

Debt and Finance - Debt Management

Not so long ago, bankruptcy was the only way to avoid crippling debt. If nothing else, it comes with lots of punitive restrictions on your business life but there are other forms of [debt management](#).

Legislation has moved on. There is a lot more of it, and debt legislation is no different.

For example, Debt Relief Orders (DROs) are now available and allow for debt relief for those who are not in '“too much” debt. The debt owed must be less than £15 000, and the assets held by the debtor must be minimal, less than £300 at present. The exception is that a car may be worth up to £1000. So you could hang on to that Fiat Panda.

If you don't like the sound of government inspired legislation based schemes, it is possible for you to arrange to alter your arrangements with your creditors. But beware, your creditors do not have to stick to any agreed changes and you could find yourself back where you started.

So long as you have a full list of your creditors, an insolvency company (make sure they are registered) might be able to sort this out for you. This process is known as an Individual Voluntary Arrangement (IVA), and the debt owed must be less than £15 000. The insolvency company will make arrangements with the court and with your creditors. It is possible that a lot of your debt could be written off.

About the Author

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