

Sequestration / Voluntary Surrender

BECOME DEBT FREE THROUGH SEQUESTRATION

- **The Sequestration Process**, is a process whereby all your debts are written off,
- This will enable you to adjust your lifestyle to be in line with your total available budget.
- This means you will be able to regain normality in your life, without having to worry about creditors phoning you night and day, and legal actions taken against you, leading to unwanted house calls.
- YOU DON'T HAVE TO OWN PROPERTY
- YOU WON'T HAVE TO APPEAR IN COURT
- WE WILL NEGOTIATE ON YOUR BEHALF
- WE CAN HELP YOU TO BECOME DEBT FREE THROUGH THE **SEQUESTRATION PROCESS**

Sequestration in South Africa *without property*

Sequestration in South Africa is the surrendering of your estate, a process instituted by the court to help people that are no longer able to pay their debts due to uncontrollable circumstances.

Sequestration in South Africa enables you to regain normality in your financial affairs – where you can adjust your lifestyle to be in line with the available budget, without creditor headaches.

You will experience a normal lifestyle without the fear that creditors will phone you day and night from “private numbers” and therefore you can answer your calls fearlessly, and no more fear that the sheriff may make an unwanted house-call.

Herewith a short summary of the Cash sequestration process.

We publish an advert in the Government Gazette and the Burger. This will prevent any further legal procedures against you i.e. execution notices, seizure of your movable and/or immovable property, etc.

An ability statement is drafted that you must sign before a Commissioner of Oaths. This document is submitted for inspection at the Master of the High Court for 14 days or with the local Magistrate.

Thereafter a registered letter is forwarded to all your creditors as notice of the surrendering of your estate. Your creditors thus contact me for information. You will also be provided with the same notice to enable you to forward to nagging creditors.

The South African Revenue Services are also notified, even if you are not registered with SARS.

At the day of the Court proceedings an Advocate will represent you; there will be no need to attend any court hearing in person.

After the application has been approved and granted by the Court, a curator is appointed to handle all financial matters on your behalf. The curator will contact you to arrange a consultation to explain the details to you. If you live outside of Pretoria or Johannesburg a telephonic consultation will suffice.

The Court Rules determines that you pay 22c in a rand benefit to your creditors. In other words if you owe Creditor A, R1-00, they should get 20c thereof. If your total debt is R100 000-00 you pay R35300-00 - R200 000-00 you pay R57 000.00 and so forth (Please note that these are approximate figures). A fixed fee is already included in the amount payable and in doing so you will not be caught off-guard with unexpected attorney or curator costs. The benefit of this approach is that the repayment amount does not accrue interest. Arrangements may be made with the curator to settle the amount with them in instalments between 12 to 18 months, written permission is needed from the curator when the instalment agreement is accepted. Therefore, if you owe R100 000 you may repay it in instalments of R 2722-00 per month for 18 months – there are no further interest or costs on the money you owed.

The difference between Administration and the surrender of your Estate:

Sequestration	Debt Counselling	Administration
Application is brought in the High Court of South Africa. The application can be enrolled within five weeks.	Application is made in the Magistrate Court but it can take up to a year before it is enrolled.	Application is made in the Magistrate Court. Application is enrolled within two months.
Court rules entail that all creditors are included and that the court order must be accepted by all creditors	Debt is excluded that has already been handed over to attorneys for legal action.	“Cash loans” agreements are excluded from an administration and you have to still pay the monies outstanding.
No maximum debt for application to be lodged.	No maximum debt to apply.	The maximum debt for administration is R50 000.00
Should you owe for example an amount of R50, 000.00, you only pay back R18, 000.00 – it does not accrue interest.	You pay the entire amount plus interest and costs. This can take up to 30 years.	Should you owe for example R50,000.00 it still accrues interest and costs, in other words you will pay back approximately R132,000.00
No further debt can be made.	No further debt can be made.	No further debt can be made.
You pay the money direct to the curator.	Monies are paid to a distributing agent and they pay the creditors.	Your employer must give permission that the repayment amount is deducted straight from your salary.
Should you have a immovable asset (house), it will be sold by the curator to pay the creditors.	Should you have an immovable asset (house), you may keep it if the bank has accepted a minimum payment and legal action has not yet been taken.	Should you have immovable assets, you must still pay the premium sand can keep the property.

Disadvantages of surrendering your Estate:

- You will be insolvent for at least the next 2 to 4 years. There are circumstances where you can apply for rehabilitation after 18 months, keep in mind that this is an exception rather than the rule. For your insolvency period, you will not be credit worthy. You may receive permission from your curator in certain circumstances for example when you need to purchase a vehicle – this permission will not be granted before a window period of four months, and then the financial institution will require someone to stand as security, keep in mind it is a may and not a definitive.
- You may not have a cheque account or a credit card facility.
- You may under no circumstances engage in any debt arrangements.

Advantages of surrendering your Estate:

Your salary and other income is still your own and you do not have to pay any creditor.

Only your creditors are notified of the process and not your employer or any other person. You will not be discharged from your work because of it.

You will not have to attend Court.

Your curator can arrange with your financial institution (the bank) to keep your vehicle and if your instalments are up to date, to enter into a lease agreement. (Final decision remains with the financial institution)

It is of utmost importance to provide a 100% accurate list of all your creditors, to prevent unwanted red faces and difficult situations after sequestration.

Furniture is usually excluded from the insolvent estate (if excluded by Trustee);

Remuneration after sequestration does not form part of the estate (if excluded by Trustee)

Our Fees:

What differentiates us from other similar companies is we work first then get paid. The initiation costs to start of your application could be anything between R5, 000.00 & R8, 000.00 (this may change on rare occasions). We know that times are tough and therefore are willing to help. We will get all necessary documents in place and contact all debt institutes. We will also provide you with a copy of the registered letter in case some company is still harassing you after been notified about your process.

After all administration work has been completed we will need to launch the application and only then you will need to make your first payment. Payments can be paid once or can be arranged to be paid over 2 months.

Please note, that apart from the Quoted fee as above an monthly service fees of R200.00 or R300.00 (Depending on our quotation) fee will be debited from your account for the whole sequestration

process and period (Twenty four months) but will only start a month after your application have been successfully launched at the high court. This is Loans Acceptable commission and service fees, for assisting the client with the proses.

We receive our fees for the application for the insolvency only when the last instalment is made to the curator. Our disbursements for the application amounts to R6 800.00. We must pay the Advocate who attends Court on your behalf. The Government Gazette's costs amount to R80.00 and the Burger R800.00. We pay the valuator an amount of R3500.00. Then there is all the registered mail that is sent to your creditors – it amounts to R20.00 per letter. Not to mention all the telephone calls, faxes to creditors etc, which we send on your behalf. Banking details will be furnished to you.

We must receive the payment in the amount stipulated in the quote provided before I can commence with the application for the surrendering of your estate. As soon as you sign the documents, my disbursements commence. I cannot make arrangements with the Advocate, Valuator, Government Gazette and Burger etc., for payment of their accounts, as they want payment as soon as I give them instructions. Keep in mind that I will furnish you with a letter that will indemnify you from paying any debt. In order words this will enable you to pay the Quoted amount with ease. (You are welcome to test the market to see what other attorneys charge before any application or even a consultation is scheduled, usually it equates to around R18 000.00, and attorneys in Johannesburg / Midrand ask R30 000.00 to bring the application).

If it is impossible for you to make one payment, you may pay it over two months. But before we can start with the application the full quoted amount must be paid. I can give you all the documentation, but cannot bring the formal application before I have received the payment in full. It is company policy and I cannot make an exception – thank you for understanding.

All the points set out herein above are factual, no scaring or hidden agendas. Time is of the essence, especially when the Sheriff already knows your name – and therefore we must get the ball rolling. I can also, upon your request, furnish you with references of people who have already been sequestrated. (But this is confidential info)

We trust that you understand all info above mentioned and should you have any other questions do not hesitate to e-mail or contact us. Once you start the process your debt will be like last year OLD NEWS.