

DEBT RELIEF ORDERS

Why a Debt Relief Order?

A debt relief order (DRO) is one way to deal with your debts if you don't own your own home, don't have much spare income and your debts are £20,000 or less. Some types of debt don't count towards this limit, so check whether you're eligible before you decide.

DROs – key facts

While a DRO is in force:

- you don't have to make payments towards most types of debt included in your DRO
- your creditors can't force you to pay off the debts.

At the end of the DRO period, usually around a year:

- your debts will be written off
- you're still responsible for paying off any that aren't included in the DRO - this is because DROs don't cover all debts.

To apply for a DRO:

- there's a fee of £90. If you can't afford to pay the fee you may be able to get help towards the cost from some charities
- you have to go to a DRO adviser, also called an **approved intermediary** - you can't submit your own application. You can find a DRO adviser at most local Citizens Advice Bureaux or you can ask a LionHeart Support Officer..

There are some charities and trusts that may be able to help with paying the DRO fee. You can find out about help available in your area and how to apply using the grants search tool on the **Turn2us** website.

Give us a call, we will always find a way to help.

0845 603 9057

(local rates apply)

info@lionheart.org.uk

www.lionheart.org.uk/support

Who is eligible?

You may be able to get a DRO if all of the following things apply to you:

- you're unable to pay your debts and your debts are worth up to £20,000
- you've got £50 or less left over each month after you've paid your usual household expenses
- you don't own your home
- other savings or things of value you own, called **assets**, are worth less than £1,000 (some assets are ignored when working out the value)
- you don't own a car worth £1000 or more, unless it's one that's been specially adapted because you have a disability
- you haven't had a DRO in the last six years and aren't going through another formal insolvency procedure, such as bankruptcy or an individual voluntary arrangement (IVA)
- you've lived, had a property, or worked in England or Wales in the last three years.

Debts a DRO covers

Debts that can go into a DRO are called qualifying debts. They include:

Credit cards, overdrafts and loans, arrears with rent, utility bills, telephone bills, council tax and income tax, benefits overpayments, hire purchase or conditional sale agreements, buy now - pay later agreements or business debts.

If you obtained any of these by fraud, you will still have to pay them when the DRO has ended.

If you're behind on your rent, your landlord can still take action to get their property back, even if the rent arrears are included in your DRO. This means you may have to continue paying these after a DRO is made.

Debts that can't go in a DRO are:

- magistrates court fines and confiscation orders - these are fines relating to criminal activity
- child support and maintenance
- student loans
- social fund loans
- compensation for death and injury.

Call LionHeart on 0845 603 9057 to get help