

DEBT COUNSELLING

- pros and cons



What are the pros and cons of debt counselling?

PROS+

- + 1. When you are in debt counselling, creditors cannot take more action against you
- + 2. There is no permanent record of having undergone debt counselling
- + 3. There is only one monthly repayment to be made
- + 4. Your budget will meet your basic needs (housing, clothing, transport, food) first before making provision for your debts. You will never pay more money than you can reasonably afford
- + 5. A debt counsellor will suggest ways of cutting costs and saving money
- + 6. You will no longer get calls from your creditors demanding payment. This will lessen your stress and allow you to focus on fixing the problem of getting out of debt.

CONS-

- 1. You are not allowed to get more credit while undergoing debt counselling
- 2. It does cost a little bit of money, but the fees are set by law
- 3. Your debts might take longer to pay off as a result of paying smaller amounts each month

If YOU would like to know more..

about debt counselling, you could speak to your bank or you could go to the website of the National Credit Regulator: www.ncr.org.za. The telephone number of the National Credit Regulator is **0860 627 627**.



#GetWageWise tip:

Don't wait till your creditors (the companies you owe) take legal action. If you are struggling with repayments, contact them and ask to negotiate a payment plan. Always document the agreement in writing and keep a copy for your records.

