



Take Back Control With **Bankruptcy**



Take Back **Control**

The Revive Financial Difference

When Choosing a Debt Management Solution provider, it is important to make the right choice.

Not all Debt Management Solution providers are the same. We want you to be comfortable with your choice. After all it's your financial future - you need to know you are in the best possible hands.

Revive Financial is well recognised as an industry leader in providing Debt Management Solutions.

Industry Warning

Beware of Debt Solution providers who do not provide their qualifications or Australian Credit Licence Numbers.

If you have any questions about Revive Financial, its qualifications or licences speak to your Customer Success Specialist. We will be happy to provide the relevant information including qualifications, licences, customer reviews or case studies.

Revive Financial Group are:



Registered Debt Agreement Administrators with the [Australian Financial Security Authority \(AFSA\)](#), a government body who regulate Debt Agreement Administrators



Australian Credit Licence holders and are required to adhere to all responsible lending requirements with the [Australian Securities and Investment Commission \(ASIC\)](#)



We are a member of the [Australian Financial Complaints Authority](#)



We are a member of the [Personal Insolvency Professionals Association](#)



We have [Bankruptcy Trustees](#) who are registered with AFSA and members of ARITA



We are members of [Chartered Accountants](#) Australia and New Zealand



We are a registered [Tax Agent](#)



Our customers appreciate our services – check out our [Reviews](#), [Google Reviews](#) and [Facebook Profiles](#)

About Bankruptcy

Bankruptcy is often the last resort for people experiencing financial difficulties in Australia. However, in the right circumstances, Bankruptcy can release a person from their financial obligations and offer instant relief and peace of mind.

By declaring Bankruptcy, you are legally declaring to your creditors that you do not have the financial means (either in money or assets) to repay the debts you owe. As a result, you will have a Bankruptcy Trustee appointed to manage your Bankruptcy estate. Your trustee will determine your net assets and income and the amount of such to be set aside for your estate and distributed to your creditors.

This may sound restrictive, but the thresholds are set to a level allowing you to live reasonably comfortably before having to liquidate your assets or contribute part of your income towards your estate.

There are a number of restrictions and obligations you must adhere to during your state of Bankruptcy. However, for people struggling with overwhelming debt, the benefit of wiping your slate clean and starting your financial life afresh is worth the inconvenience. Bankruptcy generally lasts for 3 years, but may have an impact on your financial life for some years to follow. As soon as you declare Bankruptcy, your name is listed on the National Personal Insolvency Index (NPII). This is a register of everyone who has declared Bankruptcy in Australia and your name will be listed on this Index for life. While it is mostly used by financial institutions, it can be accessed by anyone for a small fee.

Your Bankruptcy will also be marked on your credit file for the longer of 5 years from the date you became bankrupt, or 2 years from when your Bankruptcy ends. Once your Bankruptcy has ended, your credit file will be updated to reflect you are a discharged bankrupt. During this time, you may still find it difficult to secure new financing.

How to Qualify for Bankruptcy

Anyone who is residing in Australia and is experiencing extreme financial hardship can declare Bankruptcy. There is no minimum or maximum debt amount.

The Official Receiver may reject your application if you have been bankrupt in the last 5 years, if you have declared Bankruptcy multiple times or if you are solvent but unwilling to repay your debt.

How Does A Bankruptcy **Work?**



Complete and submit the official Bankruptcy document provided by AFSA

To declare Bankruptcy, you must complete the official Bankruptcy documents provided by the Australian Financial Security Authority (AFSA) and submit them with a number of supporting documents. The Bankruptcy application form can be submitted to AFSA through the Bankruptcy Online Portal, or by post. Once the Bankruptcy Form has been submitted to AFSA, you and your creditors will receive official notification of your Bankruptcy by way of a Bankruptcy number. You can quote this number to any creditors after the date of Bankruptcy, who must now cease their contact and recovery action.



A Bankruptcy Trustee will be assigned to your file

A Bankruptcy Trustee will also be assigned to your file and will be sorting through your documentation, checking for any errors or irregularities. Your Trustee will also:

- Make arrangements to access value in assets above threshold amounts (some assets can be retained).
- Mandate contributions from your income over a threshold.
- Investigate your financial affairs and may recover property or money that you have transferred to others prior to your Bankruptcy.



You will be obliged to comply with a number of rules during the Bankruptcy period

During the Bankruptcy period, you will be obliged to comply with a number of rules. These include, but are not limited to:

- Notifying the Trustee of all changes in name, address and contact details.
- Applying to Trustee for written permission to use your passport.
- Notifying the Trustee of any change in income during the term of your Bankruptcy, especially if your new income is close to certain income threshold limits.
- Notifying the Trustee if you inherit any property, win money or receive any assets whilst you are Bankrupt.
- Cooperating with your Trustee and provide all information as requested, failure to do so may extend the term of your Bankruptcy.

Benefits of a Bankruptcy

-  You are freed of your obligation to repay your provable debts and have a clean slate from which to rebuild your finances.
-  Your creditors are notified of the Bankruptcy and unsecured creditors will stop pursuing you for payment of your debts.
-  You may be able to continue to operate a business whilst Bankrupt, however if you trade under an assumed name (ie. partnership or firm name) you must disclose that you are Bankrupt to everyone that you deal with. However, you cannot be a director of a company.
-  You may keep most ordinary household or personal items as well as:
 - Tools used to earn an income up to a set limit.
 - Vehicles, cars & motorbikes less than set limit.
 - Most funds held in registered superannuation fund.
 - Compensation for a personal injury.
 - Asset held by you in trust for another person (ie. Child's bank account).
 - Awards of a sporting, cultural, military or academic nature.

Consequences of a Bankruptcy

- You may have difficulty securing finance and aren't permitted to borrow more than a set amount during the Bankruptcy period.
- Your credit file will be impacted during the Bankruptcy period, plus a further two years.
- Your name will be listed on the National Personal Insolvency Index for life.
- You cannot be a director of a company or be involved with its management without permission of the Court.
- You may not be able to remain employed in particular trades or professions.
- Some certificates/licenses may be affected.
- You may be prevented from continuing any court action that you have started.
- Your trustee may pursue current or future assets to benefit your creditors including:
 - Houses, apartments, land, farm & business premises including leases.
 - Motor vehicle other than exempt ones (see above).
 - Shares & other investments including shares held in your employers business.
 - Tax refunds for income earned before you became Bankrupt.
 - Proceeds of a deceased estate where a person dies before or during your Bankruptcy.
 - Lottery winnings and competition prizes.

You Could **Keep Your Home**

One of the biggest potential consequences of declaring bankruptcy is losing your family home. This is often the case as bankrupts are not permitted to hold value in property whilst clearing their debts through Bankruptcy. But depending on your circumstances, there may be a way you can protect your family home under bankruptcy. You, your spouse/partner or another party may be able to purchase your share of the equity as an alternative to the trustee selling the property. The equity could be purchased through a lump sum amount paid to your Trustee, or could be paid through a number of installments over a period (eg. weekly payments over 1 or 2 years).

For example, if your home is worth \$550,000 and your mortgage is currently \$500,000 there is \$50,000 of equity in your property. If you and your spouse purchased the home together, your share of the equity is \$25,000. Your spouse could pay the Trustee the amount of \$25,000 either as a lump sum or over a period through installments (eg. \$250 per week over 2 years). The house will then be wholly owned by your spouse and not in your name, removing it from your bankrupt estate. Provided the repayments on the mortgage are maintained, you will be able to keep the family home.

Debts which may be included

Certain debts will still need to be paid during Bankruptcy, these include penalties & fines imposed by a court, damages from accidents (unless they have been liquidated), HECS/HELP student loans, debts incurred by fraud, child support / maintenance and any new debts after your Bankruptcy commences.

Your Bankruptcy will not affect a creditors right to pursue another person such as a person who is guarantor for your debts or if you have debts in joint names with another person (ie. your spouse / partner). The Australian Taxation Office (ATO) may keep your tax refund and offset it against any debt you owe the Commonwealth (ie. ATO or Child Support Agency).

Unsecured creditors generally lose the right to recover their debts. Any legal action taken against you by an unsecured creditor must stop. If creditors continue to demand that you pay their debt immediately inform your trustee. Secured creditors may contact you to find out what will happen to an asset. You may be able to make arrangements to keep a secured asset, such as your home.

Please Note:

All debts incurred after the Bankruptcy date will still need to be repaid by you.

Bankruptcy Process and Costs

Step 1: Submit Application

To declare Bankruptcy, you need to submit the completed Bankruptcy Form (Statement of Affairs) to AFSA through the Bankruptcy Online Portal, or by post. We collect the required information from you, your creditors and other sources to ensure the forms are completed correctly and ready to be submitted. This ensures your Bankruptcy is as stress free as possible, and you enter Bankruptcy with

a clear understanding of all actual and potential benefits or consequences of Bankruptcy based on your individual circumstances. Our Professional Fee for Bankruptcy includes initial customer engagement, preparation of documentation, explanation of documents, creditor liaison and assistance with submission.

Costs: A Professional Fee is collected during Phase 1. Our Professional Fee is \$750 and collected prior to issuing you the finalised Bankruptcy documents.

Step 2: Implement Solution

Once your file has been built and your Professional Fees have been paid, your Bankruptcy Documents are sent to you with instructions to have your signature witnessed by an authorised witness, before posting the completed Bankruptcy Form to the Australian Financial Security Authority (AFSA). Within 7 days of submitting your documents you will be issued an official Bankruptcy Number. You can then quote this number to your creditors to advise them you have declared Bankruptcy and they can no longer pursue you for payment.

Timeframe: 21-35 days.
When you receive your Official Bankruptcy.

Step 3: Take Back Control

Number, you will also be assigned a Trustee. Over the next two weeks your Trustee will review your Bankruptcy Application, check your documents, advise your creditors of your Bankruptcy and check any errors or anomalies in your paper work. Once the Trustee is satisfied with your application they will go through your history to ensure you have declared all your assets and that you haven't sold or handed your assets over to another party prior to your Bankruptcy. If you have any assets exceeding the Indexed amounts, such as a vehicle or property, the Trustee will also list this asset for sale and distribute the proceeds to your creditors.

Timeframe: Typically, 3 years and 1 day.

Customer Journey

Step 1

Submit Application 1 - 2 days

Complete our online application process to provide the details of your financial circumstances, receive information on your personalised financial solution, stop harassing phone calls and begin your journey towards financial freedom.

Step 2

Implement Solution 21-35 Days

Your personal Customer Success Specialist will finalise your application and present to your creditors for consideration.

Step 3

Take Back Control 3 - 5 years

Enjoy the financial relief provided by your personalised solution.

Provide information on your financial circumstances via online application

Receive your personalised financial solution and engage Revive Financial

Review of your application details by our internal Compliance Team

Finalised proposal signed and presented to your creditors for consideration

Your finalised proposal is accepted by your creditors

We collect your affordable repayments and distribute to your creditors

Take Back Control

What You Need To Provide

When you decide to proceed with your Bankruptcy, your Customer success manager will send you some forms to complete and request the following:

- ☐ Copy of Drivers Licence or Passport.
- ☐ Evidence of current and previous 12 months Income
- ☐ Settlement Statements for any property sold within the last 5 years (if applicable).
- ☐ The completed Bankruptcy Questionnaire provided by your Customer success manager.
- ☐ Recent statements and letters of collection on all loans and debts. Or at the very least, Account Numbers for all debts. Full disclosure of all debts is very important.

The Next Step

If you would like to proceed with a Bankruptcy, follow this simple 3 Step Process:

- Step 1** Please read, sign and return the enclosed Direct Debit & Service Authorities.
- Step 2** Provide requested documentation and arrange to have sufficient funds available to pay our Professional Fee.
- Step 3** Receive your Bankruptcy Forms, sign the Bankruptcy Forms (with an authorised witness) and post forms to AFSA to begin your Bankruptcy.

Once you complete our 3 Step Process you will receive further instructions from us to progress your file to the next stage.

If you have any questions or queries throughout our engagement process, please feel free to give us a call on **1800 534 534**.

Debt Management Solutions **Comparison Table**

	Part IX (9) Debt Agreement	Informal Agreement	Part X (10) Personal Insolvency Agreement	Bankruptcy
Legislative Framework	Legislated under Bankruptcy Act 1966	Responsibilities of creditors regarding consumer hardship are outlined in NCCP Act 2009 and Codes of Conduct	Legislated under Bankruptcy Act 1966	Legislated under Bankruptcy Act 1966
Total value of unsecured debts which can be included	The value of unsecured debts cannot exceed \$143,652.60*	No Restriction, however the amount of debt needs to be realistically repayable	No Restriction	No Restriction
Term of Agreement	Generally 3-5 years	Generally 5-7 years	Generally 5 years by installments. Determined by the Debtor	3 years, but can be longer at Bankruptcy Trustee discretion
Debts which can be included	Provable Unsecured Debts	No restriction. Secured or contingent debts can be negotiated, however creditors retain the right to repossess assets	Provable Unsecured Debts	Provable Unsecured Debts
Earning capacity	After tax income cannot exceed \$ 107,739.45* pa at time of lodgment. No restrictions on increased capacity during agreement	No Restriction, however the agreement is negotiated based on earning capacity being insufficient to repay debts (hardship).	No restriction. Can include income contributions in proposal at Debtors discretion	A Bankrupt with no dependents must repay 50c/\$1 earned over \$71,826.30* pa after tax. Income thresholds increase with number of dependents
Operating a business	Some industries, professions or licenses have restrictions or disclosure obligations relating to those in a Debt Agreement	No Restriction	Business – No Restriction – can form part of proposal that business can continue to trade. Company – Cannot manage a company until PIA is completed	You cannot be a company director or involved in it's management without permission of the court. Complete exclusions apply to some professions & licenses.
Can I own real estate/ property?	Yes, up to \$287,305.20* in net asset value (above amounts owed against them)	Yes, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debts (hardship)	Debtor can include in proposal or not at their discretion	The Bankruptcy Trustee can claim any real estate/ property you own as an asset
Value of the vehicle I drive	Refer to 'Other asset restriction'	Refer to 'Other asset restriction'	Refer to 'Other asset restriction'	\$9,400.00* maximum net value
Other asset restriction	Can keep home, cars, tools for work and other assets up to \$287,305.20* in total net asset value*	No Restriction, however the agreement is negotiated based on the fact assets cannot be easily sold to repay debt	No restrictions. Debtor can include what assets in the proposal at their discretion	The Bankruptcy Trustee can claim any assets where protection up to set thresholds is not offered under the Bankruptcy Act 1966
Credit Rating & National Personal Insolvency Index (NPII)	Where you complete the agreement (by discharging your obligations per S185N of the Bankruptcy Act) the longer of 5 years or 1 month from the finish date.	No formal listing, however credit providers retain the ability to list a credit default for 5 years due to breaches of original credit contracts	Listed on Credit History for 5 years from commencement of agreement, listed on NPII for life	Listed on Credit History for 5 years, listed on NPII for life
Applying for a loan	Ability to obtain further credit is affected temporarily by credit history and NPII listings	Applying for further credit after proving hardship to existing creditors may jeopardize negotiated agreement	Ability to obtain further credit is affected temporarily by credit history and NPII listings	Ability to obtain further credit may be effected indefinitely depending on lender policies. Cannot borrow over \$7,032.00* without disclosing currently Bankrupt
Overseas travel	No Restriction	No Restriction	No Restriction	Subject to approval by the Bankruptcy Trustee
Inheritances and windfalls	No Restriction to any financial improvement after agreement is accepted	No Restriction, loans can be renegotiated to settle for less than 100c/\$1 if a lump sum becomes available. Hardship remains a requirement for success	No restrictions, Debtor can include or not at their discretion	Will be taken by Bankruptcy Trustee up to the value required to pay out debts included in Bankruptcy inclusive of trustee fees and interest

*Figures as at 20 September 2024 ([AFSA indexed amounts](#))

Frequently Asked Questions

When will my creditors stop calling me?

Once your Bankruptcy is accepted by AFSA and your Bankruptcy begins, your creditors will be notified of your Bankruptcy and contact will cease. Should you receive contact from any creditors after your Bankruptcy is accepted, you should simply provide them with your Bankruptcy Number and end the call. If creditors persist, your trustee can be contacted to address the creditor on your behalf.

Our aim is to work with you to finalise your Bankruptcy Forms as quickly as possible, ensuring your Bankruptcy starts and finishes as quickly as possible, and you experience relief from creditors as early as possible

Can I stop a garnish on my income before the Bankruptcy is finalised?

By completing and lodging a Form 5 - Declaration Of Intention To Present A Debtor's Petition, you may be able to delay your wage being garnished for 21 days.

Will I be allowed to travel overseas?

Permission via an online application form. You will generally also need to pay an application fee. Traveling

overseas without permission or staying for longer than your allowed time can result in your Bankruptcy being extended to 5 or 8 years.

Will I be allowed to borrow money once my Bankruptcy has finished?

Yes.

Your credit file will be impacted during the Bankruptcy period, plus a further two years. However, we have access to a number of affiliate lenders who will lend to individuals who are discharged bankrupts.

Will Bankruptcy affect my employment or income?

The Bankruptcy Act does not impose direct restrictions on employment but certain industry associations and licensing authorities impose restrictions, should a member or licensee become Bankrupt. You should check with your relevant licensing authority or professional organisation to determine any impact on your ability to continue in that trade or profession prior to applying for Bankruptcy. Your employer should not be notified, however we recommend reviewing the terms of your employment to ensure you do not have any contractual obligation to remain solvent with your employer.

Your income will be capped depending on your situation (For example, the threshold for people with dependents is higher than the threshold for a single individual). Any money earned above the set threshold will become a contribution and be distributed among your creditors. If you are made redundant or receive a pay-out after losing your job, some of that money can also be made a contribution and distributed to your creditors.

Will I be allowed to keep my house?

A Bankrupt person is not allowed to own property if the value of that property (in excess of secured loans) can be used to satisfy any debt amounts included in your Bankruptcy. There are ways you may be able to keep your family home. You, your spouse/partner or another party may be able to purchase your share of the equity as an alternative to the trustee selling the property. The equity could be purchased through a lump sum amount paid to your Trustee, or could be paid through agreed installments during the Bankruptcy.