

CONSULTATION QUESTIONNAIRE (Page One)
Low Income, Low Assets – a new route into Bankruptcy

The deadline for responses is **25 June 2007**

Your details

Name

Job title (if applicable)

Organisation (if applicable)

Address

Postcode

e-mail address

HAMILTON CITIZENS Advice Bureau
67 ALMADA STREET ALMADA TOWER HAMILTON
ML3 0HQ

For the purpose of analysing responses, it would be helpful if you would also indicate the capacity in which you are completing this questionnaire, please tick as appropriate.

Advice Sector

Business

Individual

Insolvency Practitioner

Legal Body

Professional Body

Statutory Body

Other (Please Specify) _____

Questions for Consultation

1a Do you agree with the proposal to treat someone in receipt of an income based Social Security benefit as having no income for the LILA scheme?

Yes No

1b Do you think £100 (gross) is the appropriate level for the purposes of calculating low income?

Yes No

1c If not, please state what you would consider to be the appropriate level e.g. £150, £200 and why?

Where there is insufficient disposable income to apply for a Trust Deed.

1d How should the level determined be calculated, e.g. gross income at date of application or gross weekly income averaged over 6 month or 12 month period?

Income should be averaged over future 12 month period

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1e Should Child Tax Credit be disregarded in the calculation of income?

Yes No

1f Should any other benefits or tax credits be disregarded in the calculation of income?

Yes No

1g If so which benefits or tax credits should be disregarded?

All benefits & tax credits

2a Do you think £1,000 is the appropriate level for the purposes of calculating assets?

Yes No

2b If not, please state what you would consider to be the appropriate level, and why (for example, linking to other limits in use in diligence).

£2000 Various reasons e.g. value of average case is at least £2000

2c Should excluded assets only be those which would be excluded from bankruptcy?

Yes No

2d If not, which other types of assets should be included or excluded?

As per bankruptcy legislation, which requires clarification. e.g. client could have very expensive excluded item such as

2e Do you agree that anyone who owns their own house or other property should TV be excluded from the LILA scheme? (luxury goods?)

Yes No

2f If not, why?

Nobody should be excluded. However, restrictions in certain circumstances may be appropriate. Such as mortgage costs & equity in house.

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3a Should there be a different debt threshold for LILA applications?

Yes No

3b If so, at what level should it be set?

£1500

4a Do you agree that a simple on-line process should be the usual means of applying for bankruptcy through the LILA scheme?

Yes No

4b If not, what forms of applications should be allowed and why?

Paper application, On line application is too easy to make mistakes and does not allow space/time to fully consider client's circumstances.

4c Do you think that the proposed £50 fee is reasonable?

Yes No

4d If not, what kind of fee structure would be appropriate? (please consider issues such as deterrence, consistency with other applications, waivers for specific groups of debtors, higher costs of administering hard copy applications)

Depends on availability of legal aid.

4e Do you agree that a Statutory Declaration by a debtor should be sufficient for a debtor's application?

Yes No

4f If not, what else should be required and why?

proof of income & debts

4g Do you have any other suggestions for the LILA process which you would like us to consider?

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5a Do you agree that there should be a delay between the date of application and an award of bankruptcy?

Yes No

5b If no, why not?

max time ~~#~~ shouldn't be any different from current time
maximum as per Trust Deed. i.e. 21 days.

5c If yes, is 5 weeks a reasonable period of delay?

Yes No

5d If you do not agree that 5 weeks is a reasonable period, what alternative would you suggest and why?

See above.

5e Should the debtor be able to withdraw their application during this period?

Yes No

5f Should the creditor be entitled to object to an application during this period?

Yes No Please clarify, this implies that creditors have prior knowledge of applications.

5g If so, should grounds for objection be restricted to the accuracy/honesty of the debtor's averment of low income and low assets?

Yes No only on grounds accuracy & honesty in relation to income & assets.

5h If not, what other grounds for objection be considered?

None.

6 Do you have any other comments?
