

DEALING WITH DEBT

It's never too late

HOW CAN SAHA HELP?

- Your Housing Officer will be happy to help you produce a financial statement.
- If you cannot do it yourself, your Housing Officer will help you to write letters to your creditors and photocopy your financial statement for you.
- Your Housing Officer can help you with completing benefit forms.
- Customer Services can provide you with the number of the local Citizens Advice Bureau (CAB).

OTHER USEFUL INFORMATION

- You may be able to get a loan from the Social Fund. Speak to your local Benefits office.
- There may be grants available from charitable trusts to assist people with debt. Speak to the local Citizens Advice Bureau.
- If it's easier, you may be able to arrange to have payments made direct to some creditors from your Income Support or Jobseekers Allowance.
- For free and confidential advice you can contact National Debtline on Freephone 0800 808 4000.

Salvation Army Housing Association

IMPORTANT THINGS TO REMEMBER

- **Don't ignore your debts—they won't go away**
 - **Don't be afraid to ask for help**
 - **It is never too late to deal with debt.**
- **Don't be persuaded to pay more than you can afford**

Customer Services Centre

33/35 Chorley New Road, Bolton, BL1 4QR

Phone: 0800 970 6363

Fax: 01204 375768

Email: servicecentre@saha.org.uk

Registered Offices: Barber Surgeons Hall, 1A Monkwell Square, London, EC2Y 5BL

**What can I do?
How can SAHA help?**

DEALING WITH DEBT

Salvation Army Housing Association (SAHA) knows that many people fall into debt, for many different reasons. It could be because of a change of job, losing a job, relationship breakdown, ill-health, unexpected bills to pay, school clothes to buy or even things like birthdays and Christmas. Whatever the reason, it can make life very difficult.

This leaflet is designed to give step by step advice on what you can do. It also gives brief information on how SAHA can help and other possible sources of help.

STEP 1

Make a list of all your debts. Include everything, even if it is a small loan from a friend or family member. Use the form that came with this leaflet.

STEP 2

Make sure that the debt is your responsibility and that your name is on the bill, statement or loan agreement.

STEP 3

Prepare a financial statement: Work out what money you have coming in and what you need to live on each week/ month. Use the other side of the form provided with this leaflet. Don't include any debts at this point, just your rent, council tax, services etc. Do be realistic. If you smoke, include money for tobacco but maybe think about cutting down! It's good for your health and your wallet!

STEP 4

Now take away your outgoings from your income. The amount left over is your "disposable income". If you don't have any money left over or your income is less than your outgoings, contact the Citizens advice Bureau or the Council's Welfare Rights Adviser as you may be entitled to more benefit.

STEP 5

If you do have a disposable income, you now need to work out your priority debts. These are the most important debts.

Some examples of priority debts are listed in the table below together with the worst actions that could be taken against you for non-payment:

DEBT	ACTION
Rent	Eviction
Council Tax / Court Fines Maintenance Arrears Income tax arrears	Imprisonment
Gas / Electricity arrears	Loss of service

Once you have decided on your priority debts, you need to work out a payment that you can make each week or month off the debt in addition to your usual weekly/monthly payment. Do this for each of your priority debts.

STEP 6

If you have some income left at this point you need to spread it between any non-priority debts. Non-priority debts are things like credit cards, catalogues, bank or other loans. Try to work this out fairly by paying more to the larger debts and less to the smaller ones.

STEP 7

You now need to write to all your creditors (the people and companies to whom you owe money), and make your offer of payment. Send a copy of your financial statement with each letter to show how you have come to the figure offered. If the creditor does not accept your offer, write again and tell them again it is all you can afford.

STEP 8

You have now dealt with your debt. All you have to do now is stick to your budget keep making the regular payments that you promised to make. If you are having problems paying—let your creditors know immediately.