

Debt Relief Notice (DRN)

A solution for people with
problem debt under €35,000



ISI

Seirbhís Dóchmaíneachta
na hÉireann
Insolvency Service
of Ireland



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What is the ISI?

The Insolvency Service of Ireland (ISI) is an independent government body set up to help tackle personal debt problems.

It has a range of debt solutions, including a regulated network of qualified professionals, that can help you to restructure and even write off debt that you cannot repay.

How do I know if a DRN is the right insolvency solution for me?

If you have a **low income, few assets and debts of less than €35,000** that you can't repay, then a DRN could be the right solution for you.

A DRN is a formal agreement that allows you to write off your debt in full.

Debts such as **personal loans, credit card loans, store cards, credit union loans and overdrafts** could be included in a DRN.



You may be eligible for a DRN if...

- Your unsecured debts are €35,000 or less.
- You do not have a mortgage or own a property or other large asset.
- You have €60 or less left after reasonable living expenses each month – the Approved Intermediary will go through this with you.
- You meet the criteria for having very little assets apart from some essential items of value.
- You have not been granted a DRN before.



If you have a mortgage, a DRN is not a suitable solution, as you would be considered to have a considerable asset, even if you are not currently meeting mortgage repayments.

However, you may be eligible for a DSA/PIA. There are separate leaflets available for those solutions.

What are the benefits for me?

- Protection from your creditors



The creditors included in the DRN **can no longer contact you** asking you to repay debts that are included in your DRN – no more phone calls, letters or visits.

- Debts written off after 3 years



A DRN will **last for up to 3 years**. It is a formal, **legally binding solution** whereby unmanageable debt is completely written off after 3 years.

- Reasonable standard of living guaranteed



When a DRN is in place, you are **entitled to a reasonable standard of living that includes food, clothing, education, health care and a modest allowance for savings**. You will not be told how you should spend your allocated reasonable living expenses, so you are still in control of your spending. A professional debt advisor called an **AI (Approved Intermediary)**, will go through all of this with you should you enquire about applying.

If I get a DRN would I be expected to make payments to creditors?

If you are granted a DRN you **do not make payments** to the creditors named in the DRN unless your financial circumstances improve considerably, in which case you would need to inform the ISI.

What if my circumstances improve during the period that a DRN lasts?

If your **circumstances improve** during the supervision period you must tell the ISI and depending on the level of change, you may be asked to make some contribution to what you owe. This would be done through the ISI; you would not make payments to your creditors directly.

If I receive a DRN will I ever be able to get credit again?

If you are currently in arrears on payments this could already be known to credit rating reference agencies. Similarly, when you are struggling to make payments on debts such as your credit card, term loan or hire purchase agreement, you may not have the capacity to take on additional debt and this would be evident to a prospective lender.

Entering into an agreement such as a DRN should indicate to potential lenders that **you are proactively addressing your financial situation** and on completion of the DRN you will be solvent, which could make you more eligible to obtain credit in the future. However, the decision on whether or not to give credit is up to the lender and this is always the case.

How do I apply for a DRN?

First, make an appointment to meet with an **AI** – these are a network of qualified debt advice professionals appointed by the ISI to deal with DRNs and are experts in the area of debt advice.

Approved Intermediaries are located around the country and contact details can be found on **www.backontrack.ie** or by calling the ISI's information line **01 764 4200**

What should I do to prepare for the meeting with an AI?

Start gathering details of your debt – including a list of how much you owe and to whom, details of payments you have missed, as well as details of your income, average spending needs and any assets you may have. Bring these with you to your meeting with the AI, and they will let you know if a DRN is the right solution to tackle your debt.

How much will it cost me to apply for a DRN?



There is no cost for a DRN. **AIs cannot charge a fee** for their advice and assistance with the application. There is no application fee as the **ISI has waived its application fees**.

How long will the process last?



A DRN will **last for up to 3 years** and after that time the debts named in your DRN will be written off. However, **you can exit the process at any time in most circumstances by paying 50%** of the total amount that you owe and the remainder of the debt would still be written off.

However if you receive **a gift or payment over €400 you will have to surrender 50%** of the value of that gift or payment or the balance of your debt, whichever is the lesser amount, to the ISI.

You can only avail of one DRN in your lifetime and you must act in good faith throughout the process.

Take the first step to getting back on track financially



Call ISI on
01 764 4200



Visit
www.backontrack.ie



Freetext ISI to
50015 for an
information pack

A detailed guide to the Debt Relief Notice is available on the publications section of the ISI's website www.isi.gov.ie

This guide has been produced by the Insolvency Service of Ireland (ISI) and is intended as a general, introductory, non-technical guide for interested debtors in relation to the availability of, and the process involved in seeking a Debt Relief Notice under the Personal Insolvency Act 2012. If you require further information of a general nature, please consult the ISI website, www.isi.gov.ie, or contact the ISI's office by the various means detailed in this guide.

The ISI has no role in providing legal advice or interpreting the law and this guide is not an interpretation of, or advice on the law. In addition, the ISI has no role in providing financial advice. If you are in doubt in relation to your legal or financial position, please take appropriate professional advice or contact an Approved Intermediary/Personal Insolvency Practitioner, as appropriate.



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Publications available are:

Dealing with Problem Debt

Debt Relief Notice (DRN)

Debt Settlement Arrangement (DSA)

Personal Insolvency Arrangement (PIA)

A Debtor's Guide to the role of a PIP

Information about Bankruptcy

After you are made Bankrupt