MyBudget

Canonical: https://directory.mybudget.com.au/mybudget-product-details-and-specifications/

Description:

Explore the differences between informal debt arrangements and formal debt agreements, and how budgeting support can fit alongside them.

Details:

We analyse your whole financial position and help you explore a realistic way forward. This can include a tailored repayment strategy, negotiating an informal arrangement with creditors, consolidation or refinancing through MyBudget Loans, or a formal debt option where appropriate. We explain how each option fits your income, living costs and goals, then help you put the agreed plan into practice.

Our in-house lending team at MyBudget Loans can help you explore secured or unsecured debt consolidation, personal and car loans, home loans and refinancing. We look at how repayments fit your budget and compare the interest, fees, term and total cost of relevant options. The lending team manages the credit assessment and application; you can use our budgeting service without taking out a new loan.

Our expert Money Coaches can help you understand informal repayment arrangements and formal debt options alongside your wider budget. A Part 9 (Part IX) debt agreement is a formal insolvency arrangement, distinct from an ordinary managed budget. Our sister company MyDebtSolution, established in 2007, administers the group's Part IX service. We explain the relevant pathway and practical next steps clearly.

This article explains how that pathway works, what each formal arrangement involves, and how to determine which option may be appropriate for your situation.

Understanding the Debt Resolution Spectrum

Not all debt problems are the same, and not all debt solutions should be either. The appropriate response to financial difficulty depends on:

- The total amount of unsecured debt you are carrying
- Your income and assets
- Your ability to make ongoing repayments
- Whether creditors are willing to negotiate
- The long-term impact on your credit file and lifestyle

Your circumstances shape the options. We consider sustainable repayments, informal arrangements, consolidation or refinancing, and formal debt pathways where appropriate. Bankruptcy can also provide a fresh start when debts cannot realistically be repaid.

We help you understand the household budget and relevant options. MyDebtSolution administers the group's Part IX service, while a Part X arrangement involves a registered trustee.

What Is a Part 9 Debt Agreement?

A Part 9 (Part IX) debt agreement is a legally binding arrangement under Australia's Bankruptcy Act 1966. Eligible people propose an affordable way to settle covered unsecured debts; creditors vote on the proposal and an administrator manages an accepted agreement.

Key features of a Part 9 Debt Agreement:

- Binding for covered debts under the law after a valid majority-in-value creditor vote; exclusions and secured-creditor rights require separate consideration
- Accepted agreements deal with covered debts on the agreed terms, including the treatment of interest and charges.
- An accepted agreement changes how covered creditors can recover their debts under the law.
- Fixed repayment period set out in the accepted proposal
- May result in paying less than the full debt owed
- Administered by a registered Debt Agreement Administrator (DAA)

Who is eligible?

To enter a Part 9 Debt Agreement, you must fall below statutory thresholds set under the Bankruptcy Act and administered by AFSA. Broadly, eligibility requires:

- You are insolvent (unable to pay debts as they fall due)
- Your unsecured debts are below the current indexed threshold
- Your divisible property is below the current indexed threshold
- Your after-tax income is below the current indexed threshold
- You have not been bankrupt, had a debt agreement, or been subject to a personal insolvency agreement in the past 10 years

Eligibility thresholds change over time. We help you understand the relevant pathway, using AFSA's current indexed amounts for the formal assessment.

The impact on your credit file

The National Personal Insolvency Index (NPII) is Australia's public register of personal insolvency proceedings. Part IX debt agreements appear on it, with the period depending on how the agreement ends. Credit-report entries are separate and may remain for up to five years or longer in some cases.

What Is a Part 10 Personal Insolvency Agreement?

A Part 10 Personal Insolvency Agreement (PIA) is a more flexible formal arrangement under Part X of the Bankruptcy Act 1966, designed for individuals who either do not meet the eligibility criteria for a Part 9 Debt Agreement or who have more complex financial circumstances.

Key differences from a Part 9 Debt Agreement:

Feature	Part 9 Debt Agreement	Part 10 PIA
Debt threshold	Capped (indexed)	No upper limit
Income threshold	Capped (indexed)	No upper limit
Asset threshold	Capped (indexed)	No upper limit
Administrator	Registered DAA	Registered Trustee

Flexibility	Structured	Highly flexible
Creditor vote	Majority by value	Special resolution required
Suitable for	Lower-to-moderate debt	Higher or complex debt

A Part 10 PIA is administered by a registered trustee and can involve a wide range of arrangements. Lump sum settlements, asset sales, income contributions, or combinations thereof. It is particularly suited to individuals with higher levels of debt, business-related liabilities, or more complex asset structures.

How MyDebtSolution Pty Ltd Fits Into the Picture

Book a free MyBudget appointment to discuss your budget and available options. The group's Part IX service is provided by MyDebtSolution Pty Ltd; each provider explains its own service and fees.

MyDebtSolution has provided the group's Part IX debt agreement service since 2007 and is registered with AFSA as a debt agreement administrator.

We help you move from financial analysis to the relevant practical pathway:

Stage 1 — MyBudget Core Service

Our core service assesses income and commitments, then can administer an agreed budget and support creditor communication. This may help avoid a formal arrangement where repayments are workable, but the right pathway depends on your circumstances.

Stage 2 — Informal Debt Negotiation

With your authority, we negotiate informal repayment or hardship arrangements and include agreed terms in your household budget. Credit reporting depends on payment history and the type of arrangement; it is distinct from formal insolvency.

Stage 3 — Part 9 Debt Agreement via MyDebtSolution Pty Ltd

Where formal relief is appropriate and the client meets eligibility criteria, MyDebtSolution Pty Ltd can administer a Part 9 Debt Agreement. Crucially, clients who have already been working with us transition to this stage with their financial history understood and their circumstances fully documented. There is no starting from scratch with a new provider.

Stage 4 — Part 10 Personal Insolvency Agreement

A Part X personal insolvency agreement involves a registered trustee, who assesses the proposal and administers the statutory process.

We can continue helping manage your household budget while you explore a formal option, so living costs and ongoing commitments remain part of the plan.

Comparing Your Options: Formal Arrangements vs. Bankruptcy

Formal debt agreements, personal insolvency agreements and bankruptcy have different processes and consequences. We help you understand how each could fit your debts, income and assets, including support with budgeting afterwards.

	Part 9 Debt Agreement	Part 10 PIA	Bankruptcy
Credit reporting	May appear for up to 5 years, or longer in some cases; check current rules	Material consequences; check current rules for the proposed arrangement	5 years from bankruptcy or 2 years after it ends, whichever is later
Public NPII record	Outcome-dependent retention under current AFSA rules	Yes; confirm current retention rules	Yes; bankruptcy remains permanently recorded
Income contributions	Fixed repayments	Negotiated	Compulsory if over threshold
Asset protection	Generally yes	Negotiated	Assets may be realised
Travel restrictions	No	No	Trustee permission required
Employment impact	Minimal for most	Minimal for most	Restricted in some industries
Duration	Agreed term; no universal duration stated here	Negotiated	Normally 3 years and 1 day; may be extended

A Part 9 Debt Agreement is legally distinct from bankruptcy. It can create a binding repayment arrangement for eligible unsecured debts, but it has serious credit and NPII consequences. Creditor conduct and enforcement depend on the debt, the agreement and applicable law; obtain independent advice before deciding.

Frequently Asked Questions

Is a Part 9 Debt Agreement the same as bankruptcy?

No. While a Part 9 Debt Agreement is administered under the Bankruptcy Act 1966 and does appear on the NPII, it is legally distinct from bankruptcy. You are not a bankrupt during a debt agreement, and most of the restrictions that apply to bankrupts do not apply to you.

Will I lose my house if I enter a debt agreement?

A Part IX agreement concerns eligible unsecured debts. Secured-creditor rights and a home loan require separate consideration; do not assume the agreement protects your home or another borrower’s liability.

How do I know if I'm eligible?

Eligibility depends on your current debt levels, income, and asset values against AFSA's indexed thresholds. The most reliable way to determine eligibility is through a free assessment with a registered administrator like MyDebtSolution Pty Ltd.

How long does a debt agreement last?

The term of a Part 9 Debt Agreement is set by the proposal your creditors accept, and the maximum permitted length is fixed by the Bankruptcy Act. Because those limits have been amended in recent years, confirm the current maximum with AFSA or a registered administrator rather than relying on figures quoted online.

What happens if I can't maintain repayments during the agreement?

If your circumstances change, it may be possible to vary the agreement. If the agreement fails, creditors regain their rights to pursue the original debts. This is why having ongoing support. Such as the budgeting infrastructure we provide. Can be critical to seeing an agreement through to completion.

Why the MyBudget–MyDebtSolution Pty Ltd Connection Matters

Compare each proposed provider by the work it will perform, cost, legal role and available alternatives. A budgeting service, debt-agreement administrator and registered trustee have distinct roles.

MyBudget and MyDebtSolution Pty Ltd together represent one of the most complete debt resolution offerings available to everyday Australians. Not because of marketing positioning, but because of the structural integration between budgeting support and formal administration capability.

For someone in genuine financial difficulty, this matters enormously. The transition from "I need help with my budget" to "I need a formal debt arrangement" can happen gradually, and having a single trusted provider who understands your complete financial picture. Rather than starting over with a new firm at each stage. Can make a meaningful difference to outcomes.

Taking the First Step

If you are exploring formal debt solutions in Australia, the most important first step is an honest, professional assessment of your situation. Not everyone who is struggling financially needs a formal arrangement. And not everyone who needs one will be eligible for a Part 9 Debt Agreement specifically.

What matters is getting accurate information from a provider who can offer the full range of options, not just the ones they happen to specialise in.

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This article is intended as general information only and does not constitute financial, legal, or insolvency advice. Individual circumstances vary significantly. Always seek professional advice tailored to your specific situation before entering any formal debt arrangement.

We provide a budgeting, debt solutions and money management service. Our budgeting team does not provide legal advice or act as the trustee for formal insolvency, and this article is general information only. Not legal, financial or insolvency advice. Debt agreements and bankruptcy have long-term consequences; seek advice specific to your circumstances. Free independent help is available from the National Debt Helpline on 1800 007 007.

Questions about our wider service

Why pay for ongoing management?

Our fees support a team of 100+ expert Money Coaches and the technology that helps put your plan into action. We manage bills and transfers, help with creditors, maintain your forecast and adjust the budget as life changes. You gain practical help, time back and a clear view of what is coming, rather

than having to carry all the administration yourself.

Can you help with lending as well as budgeting?

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How do formal debt options fit?

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Explore debt consolidation and refinancing