



saha
Transforming Lives

Dealing with debt





Dealing with debt - it's never too late!

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 or even unexpected bills. 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 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 in each week/month. 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 outgoing away 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 benefits.

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 are listed below together with the worst actions that could be taken against you for non-payment.

Debt

Rent

Council Tax

Gas / Electricity Arrears

Action

Eviction

Imprisonment

Loss of Service

Once you have decided on your priority debts, you need to work out a payment that you can make each week/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 it is all you can afford.

Step 8

You have now dealt with your debt. All you have to do is stick to your budget keep making the regular payments that you promised and if you have any problems paying - let your creditors know immediately.

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 Advices 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 your local CAB who will be able to help.
- If its easier, you may be able to arrange to have payments made directly to some creditors from your benefits.
- For free and confidential advice you can contact National Debtline on 0800 808 4000.



Salvation Army Housing Association
Customer Service Centre
53 - 55 Victoria Square, Bolton, BL1 1RZ
Phone: 0800 970 6363
Fax: 01204 375768
Email: info@saha.org.uk

Registered Offices: 3rd Floor, St Olaves House,
10 Lloyds Avenue, London EC3N 3AJ

Version1.0