



Individual Voluntary Arrangement (IVA)

Managing debt can be stressful and complicated. Arranging an Individual Voluntary Arrangement (IVA) with your creditors could make a real difference to you by writing off any debt you can't afford to repay.

Is an IVA right for you?

An IVA could be the right path for anyone with a regular household income, who is struggling to keep up repayments on their unsecured debt*. As a rule, the minimum unsecured debts of someone entering an IVA is £15,000, but is often much higher. There is no maximum amount.

An IVA could also be the right solution for debtors who are sole traders, or self-employed. In most cases, entering into an IVA will allow you to carry on trading, making it a more attractive alternative to bankruptcy.

*Unsecured debt is any debt not secured on an asset such as a house. Typically it is credit card debt, loans, utility arrears etc.

Advantages

- Interest on your debts will be frozen
- You are protected against legal action from your creditors
- At the end of the IVA, any remaining unsecured debt is written off
- Unlike bankruptcy IVAs are not published in local papers
- Entering an IVA should not effect professional careers or prevent you from acting as a director
- You may be able to retain assets such as your home

Disadvantages

- You will need to stick to a budget for the term of the IVA
- You may be asked to release some equity from your property toward the last six months of your IVA
- IVAs are recorded on a register and are likely to appear on your credit file
- If you fail to maintain your agreed repayments, you could be made bankrupt

How much will I repay?

In an IVA, you repay only what you can afford to, for a fixed period - usually 5 years. Once the IVA period is complete, any remaining debt is written off.

The Process

Setting up an IVA is a straightforward process. Your IVA supervisor guides you through each step and communicates with your creditors on your behalf.

1. Assessment

When you contact our IVA team, we will assess your situation to see whether you are eligible to enter this type of agreement. If you are, one of our insolvency practitioners will “nominate” you for the IVA. This is simply part of the process and means that they feel an IVA is right for you.

2. Proposal

A proposal is then drawn up based on the information you provide and allows you to put forward the best offer of repayment you can afford. The offer could be a one-off lump sum payment (full and final settlement), or regular monthly payments over a fixed period, or a mixture of both. You won't have to deal with this yourself, we will assist you every step of the way.

3. Approval

A copy of your proposal is sent to each creditor and they are asked to vote to accept or reject the proposal. If a majority (more than 75%) accept, then the IVA is approved and will be legally binding for all creditors, even those who may have rejected the proposal. Over 99% of the agreements drawn up by McAlister & Co are accepted by creditors.

4. Payments

Once approved you simply start to make the agreed payments or lump sum and all phone calls and letters from creditors must cease.

5. Completion

When all of the agreed payments have been completed the remainder of the debt will be cleared.

If an IVA sounds like the right solution for you, call McAlister & Co. Our IVA team are friendly, understanding and efficient and your IVA could be set up within as little as six weeks.

Just by getting in touch, you are taking the first step in dealing with your unmanageable debt, and that's a great feeling!