

DMP (Debt Management Plan) Fact Sheet



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1. What is a debt management plan (DMP)?

- A DMP is an informal repayment plan set up in order for you to be able to maintain affordable, pro rata payments to your creditors.
- We can help you work out what you can afford to pay each month.
- We can also give you step by step advice if you want to set up a DMP with your creditors.
- There are non fee charging companies available who will manage your plan if you do not wish to manage payments yourself.
- These companies will make payments to your creditors on your behalf.

2. How does it work?

Firstly you need to draw up an income/expenditure sheet to check that you have enough available income in order to make pro rata offers to your creditors.

You can use our budget sheet for your guidance.

- List all your income
- List all your expenditure
- Income minus expenditure
- Monies left over is your available income to make pro rata offers to your creditors.

3. Would it be the best option for me?

If you can afford to make regular pro rata payments to your creditors a DMP could be an option for you. The length of time it will take to clear your debts is also important. There may be other options which will allow you to be debt free sooner. At advice4debtNI we will take time with you to look at all your options so we can help you make what we feel is the best choice for you.

Always remember if you require any further information on anything about your debts please phone us for advice. Our advice is free, independent and completely confidential. Our free phone number is 0800 9174607.

4. Who can have a DMP?

- Anyone who has unsecured debts and cannot maintain their monthly payments
- If you have enough disposable income after completing the income/expenditure sheet to repay your debt in a reasonable amount of time.

5. What do I do now?

If you would like to make reduced payment offers to your creditors and arrange a DMP you will need to:

- 1) Complete the income/expenditure sheet to work out whether you have any surplus money to offer to your creditors
- 2) Use our 'Pro Rata Offer sample letter' and send this along with a copy of your income/expenditure sheet to each person you owe money to.

If you would like step by step guidance on how to go about this please call us now on our free phone number which is 0800 9174607. We can talk you through your income/expenditure sheet and give you any advice you require regarding contacting or negotiating with your creditors. We can also advise you with regard to non fee charging companies who you may wish to use if you want someone to manage your plan for you and make the payments to your creditors on your behalf.

6. Will my credit rating be affected?

Be aware

If you miss a payment on a debt it will appear on your credit report as a missed payment whether or not you then set up a DMP. If you do decide to go ahead with a DMP some of your creditors may ask for a note to be placed on your credit file stating that you are on DMP. By being on a DMP it may make it harder for you to obtain credit.

Please phone us for advice about any difficulty you are having in dealing with your debts.

Call us FREE on: 0800 917 4607

Visit us at: www.advice4debtNI.com



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