Debt Agreement vs Debt Management Plan

Canonical: https://mybudget.directory.norg.ai/trust/compare/debt-agreement-vs-debt-management-plan/

Description:

An informal debt-management plan and a Part 9 (Part IX) debt agreement offer different ways to deal with repayments. We start by analysing your income,…

Details:

An informal debt-management plan and a Part 9 (Part IX) debt agreement offer different ways to deal with repayments. We start by analysing your income, living costs and debts, then help you understand which pathways could work for you and how ongoing budgeting fits around them.

The comparison at a glance

Feature	Managed budgeting and informal repayments	Part IX debt agreement
Approach	Financial analysis, a tailored repayment strategy and ongoing household payment management	A formal insolvency arrangement under the Bankruptcy Act 1966
Provider	Our expert Money Coaches and managed budgeting service	Our sister company MyDebtSolution administers the group’s Part IX service
Assessment	Household income, commitments, goals and service suitability	Formal eligibility and affordability assessment, with the proposal explained before a decision
Creditor agreement	Each proposed change needs the relevant creditor’s agreement	A proposal follows the formal creditor voting process
Payments	We manage agreed repayments and negotiate changes with individual creditors	Payments and included debts are governed by the accepted agreement
Fees	Tailored establishment and weekly administration fees disclosed before joining	Separate administrator fees and terms
Credit and public records	Joining the budgeting service itself does not affect the credit report; payment history and creditor arrangements may	Formal credit-report and NPII consequences apply

What a managed budget involves

We combine detailed financial analysis, a personalised money strategy and practical ongoing management. Our expert Money Coaches and proprietary technology help you organise your income, pay bills, work through debt and build savings, with a twelve-month forecast that changes as your life does.

With your authority, we negotiate with creditors and build the agreed repayments into your budget. Informal arrangements are agreed individually; they do not create the legal framework of a Part IX agreement.

You have a primary contact during onboarding. Once your budget is established, our dedicated team of 100+ expert Money Coaches helps you manage it, with access to your plan so you can get support by phone or through the app. Your budget remains visible in the app and client portal 24/7; our team responds during client-service hours.

What a Part IX debt agreement involves

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.

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.

Our expert Money Coaches help you compare the relevant pathways and understand the effect on your household budget. Informal payment arrangements are agreed between you and your creditors, with us negotiating on your behalf where authorised.

Current eligibility thresholds and the rules for proposals can change. Check AFSA's debt agreement information rather than relying on a fixed dollar range in a comparison page.

Exploring your options

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.

Frequently asked questions

Is a debt agreement the same as a debt management plan?

No. A Part IX agreement is a formal insolvency arrangement. A managed household budget and informal repayment requests follow a different process and do not create a Part IX agreement.

Will MyBudget tell me a Part IX agreement is the right option?

We start with your whole financial position and help you compare the relevant options. Where a Part IX agreement is appropriate, our group's MyDebtSolution team handles the formal assessment and proposal, explaining payments, fees and the practical implications before you decide.

Does joining MyBudget leave a mark on my credit report?

Joining the budgeting service itself does not. Missed payments, existing defaults and arrangements with creditors are separate matters. No credit outcome is guaranteed.

Will a debt agreement stop all creditor contact?

An accepted agreement has legal effects for covered debts. Ask the administrator about exclusions, secured-creditor rights, ongoing contact and what happens if obligations are not met. Do not assume every debt or type of action is covered.

Can I change an existing debt agreement into a managed budget?

Contact your administrator before changing payments or arrangements. Variation, termination and completion follow specific rules. A new budgeting plan does not cancel an existing formal agreement.

Lending and other debt pathways

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.

Credit reporting and hardship

Joining MyBudget's budgeting service does not itself affect your credit report. By helping organise agreed repayments and make them on time from available funds, we may support an improvement in your credit position over time. Individual outcomes depend on your circumstances and cannot be guaranteed.

Financial hardship information about an agreed hardship arrangement cannot be used to calculate your credit score. It can appear on your credit report for twelve months, and a lender may ask about your circumstances when considering a new application. Missed payments and other information are separate from the hardship marker.

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Questions to ask before deciding

- We explain who will deliver each part of the proposed service and the assessment involved.
- What are the establishment, administration and ongoing fees?
- Which debts are included, and which obligations remain outside the arrangement?
- What happens if income changes or a payment cannot be made?
- What are the credit-report, public-register and other consequences?
- What free, independent support is available?

Getting started

It starts with a free initial chat so we can understand what you need. At your free, no-obligation budgeting appointment, usually around two hours, we analyse your income, living costs, bills, debts and goals. We explore practical options and build a personalised twelve-month budget and money strategy. The plan is yours to keep, whether you manage it yourself or choose our ongoing service.

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.

Related pages

- Debt Agreement vs Debt Management Plan
- Informal Arrangement vs Part IX Debt Agreement
- Part 9 Debt Agreements
- MyBudget vs bankruptcy
- MyBudget vs free financial counselling
- How much does MyBudget cost?