**What is an individual voluntary arrangement?**

An individual voluntary arrangement (IVA) is a formal and legally binding agreement between you and your creditors to pay back your debts over a period of time. This means it’s approved by the court and your creditors have to stick to it.

An IVA can be flexible to suit your needs but it can be expensive. An IVA must be set up by a qualified person, called an insolvency practitioner. This will be a lawyer or an accountant. The insolvency practitioner will charge fees for the IVA. These can often be high and are based on the amount you pay back through the IVA.

**Is an individual voluntary arrangement right for you?**

1. Your debts should be to more than £10000 or more, as the cost of IVA usually high, you said {{cost\_will}}.

2. If you own a home, most IVA agreements include a requirement for you to get a valuation of your home in the final year. If there is equity in the property, you'll usually need to raise a lump sum to put into the IVA by re-mortgaging your home. Equity is the money you'd make from the sale of a property, after any mortgage or secured loans are paid off. You shouldn't have to sell your home to raise the lump sum. If you think you are being asked to sell your home, get specialist advice straight away. you preference on house is {{home\_will}}.

3. Having an IVA may affect any future income or assets that you receive. For example, if you decide to move house while you have an IVA, any money you make from the sale may have to be paid into the IVA. You said: {{change\_will}}.

**What debts are included in an individual voluntary arrangement?**

• catalogues

• personal loans

• overdrafts

• credit cards

• gas and electric arrears

• Council Tax arrears

• water arrears

• payday loans

• store cards

• income tax and national insurance arrears

• tax credit or benefit overpayments

• debts to family and friends

• other outstanding bills, for example solicitor's costs, invoices for building work and vets bills

**What debts are not included in an individual voluntary arrangement?**

• Maintenance arrears that have been ordered by a court

• Child support arrears

• Student loans

• Magistrates' court fines

• Social fund loans

• TV license arrears

**How do repayments work in an individual voluntary arrangement?**

If you decide to get an IVA, you will work out a repayment plan with the insolvency practitioner. This could be monthly payments, a lump sum, or a combination of both.

The repayment plan should be based on an amount you can reasonably afford, and the creditors will need to agree to it. If you're making monthly payments the IVA will usually last for 5 or 6 years.

Any repayments will be paid directly to the insolvency practitioner. They will then distribute the money to your creditors. Some of this will be kept by the insolvency practitioner to pay their fees.

If the payments you make aren’t enough to pay your debts in full by the end of your IVA, you won’t have to pay the rest. The insolvency practitioner should advise you about this.