PERISSOS TRUST

DEBT COUNSELLING SERVICES

WHAT IS DEBT REVIEW?

1. The National Credit Act (the Act) came into operation in June 2007 with a large impact on Credit Providers and Consumers in respect of, inter alia, the following:

- To prevent unscrupulous Credit Providers from granting reckless credit;
- To provide for a debt relief process whereby consumers, who are over-indebted, can apply for debt-review in terms whereof a consumer's debt repayments are restructured in affordable monthly payments.

2. A consumer will be considered to be over-indebted if, after providing for his and his family's essential monthly living expenses , he is unable to meet all his monthly commitments to credit providers,

WHAT IS A DEBT COUNSELLOR?

1. A debt counselor is someone who underwent training to become a debt counsellor and who passed an exam and has been registered as such with the National Credit Regulator (NCR).
2. What distinguishes **Perissos Trust** from so many other debt counsellors? Charles Geel is a practicing attorney with over 25 years of experience. As a great deal of the debt review process requires the interpretation and application of the Act, Court procedures and the Law, his legal expertise obviously provides an great advantage

WHO QUALIFIES FOR DEBT REVIEW

1. Only individuals and not Companies or Close Corporations.
2. Someone who does receive a monthly income.
3. Someone who is over-indebted in terms of the abovesaid definition.
4. It is of the utmost importance that a **PERISSOS TRUST** consultant must be consulted as soon as possible and before legal action is instituted by any of the credit providers.

WHAT DEBT MAY BE PLACED UNDER DEBT REVIEW?

1. All debt incurred in terms of credit agreements such as home loans, credit card debt, bank overdrafts, clothing accounts, bank – or other loans, installment sale agreements in respect of motor vehicles etc.
2. The following debt is specifically excluded in terms of the Act: Municipal Accounts, levies, where services were rendered or goods sold on a cash basis or in instances where the credit provider has already issued and served a summons on the consumer. In the event of the latter, the credit provider will have to consent to the debt being included in the debt review process, which is very unlikely where the amount owing is substantial.

ADVANTAGES OF DEBT REVIEW

1. After being registered with the National Credit Regulator as being under debt review, no credit provider may proceed with further legal action (unless summons had already been served) against the consumer.
2. Taking into consideration the consumer's monthly income and essential living expenses, **PERISSOS TRUST** will determine an affordable amount available for monthly distribution amongst the credit providers.
3. The consumer is provided with a registration number and can therefore refer all harassing credit providers to **PERISSOS TRUST,**
4. Within reason, a consumer under debt review, will retain all his assets.
5. No judgment will be listed against the consumer's name at the Credit Bureaus.

"DISADVANTAGES" OF DEBT REVIEW

1. All credit cards, in whatever form, must be destroyed and no further debt may be incurred. The consumer will therefore have to live on a cash basis only.
2. The consumer will be listed as "under debt review" with the credit bureaus.

FEES: ALL FEES ARE PRESCRIBED AND MONITORED BY THE NATIONAL CREDIT REGULATOR

UPFRONT FEES

1. Application Fee: R50.00 payable immediately and upfront.
2. Administration Fee: R300.00 payable immediately and upfront.

OTHER FEES PAID FROM PROCESS

3. Restructuring (Debt Counsellor) Fee: An amount equal to the first restructured payment as determined by the Debt Counsellor to a maximum of R8 000.00 for a single and Application and R9 000.00 for a joint application (husband and wife). This fee is paid from the first payment made by the client to the PDA (Payment Distributions Agent) and forms part of the process. It is NOT an extra amount payable by the client.
4. Aftercare Fees: 5% of the client's restructured monthly payment to a maximum of R450.00 which is only payable after 2 months..
5. Fees to PDA: Payment of the monthly restructured payments to your creditors may not be received or done by the us as Debt Counsellors, but is paid to the PDA (registered with the NCR) who then distributes the funds amongst the Creditors as determined in a payment plan setup by the Debt Counsellor. Fees payable to the PDA is as follows:

- R 5.00 for every payment of between R 100.00 and R 200.00 distributed to each credit provider;
- R 10.00 every payment of between R 201.00 en R 500.00 distributed to each credit provider;
- R 15.00 every payment in excess of R 500.00;

> Above fees may be amended by the NCR from time to time.

4. Legal Fees: The Debt Review process culminates in an application to Court to have the restructuring payment plan made an order of the Court. Perissos Trust uses Charles Geel & Associates as their attorneys of preference. Depending on whether the application is opposed by Credit Providers, Charles Geel & Associates limits their fees to that prescribed by the Magistrate's Court Act and amounts to approximately R6 000.00 plus disbursements for an unopposed application. This legal fee is paid by the PDA from the 2nd and/or 3rd payment made for distribution.

CHARLES GEEL (NCRDC 1451)
PERISSOS TRUST
Tel: (021) 852 7716/ (021) 851 1544
Fax: 086 559 0011
E-mail: charles@geel.co.za

(Perissos = Exceedingly abundantly above)