

DEBT SETTLEMENT ARRANGEMENT (DSA)



This option covers loans with two or more unsecured creditors in the amount of €20,000 or more. The borrower will have to pay off a certain amount for up to 5 years and the balance may possibly then be written off.

It is a once in a lifetime option and may be proposed by a debtor to one or more creditors for the settlement of unsecured debts. Secured debt is unaffected.

The debtor must be insolvent and meet certain eligibility criteria. The option cannot be availed of if 25% or more of the debts in question arise within 6 months of the application.

The debtor must provide a written statement of his financial affairs to a **Personal Insolvency Practitioner** (PIP) who manages any proposals to creditors. I, John M. Lynch, solicitor, have been approved by **The Insolvency Service of Ireland** (ISI) as a Personal Insolvency Practitioner (PIP).

The **Insolvency Service of Ireland** (ISI) will, if it is satisfied that the application is in order, issue a certificate to that effect and forward this to the courts who can then issue a protective certificate (lasting 70 days with provision for extension). This then limits further enforcement for that period. The Insolvency Practitioner must then notify the relevant creditors, and invite submissions as to how the debts might be dealt with.

Creditors who hold more than 65% in value of the debts due must approve the DSA.

If the DSA is approved by the court it takes effect once registered by the **Insolvency Service** in the Register of Debt Settlement Arrangements. It lasts for 5 years (with a possibility of an extra year) with the debtor returning to solvency after this time.

FOR MORE INFORMATION

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