**What is an administration order?**

An administration order is a formal, legal debt solution which means it's approved by the court and your creditors have to stick to it. It requires two or more debts, yout debts no more than 5000 pounds in total, and a court judgement, if you don’t have a county court judgment or high court judgment, you need to wait for one of your creditors to take court action against you. As soon as judgment is entered you can apply for an administration order.

**What debts administration order include?**

The law does not specifically exclude any particular debt from an AO and when you apply for an AO, you must list all your debts in the application. However, any creditor can object to being included. It is up to the district judge to decide if any debts are left out.

If a debt is left out, it still counts towards the £5,000 total.

**Is an administration order right for you?**

Here is a quick comparison:

|  |  |
| --- | --- |
| Requirement | Your debt situation |
| At least 2 debts | \*\* insert number debts \*\* |
| Max £5,000 debt | £{{ debt\_total }} |
| One of your debts is a county court or high court judgment | {{ is\_court\_debt }} |
| You have a regular income with some spare income each month | £ {{month\_disposble\_income }} disposable income |
| You don't want to have to deal with your creditors directly | {{change\_creditor }} |

* There is no up front fee for AO, The court keeps 10% of your monthly payment to cover their costs, you said your you said {{cost\_will}}
* Administration orders are entered on the Register of Judgments, Orders and Fines and stay on the register for six years. This information also appears on your credit file. When the administration order ends, the court will change the record on the register to say the administration order has been paid off. Your preference {{credit\_will}}
* If you are a home owner, you wont be expected to sell it or remortgage it to pay into your administration order. It will be safe. However some courts will not grant an administration order to home owners or people with a mortgage – you will need to check the practice of your local court.

**How does repayments work in an administration order?**

The court will look at your financial situation and tell you how much you should pay each month. You have to pay the monthly amount to the court who will then distribute the money to your creditors.

If you can't afford to repay all your debt over a reasonable time (usually 3 years), you can ask for a composition order. This means you only pay part of the debt. If you stick to the repayments, the rest of the debt is written off at the end of the time limit.

**What happens at the end of an administration order?**

An administration order lasts until the debts are cleared and the court fees paid. If there is a composition order, there will be a time limit on how long you pay for, usually 3 years. At the end of that time, you no longer owe the debts in the administration order. At the end of the AO, you can ask the court for a certificate of satisfaction which costs £15.

For more information, please visit Citizens Advice [www.citizensadvice.org.uk/debt-and-money/debt-solutions/administration-orders/administration-orders-explained/what-is-an-administration-order/](http://www.citizensadvice.org.uk/debt-and-money/debt-solutions/administration-orders/administration-orders-explained/what-is-an-administration-order/)