



# CREDIT RESCUE

A BRIEF OVERVIEW OF OUR DEBT  
RESTRUCTURING AND GARNISHEE  
SERVICES



DEBT  
MEDIATION



DEBT  
REVIEW



ADMIN ORDER  
REVERSAL



GARNISHEE  
RESCUE



[www.credit-rescue.co.za](http://www.credit-rescue.co.za)

# DEBT MEDIATION

**Debt Mediation** is an informal debt restructuring program.

This program has distinct advantages as it protects the client from;

- Harassment,
- Disturbing phone calls,
- Receiving summons,
- Garnishees or
- Blacklisting from attorneys

You will also be protected from being placed under a Debt Review or Administration Order program which is another DEBT PRISON.

You will only pay **ONE INSTALLMENT** directly to the government Payment Distribution Agency (PDA) for distribution to all Creditors (Nominated).

Your credit worthiness will be enhanced as your monthly exposure will be reduced thereby increasing your affordability.

The primary objective is to engage in responsible and reasonable Debt Re-Arrangement.

Our process seeks to strike a balance between the interest of the consumer as well as the Credit Provider.

# **DEBT REVIEW / DEBT COUNSELLING**

The name says it all. A method to review your obligations towards those you owe. An individual should review his/ her debt every 3 to 6 months on their own to see where or what creditor they can settle first or soonest.

Debt Review was implemented by the government in 2007 to assist consumers that find they are over-indebted. Other reasons for this were due to the increase of written off or bad debt, creditors proceeding with garnishee orders against consumer's salaries and repossessions (attaching property consumers). The Program also assists credit providers to collect debt owed to them and not writing it off as bad debt.

## **What is over-indebtedness?**

This is when a person that has personal debt is unable to service his monthly obligations towards his creditor as per the original contract. There are many reasons why this can happen.

## **Reasons for over-indebtedness;**

- Job loss,
- Increase in household expenses (electricity, food, municipal accounts, fuel, etc.)
- Over spending,
- Reckless credit received by Creditors
- Interest rate hikes
- Unforeseen circumstances

## **Benefits of Debt Review**

- Consumers can pay their debt at a reduced instalment,
- Credit Providers cannot take any legal action against consumers,
- Consumers cannot acquire any new debt,
- Consumers has more benefit out of their income for household expenses
- Interest can be negotiated with creditor providers.

## **Disadvantages of Debt Review**

- Consumers will be flagged on all National Credit Bureau's,
- Consumers debt will be extended over a longer period (approximately 60 months, pending on the monthly instalment,

# ADMINISTRATION ORDER REVERSAL / REMOVAL

**ADMINISTRATION ORDERS** is a **DEBT PRISON FOR LIFE** and we should discourage Consumers to enter this method of Debt Relief.

The fact that monies is paid to the Administrator by the Consumer and is only distributed every **THREE (3) MONTHS** minus the greater percentage being taken by the **ADMINISTRATOR** for various fees and only distributing a small percentage to the Creditors.

**ACCRUING INTEREST** only compounds the problem for the Consumer.

Taking the above into consideration we will now understand the negative effect **ADMINISTRATION ORDERS** have on Consumers.

Credit Rescue will apply to **RESCIND/CANCEL** the Administration Order and place all the Administration Debt including new debt under Debt Mediation Program.

In this way the Consumer will pay off his/her debt quicker.

# **GARNISHEE ORDER**

*(Emolument Attachment Order)*

## **Features of the service:**

- To **RESCIND/REMOVE ALL DEFECTIVE GARNISHEES (E.A.O)** from the Clients payslip.
- To **RECOVER ALL MONIES** that was deducted from the Clients payslip.
- We endeavour to have the **DEBT WRITTEN OFF**, should it be discovered that the funds were fraudulently or criminally enforced.

## **The cost of the above services:**

A fee of **R3 000** is charged for all of the above services.

Credit Rescue has a payment plan in place, offering the client several options > from the **once off fee to an instalment structure of up to 6mnths.**

## **Process for removal and recovery of all defective Garnishees:**

1. The Client needs to obtain **the original Garnishee or Emolument Attachment Order** from the HR **Department** at their workplace.
2. Details or copies of Garnishees will be sent via Credit Rescue Head Office to the service provider (**GORR ASSIST**) to establish the status of each garnishee.
3. Thereafter, the client shall be informed accordingly, and **some form of payment becomes due** as per payment plan.
4. **GORR ASSIST** now draws up the relevant **affidavits** in order for the Garnishee Orders to rescinded and removed from the client's payslip
5. Credit Rescue personnel must ensure that the **affidavit** is efficiently and immediately **signed** by the client **in the presence of a Commissioner of Oaths.**
6. **Commission** is now due to the consultant after signing of the **affidavit**, and upon **receipt of payment.**
7. The next process is now implemented, whereby **GORR ASSIST issues a letter** addressed to the **client's HR department** to instruct **all garnishee deductions be removed from the payslip** prior to the court proceeding.