Curzon Street, Derby, DE1 1LL
 - Telephone 01332 297611 or FREEPHONE 0800 318034 (clients only). Fax 01332 297597. Minicom line 01332 297697.
 - E-mail: info@housingaid.org.uk
 - The opening hours at the Derby office are: Monday to Friday - 9.30am - 4.00pm; except Wednesday - closed all day.