

Article #1

Personal Insolvency is a financial condition experienced by a person when their assets no longer exceed their liabilities. In other words you don't have enough monthly income to pay off your monthly debts. This can become an overwhelming experience that affects all aspects of a person's life.

This financial condition differs from bankruptcy in that bankruptcy is a settlement of the liabilities of a person or organization wholly or partially unable to meet financial obligations. The purposes are to distribute, through a court-appointed receiver, the bankrupt's assets equitably among creditors and, in most instances, to discharge the debtor from further liability.

Therefore personal Insolvency is a better way of paying off debt than bankruptcy in that a person can keep their hard earned assets such as house, car and household goods. While in bankruptcy all of these assets are taken away.

We at 123 debt solutions are here to help you through this unpleasant situation. We have a way for you to free yourself from the anxiety of being stuck in a situation that you can't get out of. This allows you a fresh start while maintaining the home and other assets that you have acquired.

You can feel proud for having found a way of paying your debts in a manner acceptable to the creditors. Imagine being able to spread those debts over a 5 year period, following which the remainder of your debt (up to 75%) is written off.

This type of protection begins with signing an Individual Voluntary Arrangement. An IVA is an official debt repayment plan that in most cases includes the freezing of interest, reduction in the total amount of debt owing, and legal protection from creditors as long as the terms of the IVA are adhered to.

Please contact us so that we can help guide you to financial freedom, it's as easy as 123. **Free Phone: 08000 114 123** or fill in our [online enquiry form](#).

Article #2

A Debt Management Plan (DMP) is an informal debt repayment arrangement, available in the United Kingdom, between a debtor and their creditors.

Debt Management Plans can be proposed by the debtor themselves or by a third party debt management organisation such as us at 123 debt solutions. Essentially, Debt Management Plans are a negotiated agreement between the debtor and their creditors with respect to an acknowledged outstanding debt that cannot be paid within the contractual agreements originally signed by the debtor.

For many people in the UK a Debt Management Plan is seen to be a way in which they can offer to repay what is owed to their creditors at a repayment rate that reflects the realistic affordability of the debtor.

However, as creditors are under no obligation to accept or agree to the terms offered by a debtor many DMPs do not actually achieve debt resolution for the debtor. This is largely due to the fact that the balance of power lies completely with creditors when deciding whether to reduce interest charges or late payment fees. The debtor usually has no ability to influence the decision of the creditors and this ultimately results in many debtors facing higher debt levels upon entering a DMP due to continuously accruing interest and late payments fees.

In the UK debt advisors such as us at 123 debt solutions are now promoting the Individual Voluntary Arrangement (IVA) as a better alternative to both Debt Management Plans and bankruptcy. An IVA is an official debt repayment plan that in most cases includes the freezing of interest, reduction in the total amount of debt owing, and legal protection from creditors as long as the terms of the IVA are adhered to.

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