
IF I THINK I AM INSOLVENT WHAT CAN I DO?

If this is the case you should contact a Personal Insolvency Practitioner (PIP) as soon as possible in order to get advice on what options are available to you to deal with your debt.

WHAT IS A PERSONAL INSOLVENCY PRACTITIONER OR PIP?

A Personal Insolvency Practitioner is the person mandated by the legislation to implement the new Statutory Insolvency Scheme.

A PIP is somebody specially licensed and regulated by the ISI to deal people who are unable to pay their debts. PIPS can be either solicitors, barristers, accountants or other qualified financial advisers who have undergone the required training and have shown the ISI that they are capable of dealing with insolvency situations. A PIP will ask you to provide certain financial information and will then set out your options to you as to how to deal with your financial picture.

WILL THE PIP BE ON MY SIDE?

A PIP is independent with the function to implement an Insolvency Arrangement in accordance with the Personal Insolvency Act 2012.

All PIP's will act as a go-between for debtors, creditors, the courts and the Insolvency Service of Ireland. The PIP therefore is like an intermediary who acts in the best interests of all concerned. They will formulate proposals to deal with the outstanding debt which they feel are reasonable to both borrower and lender given the particular circumstances involved. The PIP will also be responsible for monitoring any arrangements that are made for their duration.

HOW DO I CHOOSE A PIP?

A register of all PIP's can be found on the Insolvency Service of Ireland website at www.isi.gov.ie. It is up to you to choose any PIP that you wish and it is very important that you choose a PIP that you are fully comfortable with. It is also important to be aware that only those registered with the ISI are qualified to act as PIPs.

WHEN I MEET THE PIP WHAT HAPPENS?

The PIP will ask you to supply certain information on your finances. They would then use this information to help you complete a Prescribed Financial Statement and advise you as to whether you would qualify for any of the options under the 2012 Act. They will formulate proposals based on the individual circumstances of the borrower (each option will be explained in detail). They also apply for a Protective Certificate, submit proposals to lenders and seek creditor consent on these. If they are successful in getting agreement they will then monitor the arrangement that is put in place for the relevant period of time.

WHO DECIDES WHAT I HAVE TO PAY?

The PIP will be the person responsible for putting together the Arrangement that will specify how much money you can keep to maintain a reasonable standard of living and how much money is to be put towards debt repayment.

This Arrangement will need the approval of the creditors, and then the Courts.

HOW DOES THE PIP DECIDE WHAT REASONABLE LIVING EXPENSES I AM ENTITLED TO?

The PIP will be operating under guidelines issued by the ISI in determining the reasonable standard of living which applies to the borrower and to their dependents. They will also have regards to the individual circumstances of the borrower. The ISI has outlined guidelines

on set costs (rent and mortgage, child care and transport costs), household expenditure (15 different categories including food, clothing, health, personal care, household goods and education) and special circumstances costs which can be considered in coming to a figure that is deemed reasonable.

HAVE THE ISI STATED MINIMUM AMOUNTS THAT ARE ALLOWED?

Yes, further details will be provided by your PIP. The ISI have also published information on their website at www.isi.gov.ie.

IF I AM LIVING BELOW THE MINIMUM NOW WILL I BE FORCED TO CONTINUE TO DO SO?

No, the minimum standards are simply that, a minimum. These are figures that the ISI consider no person should have to live below.

FOR MORE INFORMATION

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