

# Dealing with Problem Debt

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**ISI**

Seirbhís Dóchmaíneachta  
na hÉireann  
Insolvency Service  
of Ireland



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## What is the ISI?

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The Insolvency Service of Ireland (ISI) is an independent government body set up to help tackle personal debt problems.

It has a range of debt solutions, including a regulated network of qualified professionals, that can help you to restructure and even write off debt that you cannot repay.

# If you are struggling with debt you are not alone

Debt problems can happen to anyone, for a variety of reasons.

When you are in debt it is hard to focus on anything else. You can feel stressed and frightened about the future. But you should not be ashamed of your debt nor be tempted to bury your head in the sand – because the ISI is here to help.

It is common for people not to recognise that they are insolvent; they are too busy coping with the problem and trying to make ends meet.



## How do you know if you are insolvent?

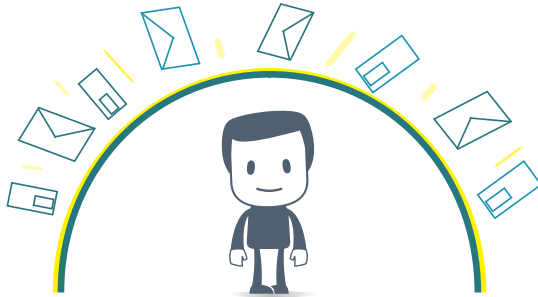
**The word insolvency is often associated with companies** but the reality in Ireland at the moment is that many people are also insolvent. Personal insolvency is really **just another term used to describe serious financial problems.**

You might not realise it but you could be insolvent if:

- You are not able to pay your bills in full when they are due.
- You are paying a little off each bill trying to keep creditors (the people you owe money to) at bay.
- You are reluctant to set up direct debits to pay bills in case your money cannot stretch to meet them.
- You are receiving calls and letters from creditors about missed payments and threats of repossession.
- You have made personal sacrifices to pay your debts.

# What help is available for you?

There is a solution to every debt problem and this is where the ISI can help you and give you **protection from your creditors**.



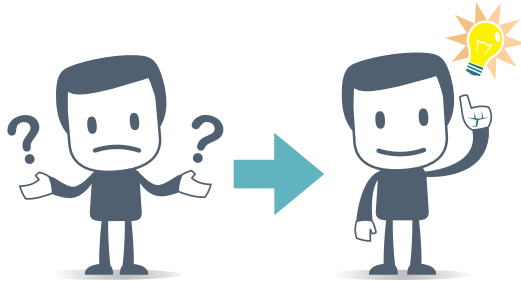
Every situation is different and for that reason the ISI has **three debt solutions** to help people struggling with debt.

DRN	DSA	PIA
<ul style="list-style-type: none"><li>• For people with few assets and low income who do not have mortgage debt.</li><li>• Debts under €35,000.</li><li>• Dealt with by an AI (Approved Intermediary).</li></ul>	<ul style="list-style-type: none"><li>• For people with unsecured debt such as credit cards, loans and overdrafts.</li><li>• No limit on the level of debt.</li><li>• Dealt with by a PIP (Personal Insolvency Practitioner).</li></ul>	<ul style="list-style-type: none"><li>• For people with secured debt such as a mortgage, and unsecured debt such as credit cards, personal loans and overdrafts.</li><li>• No limit on the level of debt in the majority of instances.</li><li>• Dealt with by a PIP (Personal Insolvency Practitioner).</li></ul>

If none of them suit, the ISI also deals with **bankruptcy** but you must first have tried to solve your debt problems using the alternatives above before you can seek to be made bankrupt.

# Take control of your finances and get a fresh start

When you are worrying about debt problems it can be tempting to ignore bills and letters from creditors and hope that the issue will go away. But the sooner you take action, the sooner **you will be free of your debt burdens** and can move on with your life.



The ISI believes that you are entitled to **a reasonable standard of living** while you address your debt problem. If you tackle your debt using one of the ISI's solutions, there is a minimum standard of living that you are entitled to which allows for expenses such as food, clothing, health, household goods and services, communications, socialising, education, transport, household energy, childcare, insurance and modest allowances for savings and contingencies.

You will not be told how you should spend your allocated reasonable living expenses, and it will be managed by you so you are still in control of your spending.

Under the ISI model, a 'reasonable standard of living' does not mean that a person should live at a luxury level but neither does it mean that a person should only live at a subsistence level – which many people are existing on when they are in debt. The reasonable living expenses figure is often higher than the amount people in serious debt live on before seeking an insolvency solution. The ISI believes that all debtors should be able to **participate in the community**, as others do.

Unlike other informal solutions that are on the market, the ISI solutions are **legally binding, cannot change unexpectedly** and offer you **protection from your creditors** who will no longer be able to contact you once you are in an arrangement – no more unwanted phone calls, letters or visits. You will pay an agreed amount for the duration of an arrangement – and during that time you will have a reasonable standard of living. The outcome is that you may have some debt written off and **any remaining debt will be manageable**.

## What should I do now?

The idea of facing your problem debt can be daunting, but the ISI has put in place a **network of qualified professionals** around the country – called PIPs (Personal Insolvency Practitioners) and AIs (Approved Intermediaries) – to provide you with debt advice and to work with your creditors on your behalf to work out a solution.

If you are in arrears on your home mortgage you could be eligible for a free PIP consultation under a new state-funded scheme. For more details on the scheme visit **[www.backontrack.ie](http://www.backontrack.ie)**

You might wonder why a creditor would agree to an arrangement where debt is restructured or written off but it is becoming clear that it is also in the creditors interest to sort out any backlog of debt. Of the thousands of cases that have already gone through the ISI's system **the majority of proposals have been accepted by the creditors.**

If you are experiencing problems with serious debt and this information strikes a chord with you, you will have more questions and will need more information.

You can find a list of Approved Intermediaries and Personal Insolvency Practitioners on the 'Registers' page of the ISI website **[www.isi.gov.ie](http://www.isi.gov.ie)** or by calling the ISI's information line **01 764 4200**.

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Call ISI on  
**01 764 4200**



Visit  
**[www.backontrack.ie](http://www.backontrack.ie)**



Freetext ISI to  
**50015** for an  
information pack

This guide has been produced by the Insolvency Service of Ireland (ISI) and is intended as a general, introductory, non-technical guide for interested debtors in relation to the availability of, and the process involved in seeking a Debt Solution under the Personal Insolvency Act 2012. If you require further information of a general nature, please consult the ISI website, [www.isi.gov.ie](http://www.isi.gov.ie), or contact the ISI's office by the various means detailed in this guide.

The ISI has no role in providing legal advice or interpreting the law and this guide is not an interpretation of, or advice on the law. In addition, the ISI has no role in providing financial advice. You can find a list of Approved Intermediaries and Personal Insolvency Practitioners on [www.backontrack.ie](http://www.backontrack.ie) or by calling the ISI's information line **01 764 4200**.



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Publications available in this series are:

Dealing with Problem Debt

Debt Relief Notice (DRN)

Debt Settlement Arrangement (DSA)

Personal Insolvency Arrangement (PIA)

Information about Bankruptcy

A Debtor's Guide to the role of a PIP

Information about Bankruptcy

After you are made Bankrupt