

Personal Insolvency

Where a person finds they are unable to pay their debts and the pressure of creditors aggressively pursuing their money becomes overwhelming, then there are generally the following options that a debtor may consider:

1. Debt Arrangements where a debtor will attempt to strike an informal deal with creditors to repay part or all of the debt.
2. Part X ("Part Ten") where a debtor seeks a release from creditors by entering a formal debt arrangement under the Bankruptcy Act which may involve a part or full payment of all debts.
3. Part IX ("Part Nine") which enables low income debtors with few assets to make a formal debt arrangement under the Bankruptcy Act.
4. Bankruptcy where a person seeks relief under the Bankruptcy Act and a full release from debts (with a few exceptions).
5. Composition which enables a debtor to obtain a release from debts by reaching a compromise with creditors after they have entered bankruptcy.

Associated issues

- Bankruptcy & builders in Queensland
- Bankruptcy & directors of company's
- Bankruptcy & obtaining credit
- Bankruptcy & wills/estates

It is essential that consideration be given to all of the debtor's circumstances before proceeding with an option to ensure it will achieve the desired outcome and ensure that the debtor is fully aware of the adverse consequences of each option.