

ADMINISTRATION ORDER

Under an Administration Order you make a single payment to the county court every month as payment for all the debts that are in your name and listed on the order. Your payments can be limited to 3 years so that you will only pay a percentage of what you owe to settle the debts. An application form can be obtained from your local county court.

At present you can only apply for an Administration Order if your unsecured debts total less than £5,000 and you have at least one county court judgment. There are special rules for Social Fund loans and benefit overpayments, which allow them to be included BUT deductions from your benefit can continue for as long as you receive that benefit.

The court takes a 10% handling fee out of your payments.

How do I apply for an Administration Order?

Ask for an Application for Administration Order form (Form N92) from your county court. They will also send you notes to help complete the form. {Bristol County Court: 0117 910 6725/910 6726}

Fill in the personal details on the front page.

Complete the list of your income and expenditure. Work out your weekly or monthly income and expenditure. Do not include any payments you are making to your creditors. Look only at your essential household bills and regular expenses on food, clothing, travel, etc.

List all of your debts, giving the address to which the court should write (this may be a

collection agency) and a reference/account number. If you have not heard recently from your creditors it is worth ringing them to check the balance still outstanding. Give also the case number and court name of the judgment(s).

How much should I offer to pay?

This should be the amount left over after you have allowed for all your normal expenditure. However, please note that Bristol County Court will not usually make an Administration Order for less than £10.00 per month.

Enter the amount you can afford to pay monthly.

How do I limit payments to 3 years?

In order to ensure that the amount you will be paying settles your debts within 3 years (what the court considers a "reasonable period") you should request a "composition order".

Ask for the composition order in the box at Part C which states: "If you wish the court to take anything else into account when making an order, please give details"

"I request a composition order in the amount of pence in the pound"

(or simply "I request a composition order" – the court will do the calculations for you)

(See overleaf for how to work out the composition.)

ADMINISTRATION ORDER cont'd

If you want to work it out, the "composition" is calculated like this:

divided by $\frac{\text{AMOUNT YOU PAY IN TOTAL}}{\text{TOTAL PAYABLE}}$

EXAMPLE:

Total of debts:	£4,000.00
Affordable monthly offer:	£20.00
So over 36 months you would pay:	£720.00
Less court fee 10%:	£72.00
Payment to creditors:	£648.00

To calculate the "composition":

$$\frac{£648.00}{£4000.00} = 0.162 \text{ or } 0.16 \text{ rounded down}$$

So the composition order would be 16 pence in the pound (£). This means that for every £1.00 of debt you would pay 16 pence. The rest would be written off.

Please note that Bristol County Court do not grant the composition order immediately. You need to ask for it again on review after 12 months of regular payments. Also, Bristol County Court will not make a composition order for less than 10 pence in the pound so the payment offer must reflect this.

Do not sign the form. Take the form and copy of the judgment(s) to the county court office. You have to sign the form in the presence of a member of the court staff.

What happens next:

The court will consider the application and inform your creditors.

If a creditor objects to being included in the order there may be a hearing at the court. This would only be a short hearing, not in public, and probably with only yourself and the district judge and perhaps a representative of one of your creditors present. Otherwise the court should make the order and, as long as you make the payments regularly, your creditors cannot take any further action against you.

Please note that payment methods are limited to sending a postal order, banker's/giro draft or, with the court's permission, cheque. Alternatively you can pay in person each month at the county court.

The Administration Order is itself a county court judgment and will be registered on your credit reference file. Once it has been paid, the entry on your credit file can be marked as "satisfied" if you obtain a Certificate of Satisfaction from the court.

If you have any queries please contact us on 0117 954 3990 for further advice and information.