



Prescribed Information

You must read this information and **sign the acknowledgment** at the end of the Prescribed Information before proceeding any further.

Have you considered all your options?

Talk to your creditors

Some creditors could give you more time to pay, agree to renegotiate repayments or accept a smaller payment to settle the debt.
Some creditors have hardship provisions which you can use to vary the terms of your contract.

Get help

You can ask for help from a financial counselling service, community legal centre, a registered trustee, a registered debt agreement administrator, a lawyer or an accountant.
They will talk to you about your options. They may speak to creditors on your behalf, help with budgeting advice or give you advice about other sources of Government assistance.

Lodge a Declaration of Intention to Present a Debtor's Petition

This stops your creditors, the bailiff or sheriff taking action to recover debts for a period of 7 days. You could use that time to speak to your creditors, consider other options or seek advice.
You do not have to become bankrupt after this period.
You can only lodge one Declaration every 12 months.

A creditor can use the fact that you have lodged a Declaration to apply to a Court to make you bankrupt.

Propose a Debt Agreement

A Debt Agreement is a legally binding arrangement between you and your creditors which must be accepted by the majority of your creditors. You will be released from debts covered by the agreement once you have made all payments or fulfilled your obligations.
You can offer to pay your creditors in instalments or with a lump sum payment which may be less than the full amount of your debts. You can also propose a freeze on your debts for a set time to let you get back on your feet. Your debts, assets and income must be under a certain limit to propose a Debt Agreement.
If you ask a registered Debt Agreement Administrator to administer your Debt Agreement, they will charge a fee. Your debt agreement will automatically terminate if you do not make a payment for six months. You may find it hard to borrow money or buy things on credit.
Your Debt Agreement proposal will be recorded on the public record (NPII) forever, along with its acceptance or rejection by creditors. Your name will also be recorded on a commercial credit reference record for 7 years.

A creditor can use the fact that you have lodged a Debt Agreement proposal to apply to a Court to make you bankrupt.

Propose a Personal Insolvency Agreement

A Personal Insolvency Agreement is also a legally binding arrangement between you and your creditors which must be accepted by a majority of your creditors. You must read Prescribed Information for appointing a controlling trustee before proposing a personal insolvency agreement.

A creditor can use the fact that you have asked a trustee to put forward a Personal Insolvency Agreement to apply to a Court to make you bankrupt.

Lodge a Debtor's Petition and become bankrupt

The consequences of bankruptcy are serious and are listed overleaf.

You can get more information about your alternatives by contacting ITSA on 1300 364 785 or www.itsa.gov.au

Prescribed Information – continued

The consequences of bankruptcy are serious

- You will be bankrupt for a minimum of 3 years. In certain circumstances your trustee may file an objection to your discharge and extend your bankruptcy by a further 2 or 5 years.
See Discharge at www.itsa.gov.au or ask ITSA for a copy.
- Your name will be on the public record (NPII) forever and on a commercial credit reference record for 7 years even if your bankruptcy has been discharged.
- You must assist your trustee at all times. You must immediately notify your trustee in writing of any change in your personal circumstances (including name, address or income).
- If you are in business and trade under a business name different to your own, you must tell everyone you deal with that you are an undischarged bankrupt. If you don't, you may be subject to a criminal prosecution.
- You will be able to keep ordinary household goods, tools used to earn an income (up to a set limit) and a vehicle (up to a certain value) but other assets – including your house – will belong to your trustee and can be sold. You cannot conceal, remove or dispose of any property (whether inside or outside Australia) that could be used to pay your creditors.
For the value of tools and vehicles see Current Amounts at www.itsa.gov.au or ask ITSA for a copy.
- If your income exceeds a set limit, you may be required to make contributions from your income.
For set limits see Current Amounts at www.itsa.gov.au or ask ITSA for a copy.
- If you are applying for credit above a set limit, you must tell the credit provider you are bankrupt. If you are or buying something by cheque, entering into a hire purchase agreement or promising to pay or swap goods and services for something that is worth more than a set limit, you must tell the seller you are bankrupt. If you don't, you may be subject to a criminal prosecution.
For set limits see Current Amounts at www.itsa.gov.au or ask ITSA for a copy.
- You will not be able to travel overseas without the written permission of your trustee and you may be asked to surrender your passport to your trustee.
- You may find it hard to borrow money, buy things on credit or get or renew insurance.
- You may find it hard to rent, get electricity, water or the telephone connected without paying a bond.
- Some banks will not let you operate an account or will restrict how you can use your account.
- Your job opportunities may be affected, especially with jobs handling money or where a licence is required.
- You cannot manage a company.
- You cannot hold certain public positions without permission.

About your trustee

If you choose to become bankrupt, a trustee will administer your bankruptcy. You may ask a registered trustee or the Official Trustee (ITSA) to administer your bankruptcy.

If you do not choose a trustee, ITSA will be your trustee. However ITSA may ask a registered trustee to become your trustee. In addition, during your bankruptcy, your creditors may decide to change your trustee.

You may be charged a fee to administer your estate. Normally, a trustee will take their fees out of money in the bankrupt estate. If there is no money in your estate, a registered trustee is entitled to collect a minimum fee from you directly.

For minimum fees see Current Amounts at www.itsa.gov.au or ask ITSA for a copy.

Acknowledgement

I have read and understood this Prescribed Information.

Name: _____

Signature: _____ Date: _____

Interpreter's Statement

I declare that I have read and interpreted this information to the person named above.

Name: _____

Signature: _____ Date: _____

Address: _____ Tel: _____