

Wiseman Says

**QAPHELA!**



# DEBT COUNSELLING OR DEBT CONSOLIDATION?

## KNOW THE DIFFERENCE BEFORE YOU SIGN.

Debt counselling helps over-indebted consumers with budget advice, reduced payments and debt restructuring. With debt consolidation, your loans are combined and you pay one monthly instalment.

Get more info at [www.ncr.org.za](http://www.ncr.org.za)



the dti

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

**NCR**  
National Credit Regulator

For more information call 0860 627 627

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# Debt counselling OR Debt consolidation?

## Know the difference before you sign.

### What is Debt Counselling?

Debt Counselling is a debt relief measure available in South Africa and is intended to assist over-indebted consumers who are struggling with debts, by offering:

- Budget advice;
- Negotiations with credit providers for reduced payments;
- Restructuring of their debt;
- Assessment of income and expenses.

### You are over-indebted when:

- Your monthly expenses are more than your monthly income/salary;
- You borrow money to pay other debts;
- You use your credit card and/or overdraft facility to pay debts, buy food, pay school fees and other necessities; and
- You skip payments on some accounts in order to pay others.

### Some indicators of over-indebtedness

- A consumer who is employed and still struggling to pay his/her monthly debt obligations.

### Benefits of debt counselling

- Helps you to pay your debt;
- You don't have to borrow money to pay your debts;
- Your assets are protected;
- No more phone calls from your creditors;
- Affordable instalments;
- There is no limit in terms of your debts to go under debt counselling.

### Debt Administration

This is a legal debt relief measure, which aims to assist a consumer to pay off his/her debts. If your total debt is less than R50 000, you can apply for debt administration, as this will help you pay off your debts in reduced monthly instalments. The process is governed by Section 74 of the Magistrate's Court Act and not by the NCA. Act and not by the NCA.

### Debt Consolidation

When you have different debts/loans, you can apply for a single new loan which will combine all the amounts into one single amount. This new loan will pay off your other debts and you will then only be responsible to pay one monthly instalment for the new loan instead of many different instalments.

**Understand your options before you decide.**

**Get real info at [ncr.org.za/brochure](http://ncr.org.za/brochure)**



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