

A Debtor's Guide to the role of a PIP

A guide to the role of your
professional advisor for a
DSA or a PIA



ISI

Tackling problem debt together



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What is the ISI?

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.

Struggling with Debt? The ISI can help.

When you're in debt it's hard to focus on anything else. You can feel stressed and frightened about the future. But you should not be ashamed of your debt or tempted to bury your head in the sand – because the ISI is here to help.



We've put in place a network of qualified professionals called PIPs (Personal Insolvency Professionals) to provide you with debt advice, deal with your creditors on your behalf and work out a solution for you.

This guide will explain how a PIP can help you sort out your problem debt, and the steps involved.

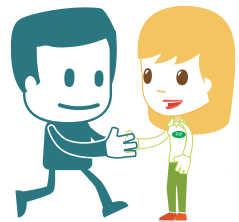
What is a PIP (Personal Insolvency Practitioner)?

PIPs are qualified professionals, regulated by the ISI, with the relevant expertise to help you reach a permanent solution for your debt problems. They will advise you of all the products, options and solutions available to get you back on track financially.

If you have debts of less than €20,000 see our leaflet about DRNs. Approved Intermediaries are the relevant personal advisors for a DRN. Contact details can be found on the 'Registers' page of the ISI's website www.isi.gov.ie.

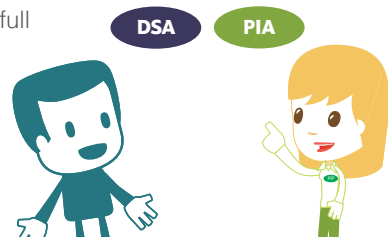
I am interested, what next?

First, arrange to meet with a PIP for a consultation. They'll tell you what to bring to the first meeting – including details of how much you owe and to whom, details of payments you have missed, your income, average spending needs and any assets you may have. They may also ask you to bring proof of identity, proof of address, bank statements, bills, payslips etc. They need all this information so that they can advise you to the greatest extent possible.



The PIP will go through your options

At the consultation meeting, the PIP will examine your full financial circumstances, tell you the options available and recommend the best solution for you. Don't be afraid to ask any questions you might have. The PIP is a qualified professional who is there to help you.



Continued overleaf.

The PIP will:

- Set out all the options available to you.
- Confirm if you are eligible for a debt solution.
- Confirm whether a DSA or a PIA would be suitable to resolve your debt problem.
- Calculate your reasonable living expenses and confirm your reasonable standard of living.
- Provide information on costs and fees of the arrangements.

Deciding to proceed

If you're happy with the solution being put forward and decide to proceed with an application, advise the PIP that you wish to appoint them. The PIP will then confirm in writing that they will act on your behalf.

You are under no obligation to appoint the PIP or apply for an arrangement at this point. Take time to consider your options and then make a decision.

Begin the application process

Your chosen PIP will then help you complete a form called a Prescribed Financial Statement (PFS) – this form captures details of your financial situation. You will also have to sign application forms and a statement sworn by you that you are telling the truth in your application.



Protective Certificate

The PIP will then apply to court through the ISI for a Protective Certificate on your behalf. This will give you court protection from your creditors for 70 days while your arrangement is being put in place. This means your creditors cannot contact you – so no more unwanted phone calls, letters or visits.

The arrangement with your creditors

Your PIP will then meet with you to draft up a proposal for an agreement between you and your creditors, either a DSA or a PIA.

<p style="text-align: center;">DSA</p> <p>A Debt Settlement Arrangement (DSA) is a solution for people with unmanageable unsecured debt such as credit cards, loans and overdrafts.</p>	<p style="text-align: center;">PIA</p> <p>A Personal Insolvency Arrangement (PIA) is a solution for people with unmanageable debts such as loans secured by property, like a mortgage.</p>
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A DSA or a PIA can be put in place to cover any period of time up to 6 years. However, some arrangements are completed within a few months.

These arrangements work by you agreeing to repay a percentage of your overall debt in affordable payments over a given time, while allowing you to have a reasonable standard of living. The arrangement will also allow for some of the debt to be written off and any remaining secured debt may be restructured.

A key feature of a PIA is that, in the majority of cases, a debtor will be able to remain in their home.

The PIP will meet with your creditors and they'll be asked to vote on the proposed arrangement. You are not required to attend this meeting. Of the hundreds of cases that have already gone through the ISI's system, creditors have accepted 3 out of 4 proposals.

Once your creditors agree to the proposal, your PIP will apply to court to have it formally approved. Once approved, it will put an end to any demands from creditors for unpaid debt.

You will then make agreed payments to your PIP who will distribute that money to your creditors.



What are the advantages for all parties involved?

DEBTOR:	CREDITOR:	PIP:
<ul style="list-style-type: none">• gets protection from creditors• gets a solution that has certainty• is entitled to a reasonable standard of living• gets a write off of debt• gets back on track financially• gets to stay in their home (in the majority of cases).	<ul style="list-style-type: none">• gets engagement with the debtor through their intermediary (the PIP)• gets a solution to the backlog of debt• gets certainty of a resolution• is guaranteed a greater return on money lent, compared to if the person went bankrupt• 3 out of 4 creditors are agreeing to proposals.	<ul style="list-style-type: none">• assists distressed debtors in reaching a long-term debt solution• may charge a consultation fee to advise the debtor• is usually paid out of the overall sum the debtor agrees to pay to the creditor.

Legally binding

The arrangement is a legally binding agreement. This means it cannot be changed without the agreement of both you and your creditors. This also means that your debt obligations are only as they are set out in the arrangement.

Your PIP will be available for any questions or issues that arise during the lifetime of the arrangement. Your circumstances might change during the arrangement but there are mechanisms in place to deal with any changes.

Completion of Arrangement

Your PIP will let you know when you have made your final payment. Your unsecured debts will be written off and any remaining secured debt will be restructured.

Where can I find a PIP?

PIPs are located around the country and a list of PIPs and their contact details can be found on the 'Registers' page of the ISI website www.isi.gov.ie or you can call the ISI information line **076 106 4200** for details.

How do I choose the right PIP for me?

There are a number of things to consider when choosing a PIP, just like you would when selecting any other professional. They include:

- The location of the PIP's office (they do not have to be in your area and some have national practices).
- The consultation fee that they charge, if any.
- If the PIP has been recommended to you by someone who the PIP has helped through the process.
- Whether the PIP's communication style and personal approach suits you.

Will a PIP charge me a fee?

Like any other professional providing a service, a PIP may charge a consultation fee to go through your financial situation to determine if you are eligible to apply.

Once an arrangement is in place, any PIP fees are usually built into the debt solution repayment plan. Put simply, the PIP will take a percentage of the money that you agree to pay to your creditors. They will set out for you, in writing, the fees to be charged before you sign up to an arrangement.

There is no application fee as the ISI has waived its fees until the end of 2015.

More information is available on www.backontrack.ie

GET BACK ON TRACK FINANCIALLY WITH ISI



Call ISI on
076 106 4200



Visit
www.backontrack.ie



Find out more
about PIPs on
www.isi.gov.ie



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Publications available are:

Dealing with Problem Debt

Debt Relief Notice (DRN)

Debt Settlement Arrangement (DSA)

Personal Insolvency Arrangement (PIA)

A Debtor's Guide to the role of a PIP

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, 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. If you are in doubt in relation to your legal or financial position, please take appropriate professional advice or contact an Approved Intermediary/Personal Insolvency Practitioner, as appropriate.