

Additional information sheet

This information sheet provides additional information about debt agreements, including some information specific to your debt agreement proposal and your proposed administrator.

What fees are involved in a debt agreement?

There are different fees that apply to a debt agreement. The fees set out below are:

- An estimate of the total fees payable A final calculation of the total fees payable

Your debt agreement administrator may charge two types of fees:

- An initial fee to set up the proposal. You may need to pay this before you lodge the proposal with AFSA. You may need to pay this fee even if your creditors don't accept your debt agreement proposal.

*The set-up fee charged by
is \$*

- A fee for managing your debt agreement. This is a percentage of any money that you pay in the debt agreement. This fee will be taken from each payment if your creditors accept the debt agreement proposal.

*The management fee charged by
is \$ in total or % of each payment. This assumes you make all payments under the agreement.*

There are also government fees that apply to a debt agreement:

- AFSA charges a fee for lodging a debt agreement proposal. You pay this when you lodge your proposal. It will not be refunded if your creditors don't accept your debt agreement proposal.

The lodgement fee payable to AFSA on your proposal will be \$

- The government charges a levy, called a realisations charge. This is a percentage of any money that you pay in the debt agreement. You will not have to pay this if your creditors don't accept your debt agreement proposal.

*The realisations charge payable to AFSA will be \$ or % of each payment.
This assumes you make all required payments under the agreement.*

What happens if I don't make payments in a debt agreement

If you don't comply with the terms of your agreement, e.g. you don't make the agreed payments:

- Your creditors may vary or terminate the agreement;
- The Official Receiver will automatically terminate the agreement if you don't make payments for 6 months, or don't complete your payments within 6 months of the agreement end date.

Effects of terminating a debt agreement:

- Your creditors can commence or continue recovery for the payment of debt that you owe (including interest);
- Your creditors can apply to make you bankrupt through court;
- Information about your debt agreement will remain on the National Personal Insolvency Index for a limited time.

What if I am not happy with my administrator and want to make a complaint?

For complaints about your administrator, you can also approach the Australian Financial Complaints Authority (AFCA). AFCA is an impartial and independent body that is offered as a free alternative to the courts. AFCA have the power to award compensation for losses suffered because of a financial firm's error or inappropriate conduct. More information about making a complaint at AFCA can be found at www.afca.org.au.

How are administrators regulated?

The Inspector-General in Bankruptcy (IG) of AFSA is responsible for both registering debt agreement administrators and regulating their activities. If you complain to us and you are not happy with how we deal with your complaint, you can complain to the IG. You can do this by lodging a complaint form. You may also choose to make an anonymous complaint to AFSA through the tip offs form on their website. For serious misconduct the IG may cancel or suspend the registration of an administrator.

Acknowledgement

I acknowledge that I have read and understood the information outlined above.

Name *(please print)*

Signature

Date signed