



Exclusive
Connections

Full and Final Settlements

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Debt Statistics

Striking Numbers

£1m every 5 min – Growth in UK debt
£330m – Daily increase in UK debt
£56,234 – Average household debt (including mortgages)
£94.5bn – Amount of interest we pay each year
£1,400bn – Total UK debt

- Total UK personal debt at the end of November 2007 stood at **£1,400bn**.
- Average household debt in the UK is **£8,956** (excluding mortgages).
- Average household debt in the UK is **£56,234** (including mortgages).
- Average owed by every UK adult is **£29,500** (including mortgages). £190 increase from previous month
- Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,700** per average UK adult at the end of November 2007.
- Britain's personal debt is increasing by **£1 million every 5 minutes**.
- 60% of IVA's entered in to are by adults under the age of 30 and who are not homeowners

Source: Credit Action Today

Today in the UK:

- Consumers will borrow an additional £330m today
- The average household debt will increase by over £13.25 today
- 77 properties will be repossessed today
- 305 people today will be declared insolvent or bankrupt
- 2,750 County Court Judgements (CCJs) issued
- Bank and building societies will hand out £1bn in mortgages today
- Citizen Advice Bureaus will deal with **6,600 debt problems** today
- The average car will cost £15.42 to run today
- More than 7,716 loan repayments are going unpaid every day
- The average home will cost £30 today to run
- £526m will be withdrawn from cash machines today.
- 24.5m transactions worth £1.4bn will be spent on plastic cards today

Source: Credit Action Today

What do we do?

- Assess your full financial situation to provide the best option available to you from a range of products we offer
- Allow you to gain control of your finances by initially putting you on a debt management programme
- Administer your account on your behalf
- Liaise with your creditors on an ongoing basis
- Receive one monthly payment from you and distribute it to the creditors accordingly
- Review your file every three months to see there is another solution available to you

Product Options

- Debt Management
- IVA's
- Trust Deeds (Scotland only)
- Sale and Rent Back
- Full and Final Settlements
- Remortgage

How do they work to suit you?

Debt Management

- allows you to gain financial control of your situation, pay your household debts and your unsecured creditors at a reduced amount suitable to you.
- allows you to bring household arrears payments, such as your mortgage, up to date to prevent losing your home, whilst making minimal payments to unsecured creditors.

IVAs/1 day IVA/Trust Deed

- give you an end date to the situation you are in and allows you to gain control of your finances in a formal arrangement with the creditors lasting 60 months

Sale and Rent Back

- gives you the option to sell your property to a BTL investor, remain in the property by paying monthly rent and use the equity to pay off your debts

Full and Final Settlements

- allow you to pay off your debts at a reduced rate based on the capital you available

Remortgage

- allows you to release equity from your property to use to pay your debts off at a reduced rate

What is a Full and Final Settlement?

Our full & final settlement solution is where our highly skilled & experienced advisors negotiate with the creditors to pay a lump sum which is less than the full balance that is owed on the debt. In return for having a lump sum payment the creditor agrees to write off the rest of the debts. This is effective in instances such as the client has come in to some money or have some savings set aside. Sometimes a friend or relative offers to put forward a lump sum to help the client pay off the creditors. Their circumstances may be very unlikely to change for the better in the future.

Typically, we negotiate to get as much written off in 'full and final settlement' as possible, and our average reduction is to settle the unsecured debts at 70 pence in the pound.

We can do full and final settlements for our clients if they are doing a remortgage to consolidate debt, a secured loan or a sale and rent back.

EXAMPLE

Client who has been in debt management with us for the past 6 months owes a combined total of £22,000 spread across two personal loans, 3 credit cards, 1 store card and 1 catalogue. Our expert department successfully negotiate and settle all debts at an average of 70p in the £1. Therefore we have settled the debts in full for £15,400.



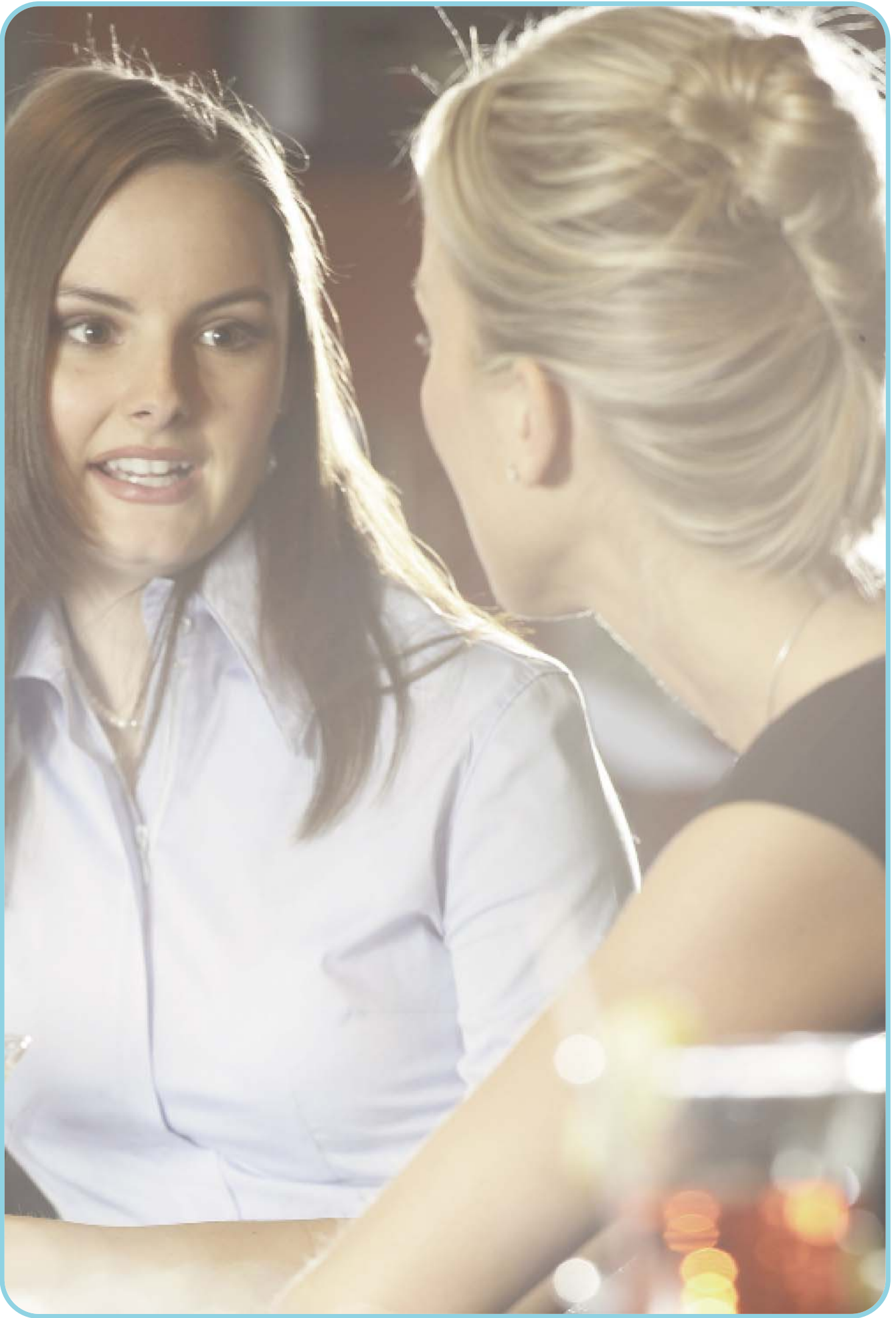
Full and Final Settlement Questions and Answers

Am I suitable for this product?

Homeowners are the best candidates for this product. You may have a sufficient amount of equity in your property so a remortgage or secured loan may well be required to raise the lump sum in order to help us effect full & finals.

Will I be asked to pay the difference between the settlement figure and the outstanding balance at anytime in the future?

No. When the debt is settled you will be sent a letter saying that no outstanding monies are owed. It is important to keep the letter safe as proof you have paid your debt.





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