



LANYANA
FINANCIAL GROUP

DEBT RELIEF SOLUTIONS

INFORMATION BROCHURE



Types of Debt Relief Solutions

Each of our Case Managers understands your circumstances are different, which is why we offer a range of Debt Relief Solutions. This ensures the outcome achieved for you is suitable and sustainable. A summary of our key solutions is below:

“Relief would sum it up. Lanyana Financial Group has given my family and I hope moving into our future.”



Debtstroyer Agreement (An Informal Debt Agreement)

A Debtstroyer Agreement aims to reduce repayments and pause or reduce interest on your debts. It is an arrangement organised by our professional and experienced team of negotiators directly with your creditors. Although debt reductions, paused interest and a fixed repayment term are not guaranteed under a Debtstroyer Agreement, our team are generally able to achieve these outcomes where the client circumstances justify. The key outcome under a Debtstroyer Agreement is to negotiate required creditor repayments to ensure debts are being repaid through a single, manageable repayment based on the budget prepared with your Case Manager.



Part IX Debt Agreement

A Part IX Debt Agreement is a legal and binding agreement with your creditors. It outlines a new payment arrangement with your creditors after considering your income, expenses, assets and liabilities. A Debt Agreement will reduce your provable unsecured debts, pause all future interest, reduce your repayment amounts and in a majority of cases reduce your repayment period to 3 to 5 years.

The Debt Agreement is legislated under the Bankruptcy Act 1966 and administrators are regulated by the Australian Financial Security Authority (AFSA). As a formal agreement under the Bankruptcy Act, the agreement is listed on your history for 5 years from date of acceptance (or completion date if later), however it is an attractive option for people looking for guaranteed paused interest and repayment terms to clear debt and get on with life.



Bankruptcy

Bankruptcy is often the last resort for people experiencing financial difficulties in Australia. However, in the right circumstances, Bankruptcy can release a person from their financial obligations and offer instant relief and peace of mind.

By declaring Bankruptcy, you are legally declaring to your creditors that you do not have the financial means (either in money or assets) to repay the debts you owe. This may sound restrictive, but income and asset thresholds are set to a level allowing you to live reasonably comfortably before having to liquidate your assets or contribute part of your income towards your estate.

For people struggling with overwhelming debt, the benefit of wiping your slate clean and starting your financial life afresh can be worth the inconvenience. Bankruptcy generally lasts for 3 years, but may have an impact on your financial life for some years to follow. As soon as you declare Bankruptcy, your name is permanently listed on the National Personal Insolvency Index (NPII). Your Bankruptcy will also be noted on your credit file during the Bankruptcy period, and will be updated to discharged and remain on the file until 5 years from date of Bankruptcy has passed. During this time, further credit will be very difficult to obtain, and disclosure of your Bankruptcy is legally required for loans above AFSA's threshold amount.



Debt Settlement

A Debt Settlement is a great option for clients with access to a lump sum not sufficient to repay outstanding debts in full. It is designed to waiver or reduce debt amounts to allow final settlement with creditors. A Debt Settlement is often an excellent solution for clients only able to refinance their mortgage to an amount which may not pay out debts in full, or where an amount of funds is available from family, friends or other sources.

For more detailed information and a tailored solution please call our friendly team on **1800 534 534** or complete an **Application Form** and we'll be in contact with you right away with a personalised plan

Debt Relief Solutions Comparison Table

	DEBT MANAGEMENT PLAN			
	PART IX DEBT AGREEMENT	DEBSTROYER AGREEMENT (INFORMAL DEBT AGREEMENT)	DEBT SETTLEMENT	BANKRUPTCY
Legislative Framework	Legislated under Bankruptcy Act 1966	Responsibilities of creditors regarding consumer hardship are outlined in NCCP Act 2009 and Codes of Conduct	Responsibilities of creditors regarding consumer hardship are outlined in NCCP Act 2009 and Codes of Conduct	Legislated under Bankruptcy Act 1966
Total value of unsecured debts which can be included	The value of unsecured debts cannot exceed \$118,063.40*	No Restriction, however the amount of debt needs to be realistically repayable	No Restriction	No Restriction
Term of Agreement	Generally 3-5 years	Generally 5-7 years	21-35 days	3 years, but can be longer at Bankruptcy Trustee discretion
Debts which can be included	Provable Unsecured Debts	No restriction. Secured or contingent debts can be negotiated, however creditors retain the right to repossess assets	No restriction. Secured or contingent debts can be negotiated, however creditors retain the right to repossess assets	Provable Unsecured Debts
Earning capacity	After tax income cannot exceed \$88,547.55* pa at time of lodgment. No restrictions on increased capacity during agreement.	No Restriction, however the agreement is negotiated based on earning capacity being insufficient to repay debts (hardship).	No Restriction, however settlement is negotiated based on inability to service on ongoing repayment arrangement	A Bankrupt with no dependents must repay 50c/\$1 earned over \$59,031.70* pa after tax. Income thresholds increase with number of dependents
Operating a business	Some industries, professions or licenses have restrictions or disclosure obligations relating to those in a Debt Agreement	No Restriction	No Restriction, however settlements on supplier accounts may restrict ability to obtain further goods on credit	You cannot be a company director or involved in its management without permission of the court. Complete exclusions apply to some professions & licenses.
Can I own real estate/property?	Yes, up to \$236,126.80* in net asset value (above amounts owed against them).	Yes, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debts (hardship)	Yes, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debts (hardship)	The Bankruptcy Trustee can claim any real estate/property you own as an asset
Value of the vehicle I drive	Allowable vehicle value falls under the net asset threshold of \$236,126.80*	No Restriction	No Restriction	\$8,100* maximum net value
Other asset restriction	Can keep home, cars, tools for work and other assets up to \$236,126.80 in total net asset value*	No Restriction, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debt	No Restriction, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debt	The Bankruptcy Trustee can claim any assets where protection up to set thresholds is not offered under the Bankruptcy Act 1966
Credit Rating & National Personal Insolvency Index (NPII)	Listed on both for 5 years, or 21 days from finish date, whichever is later	No formal listing, however credit providers retain the ability to list a credit default for 5 years due to breaches of original credit contracts	No formal listing, however credit providers retain the ability to list a credit default for 5 years due to breaches of original credit contracts	Listed on Credit History for 5 years, listed on NPII for life
Applying for a loan	Ability to obtain further credit is affected temporarily by credit history and NPII listings	Applying for further credit after proving hardship to existing creditors may jeopardize negotiated agreement	No Restriction once settlements finalised	Ability to obtain further credit may be effected indefinitely depending on lender policies. Cannot borrow over \$5,881* without disclosing currently Bankrupt
Overseas travel	No Restriction	No Restriction	No Restriction	Subject to approval by the Bankruptcy Trustee
Inheritances and windfalls	No Restriction to any financial improvement after agreement is accepted	No Restriction, loans can be renegotiated to settle for less than 100c/\$1 if a lump sum becomes available. Hardship remains a requirement for success	No Restriction to any financial improvement after agreement is accepted	Will be taken by Bankruptcy Trustee up to the value required to pay out debts included in Bankruptcy inclusive of trustee fees and interest

*Figures as at 26 November 2020

For more detailed information and a tailored solution please call our friendly team on 1800 534 534 or complete an [Application Form](#) and we'll be in contact with you right away with a personalised plan



LANYANA
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Giving Australians a Fresh Start to a Positive Financial Future.

Lanyana Financial Group

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*We pride ourselves on offering holistic, caring,
non-judgemental solutions – so you can count on us to
provide you with the best solution to suit your needs*