

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

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

**Your details**

Name	[REDACTED]
Job title (if applicable)	[REDACTED]
Organisation (if applicable)	[REDACTED]
Address	[REDACTED]
Postcode	[REDACTED]
e-mail address	[REDACTED]

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	<input checked="" type="checkbox"/>	Legal Body	<input type="checkbox"/>
Business	<input type="checkbox"/>	Professional Body	<input type="checkbox"/>
Individual	<input type="checkbox"/>	Statutory Body	<input type="checkbox"/>
Insolvency Practitioner	<input type="checkbox"/>	Other (Please Specify) _____	<input type="checkbox"/>

**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  *but income based should be changed to means tested.*

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?

*level should depend on disposable income, should also increase annually, level should also depend on if a Trust Deed has been inappropriate, hence need for*

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?

*12mth period but not retrospective.*

*LILA route*

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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 or tax credits should be disregarded.

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

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

Yes  No  but need clarification on blanket assets eg TVs, consider average values.

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

\_\_\_\_\_

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

Yes  No

2f If not, why?

No excluded but should be restrictions regarding mortgage payments, value of house and equity. LILA scheme may be unsuitable for owners re property and money advisers, AIB, insolvency practitioners could pick this up and filter them out at a later date.

**CONSULTATION QUESTIONNAIRE (Page Three)**  
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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?

£1,500 - to allow clients with smaller debts access to LILA route to sequestration.

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  some people have no online access.

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

Paper applications.

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

Yes  No  some clients cannot afford this.

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)

Legal aid should be available for those who qualify.  
— Specific groups of debtors would benefit from fee waivers.

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?

Should get money advice, documentation regarding debts and a financial statement.

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

Clearer guidelines regarding income needed - is this likely to be disposable income?

**CONSULTATION QUESTIONNAIRE (Page Four)**  
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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?

*There should be no delay. Creditor objection could be problematic for debtors. At present there is no delay. Shouldn't be any different from current bankruptcy legislation*

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?

*No delay.*

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

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

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

\_\_\_\_\_

6 Do you have any other comments?

\_\_\_\_\_

## RESPONDENT INFORMATION FORM: LOW INCOME LOW ASSETS – A NEW ROUTE INTO BANKRUPTCY

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name:

Postal Address:

1. Are you responding: (please tick one box)
- (a) as an individual  go to Q2a/b and then Q4
- (b) **on behalf of** a group/organisation  go to Q3 and then Q4

### INDIVIDUALS

- 2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?

Yes (go to 2b below)

No, not at all

(We will treat your response as confidential)

- 2b. Where **confidentiality is not requested**, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

Yes, make my response, name and address all available

Yes, make my response available, but not my name or address

Yes, make my response and name available, but not my address

### ON BEHALF OF GROUPS OR ORGANISATIONS:

- 3 The name and address of your organisation **will be** made available to the public (in the Scottish Executive library and/or on the Scottish Executive website). Are you also content for your **response** to be made available?

Yes

No  (We will treat your response as confidential)

### SHARING RESPONSES/FUTURE ENGAGEMENT

- 4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

Yes

No