



Debt Counseling Fee Guidelines

1. The Debt Counsellor may receive the following amounts in respect of consumers with an individual gross income of more than R2 500.00 per month or household income of more than R3 500.00 per month:
 - 1.1. An application fee, recoverable directly from the consumer upon receiving an application for debt review, limited to the amount prescribed in terms of Schedule 2 (2) of the Act;
 - 1.2. A rejection fee of R300.00 (excluding Vat) in respect of consumers whose applications have been rejected in terms of section 86(7)(a);
 - 1.3. A restructuring fee of the lesser of the first instalment of the debt re-arrangement plan or R3000.00 (excluding Vat), in respect of a consumer whose applications have been accepted in terms of 86(7) (b) or 86(7) (c). (Should a joint application be required the fee can be increased to R4000.00 (excluding Vat)).

The fee is payable as follows:

 - 1.3.1 100 percent of the fee is payable at the first instalment.
 - 1.4. Should a Debt Counsellor fail to submit proposals to Credit Providers or refer the matter to a Tribunal or a Magistrate Court within 60 business days from date of the debt review application the Debt Counsellor has to refund 100% percent of the fee paid by the consumer.
 - 1.5. A monthly after-care fee of 5 percent (excluding Vat) of the monthly instalment of the debt re-arrangement plan up to a maximum of R300 (excluding Vat), for a period of 24 months, thereafter reducing to 3 percent (excluding Vat) of the monthly instalment, to a maximum of R300 (excluding Vat), for the remaining period of the debt re-arrangement plan.
 - 1.5.1. Payment of the monthly after-care fee is to commence in the 2nd month after the amount in 1.3.1 above has been paid.
 - 1.6. Should the consumer withdraw from the process after completing stages 1.3 above a fee equal to 75 percent of the restructuring fee as per 1.3 above is payable by the consumer;
 - 1.7. Legal fees, if and when they occur, may be recovered from the consumer provided the amount of such fees are disclosed up-front to the consumer and agreed to in writing by the consumer.
 - 1.8. The fee structure will be reviewed in January 2009.