



# Debt Management



Debtor should be:

- 1) willing to seek help
- 2) revisit his debt management strategies
- 3) stick to a debt-management plan

## Tips for Social Workers



Ensure debtor is not borrowing anymore

- Make sure debtor is spending within his means
- Look at areas where debtor can cut back on expenditure



Cut interest rates

- Seek debt counselling
- Help debtor re-negotiate payment without further increase in interest rate



Pay off highest debt rates first

- With the debtor, list down all debts in order of interest rates
- Focus on paying off the debt with the highest interest rate first



Negotiating payment

- Contact creditor and request for interest-free repayments
- Search for debt consolidation loans
- Collaborate with credit counsellor to lower interest rates

Crisis debt situations have devastating impacts on clients at both personal and relational levels. Basic debt management knowledge is thus important for social workers to help clients through the process.



<http://tinyurl.com/helpingthosewithdebt>