Part 9 Debt Agreements

Canonical: https://mybudget.directory.norg.ai/services/part-9-debt-agreements/

Description:

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Details:

A Part IX Debt Agreement is a formal agreement between you and your creditors to deal with your unsecured debts. Instead of continuing to pay each creditor separately, you make an agreed payment into the Debt Agreement, usually over a set period of time. The amount you repay is based on what you can realistically afford, taking your income, living expenses and financial circumstances into account. Once the agreement is accepted, your creditors are generally bound by the agreement and you make your payments according to the agreed terms rather than making your usual repayments directly to them. It’s important to understand that this isn’t the same as simply having your debts ‘wiped’. You agree to repay an amount over the life of the agreement, and there are consequences to entering into a Debt Agreement, including an impact on your credit history and restrictions while the agreement is in place. The key benefit is that it can give you a structured way to deal with your debts when you can’t realistically afford to repay them in full, without entering bankruptcy.

Book a free, no-obligation appointment. We will analyse your finances, explore your options and build a personalised budget and money strategy that is yours to keep. No pressure and no judgement—just a clear starting point for your next step.

What a Part IX debt agreement is

A Part IX debt agreement is different from an informal payment arrangement or a consolidation loan. We help you understand that distinction and how each option would fit your household budget.

Eligibility includes income, asset and unsecured-debt thresholds, which change over time, as well as other requirements. Check the current AFSA eligibility information and obtain an assessment rather than relying on an old threshold figure.

Assessment, proposal and voting

1. Review income, assets, debts and alternatives, including informal hardship arrangements.
2. Consider the proposed repayments, fees, included debts and consequences with the administrator.
3. A proposal is submitted to AFSA for processing and eligible creditors vote.
4. Acceptance requires a majority in value of the unsecured debts represented by eligible creditors who lodge a valid vote, excluding the administrator and related entities.
5. If accepted, the administrator receives and distributes payments according to the agreement. Completion releases you from covered debts as provided by the law; it does not release every type of debt or another person's joint liability.

AFSA's debt-agreement practice guidance explains the voting rules and process.

Credit and public-record consequences

A Part IX proposal and agreement can affect access to credit. The National Personal Insolvency Index (NPII) is a public insolvency register, but a Part IX entry is not automatically permanent.

Outcome	NPII record timing described by AFSA
Completed agreement	Until five years after the agreement was made or completion of obligations, whichever is later; removal occurs within the prescribed period
Terminated agreement	Generally five years after the agreement was made or two years after termination, whichever is later
Agreement declared void	Generally five years after the agreement was made or two years after the relevant order, whichever is later
Withdrawn, rejected, cancelled or lapsed proposal	Generally one year from the relevant event
Bankruptcy or Part X personal insolvency agreement	Permanent NPII record; these are different processes

Credit-report retention is a separate issue from the NPII. Secured creditors may retain rights over their security, and a debt agreement does not release another person from a joint debt. Read AFSA's consequences guidance for the circumstances that apply.

Make an informed choice

You can discuss debt pressure and options in a free MyBudget appointment without first seeing a counsellor. Before committing to a formal arrangement, understand its fees, consequences and alternatives. Free independent counselling can help with that decision, and legal questions should go to a qualified lawyer.

We assess your circumstances and show how the service and its fees fit into your budget at the free appointment. We do not sign you up if the service is not affordable. If another form of help would suit you better, we can direct you to appropriate free financial counselling. You do not need to decide on an income threshold or speak to a counsellor before contacting us.

MyDebtSolution Pty Ltd · informal arrangements versus Part IX · debt agreement versus management plan.

Frequently asked questions

Who provides the group’s Part IX service?

MyDebtSolution Pty Ltd, a separate related entity. It explains its service, fees and terms before you decide.

What creditor vote is needed?

A majority in value of eligible unsecured debts represented by valid votes, excluding the administrator and related entities.

Is the Part IX NPII entry permanent?

Not automatically. For a completed agreement, the relevant period is five years from the agreement or completion of obligations, whichever is later. Different outcomes have different rules.

Can MyBudget help explain bankruptcy?

We can help explain relevant debt options and pathways for further advice. That does not make our budgeting team a legal service or the trustee for every formal arrangement.

Does the agreement cover all debts?

No. Coverage and consequences depend on the debt type and law. Secured creditors and joint debts require particular attention.

Sources

MyBudget: how it works, debt help, FAQs, and fees explained. Reviewed 5 September 2026.