

THE DEBT COUNSELLING FEE GUIDELINES 2018



001/2018

22 FEBRUARY 2018

DEBT COUNSELLING FEE STRUCTURE 2018

<i>STEP</i>	<i>SERVICES</i>	<i>AMOUNT (excl. VAT)</i>	<i>BY WHEN IT SHOULD BE PAID</i>
1. Application Fee	Completion and submission of the Form 16.	R50.00 (as prescribed).	Upfront and in full.
2. Administration Fee (New fee)	(a) Consultation with consumer, including explanation of process and fee disclosure; (b) Form 17.1 process; (c) Loading consumers on the DHS*; and (d) Rejection process as per the Form 17.2(a) including: (i) Notifying the consumer and credit providers; (ii) Updating the DHS; and (iii) Compliance with Regulation 25.	R300.00 per debt counselling application.	Upfront and in full.
3. Determination Fee:	The fees under this item are aligned to the outcomes of the full assessment of the consumers' financial information.		
3.1 Restructuring Fee	Attending to the Form 17.2(b) process including, but not limited to, the following related services: (a) Proposal preparation; (b) Loading the plan on the debt counsellor's PDA*** profile; (c) Negotiating with credit providers; (d) Submitting the final proposal; (e) Supplying debt counselling documents to the attorney to draft the court application; (f) Updating the DHS; (g) Transferring the consumer; (h) Instructing the attorney to draft the court application/collating and filing NCT**** application; and (a) Withdrawal by consumer (Form 17.W process).	<p><i>For one applicant:</i></p> <p>(a) the fee is either equal to the distributable amount** or a maximum fee of R8 000.00, (b) whichever amount is the lesser.</p> <p><i>For consumers married in Community of Property:</i></p> <p>(a) the fee is either equal to the distributable amount or a maximum fee of R9 000.00, (b) whichever amount is the lesser.</p>	Payable in Month 1 after drafting and submission of the proposals.

3.2 Reckless Lending Fee (New fee)	(a) Reckless lending assessment; and	R1 500.00 per debt counselling application.	Payable in Month 2 after completing the written outcome of the reckless lending assessment.
	(b) Supplying reckless lending documents to the attorney to draft the affidavit on the assessment outcome.		
4. After Care Fee	<p>Services including the following:</p> <ul style="list-style-type: none"> (a) Form 17.2(c) process; (b) Review of the consumer's financial situation; (c) Attending to payment queries; (d) Clearance process, including securing the paid-up letters; (e) Withdrawal by consumer (Form 17.W process); and (f) Updating the DHS. 	<p>For the entire debt counselling process:</p> <ul style="list-style-type: none"> (a) The fee is equal to 5% of the distributable amount or a maximum fee of R450.00, (b) whichever amount is the lesser. 	Payable in every month after Month 2 in which after care services are rendered.
6. NCT Submission Fee	Submission of the NCT application.	R500.00 (excluding the NCT filing fee).	Charged and payable in Month 2 after completion of the restructuring process
7. Attorney Fee	(a) Drafting of the court application; and	<p>To be agreed upon upfront with the attorney and communicated in writing to the consumer when applying for debt counselling.</p> <p>Debt counsellors are advised to negotiate that the legal fee be aligned to the disposable income of the consumer where possible.</p>	<p>Payable to the attorney only after:</p> <ul style="list-style-type: none"> (a) one or more credit providers have not accepted the repayment plan; (b) the attorney has drafted the court application; and (c) the attorney has attended the hearing of the court application:
	(b) Attendance at court.		

GLOSSARY

* **DHS** means the Debt Help System;

****distributable amount** means the amount payable to the creditors as per the initial debt re-arrangement plan;

*****PDA** means a Payment Distribution Agent registered with the National Credit Regulator in terms of Section 44A of the National Credit Act 34 of 2005 as amended ("**the Act**"); and

**** **NCT** means the National Consumer Tribunal as established by Section 26 of the Act.

FOR MORE INFORMATION

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