

DRO Qualifying Conditions – Advisers / Intermediaries Check List

1	Debts are £20,000 or less (do not include student loans, magistrates' fines, maintenance arrears, child support arrears, or liability to pay damages)	
1a	<u>Rent Arrears</u> : include as a qualifying debt – do NOT include repayments in the Financial Statement, these should be covered by net disposable income (up to £50/month)	
1b	<u>Council Tax Arrears</u> (especially if Liability Order): include as a qualifying debt – check for ALL Council Tax Account Numbers and Council Tax years – if paying CT by instalments, liable to full amount if 1+ instalments missed	
1c	<u>Benefits Overpayments</u> : include as qualifying debts – any deductions from benefits must stop during moratorium (will these push net disposable income above £50/month?) – schedule letters to creditors asking for deducted amounts to be added to client's ongoing account for <i>immediate</i> post-DRO action	
1d	<u>Social Fund Loans</u> (Crisis Loans and Budgeting Loans) – Enter the debt, but mark as EXCLUDED	
1e	<u>Water Arrears</u> :– – if charged by Rateable Value, whole amount for the year is qualifying debt (but client may get a new water bill for the remainder of the year post-DRO based on apportioned charges) – if metered supply, only arrears up to meter reading near DRO date can be included	
1f	<u>Hire Purchase / Conditional Sale</u> :– Goods NOT an asset but a qualifying debt – may be omitted (but need to notify DRO Unit if included on Experian Report) – HP Arrears ARE a qualifying debt, and must be included – ONLY an allowable expense if basic domestic needs (i.e. omit from Financial Statement) – will this cause net disposable income to go above £50/month?	
2	Assets are £1000 or less (a car worth up to £1,000 can be ignored – a car that has been adapted for a client with disability can be ignored even if worth more than £1,000)	
2a	<u>Parker's Guide</u> (www.parkers.co.uk/cars/used-prices) for cars under 10 years old (Condition: Private / Poor) <u>Wisebuyers Guide</u> (www.wisebuyers.co.uk/motoring/used-car-prices/) – a hassle-free guide for older cars	
2b	– Client does not own his/her home	
2c	– If Pension Fund, ONLY 'approved' personal or occupational pension registered under section 153 of Finance Act 2004 – Pension Tracing Service for 'lost' pension https://www.gov.uk/find-lost-pension	
3	Available income is £50/month or less, based on client's income ALONE – If joint finances, client's net disposable income should be pro rata to client's actual contribution to total household income – CFS with documentary evidences	
4	Living in England or Wales or has lived or carried on business in England or Wales in last 3 years	
5	Insolvency Service website:- http://www.insolvencydirect.bis.gov.uk/eiir/	
5a	– Not bankrupt – No IVA – No Bankruptcy Restrictions Order/Undertaking – No Debt Relief Restrictions Order/Undertaking – No DRO in the last 6 years	
5b	No Interim Order made in respect of the debts	
5c	No Creditor's Bankruptcy Petition (unless petitioning creditor has agreed to a DRO)	
5d	No Debtor's Bankruptcy Petition (unless referred by court for DRO)	
6a	No preference shown to a creditor in the last 2 years* [NB Payment by a 'third party' (e.g. relative) is acceptable].	
6b	No asset disposed of at an undervalue (includes gifts)* *NB this will not necessarily lead to a refusal of a DRO it will be up to the Official Receiver who will look at each case on its own merits. Refer to your approved intermediary	
7	Client has verified they have a viable Current Account post-DRO (i.e. Current Account is not with a creditor bank or building society)	