



PEOPLE WILL NEED TO GO BANKRUPT

Insolvency plan 'not worth it' say experts

FINANCE experts believe hard-pressed punters will be forced to opt for bankruptcy — rather than engage in strict personal insolvency arrangements.

The **Association of Expert Mortgage Advisors** think people put to the pin of their collars will not willingly engage in the method of debt forgiveness — which would see debts repaid over a five-year period — because of punitive restrictions.

Instead they say people's preference is to go for bankruptcy rather than live by the proposed restraints of the plan.

"The answer we are getting is that if such guidelines are introduced, which no doubt the banks will also adopt for restructuring mortgages, then it will not be worth the sacrifice to keep the family home," insolvency expert DJ O'Donovan explained.

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He added: "To take away the benefit of what are deemed normal living expenses is pushing these people into making the ultimate decision to go bankrupt so that they can regain control of their lives."

The new personal insolvency arrangement is for people with debts of €20,000 to €3m.

