

CITY OF CAPE TOWN

CREDIT CONTROL AND DEBT COLLECTION POLICY

This Policy has been formulated in terms of section 96 (b) of the Local Government: Municipal Systems Act, 2000.

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CHAPTER 1: GENERAL

1. Definitions

- (1) In this Policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the City of Cape Town: Credit Control and Debt Collection By-law has the same meaning, and -

“240L Container (Wheelie bin)” means a wheeled waste container with a capacity of 240L, provided by this Municipality for the storage and disposal of waste in areas identified for containerisation, as more fully defined in the Tariff Policy;

“child-headed household” means a household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children;

“conversion of balances of old dormant accounts” means accounts carried forward from the previous municipalities which now form part of the City of Cape Town on which no further transactions, other than interest, if any, have been recorded;

“Finance Management Act” means the Local Government: Municipal Finance Management Act, 56 of 2003;

“household income of housing debtor” means the total gross income of both the debtor and the debtor’s spouse or partner and a percentage of the gross income of any other occupants of the property, where applicable;

“indigent amount” means the applicable indigent subsidy as determined by the Municipality from time to time;

“municipal valuation” means the value of the property as determined in terms of the Property Rates Act;

“non-residential debtors” means the state, owners and lessees of non-rebated properties and debtors who do not qualify for, or receive free electricity or water; in terms of Tariff Policy and Rates Policy, for domestic consumers;

“prepayment meter” means a meter that can be programmed to allow the flow of pre-purchased amounts of energy in an electrical circuit;

“Problem Building Strategy Policy” means the City of Cape Town: Problem Building Strategy Policy;

“Property Rates Act” means the Local Government: Property Rates Act, 6 of 2004;

“rate” or “rates” means a municipal rate on property as envisaged in section 229 of the Constitution;

“Rates Policy” means the City of Cape Town: Rates Policy;

“residential debtors” means debtors who may qualify for and who may receive free water or free electricity as determined by Tariff Policy and Rates Policy for domestic consumers;

“special rating areas (including City Improvement Districts)” means special rating areas including City Improvement Districts as defined in the Property Rates Act;

“sundry debt” means any debt other than rates, housing, metered services, sewerage and refuse removal;

“Tariff Policy” means the City of Cape Town: Tariff Policy;

“this policy” includes the Credit Control and Debt Collection By-law; and

“water management device” means a device designed to manage the water flow, water consumption or water needs of a residential property or any other property as determined by Council.

2. Object

The object of this Policy is to-

- (a) focus on all outstanding debt as raised on the debtor’s account;
- (b) provide for a common credit control and debt collection policy;
- (c) promote a culture of good payment habits amongst debtors and instil a sense of responsibility towards the payment of accounts and reducing municipal debt;
- (d) subject to the principles provided for in this Policy, use innovative, cost effective, efficient and appropriate methods to collect as much of the debt in the shortest possible time without any interference in the process.
- (e) effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy.

3. Principles

This policy supports the following principles:

- (a) Human dignity must be upheld at all times;
- (b) This policy must be implemented with equity, fairness and consistency;
- (c) Details related to the debt and the account of the debtor should be correct at all times;

- (d) Debt and arrangements to repay debt will be treated holistically, but different repayment periods or methods may be determined for different types of service, debtors or areas within the general rule that the repayment period should be in sympathy with the instalments and the affordability of the debtor be proved;
- (e) The implementation of this policy is based on sound business practices and applicable legislation;
- (f) New applications for services will be subject to prescribed credit information and outstanding amounts may be transferred to the new account. All information furnished on the application form may be verified by the Municipality with any or all data information institutions, credit information bureaux and any financial institutions as may be deemed necessary by the Municipality in determining the applicant's credit worthiness. The Municipality reserves its rights to share bad payment behaviour as determined from time to time;
- (g) Where alternatives are available the Municipality may provide reduced levels of service to manage the debt growth;
- (h) Debtors may be referred to 3rd party debt collection agencies and may be placed on the National Credit Rating list;
- (i) If an account is not paid by the due date, one month will be allowed to elapse before interest is charged. Interest will be equivalent to a full month from this date for each month, or part thereof, that the account is overdue;
- (j) For purposes of an arrangement a debtor may be required to co-operate with any reasonable measures that might be required to reduce their level of use of consumable services to affordable levels;
- (k) The terms and conditions as contained in any prescribed form or document utilised in implementing this policy, forms part of this policy and is incorporated therein as specifically stated;
- (l) Debtors who pay their accounts by means of a credit card transaction, and where the value of the payment is R3 000,00 or more, or an amount as determined by Council when determining tariffs, will be liable for the cost of the transaction as passed on to the Municipality by the financial institution.
- (m) The suspension of any debt management action, when interrupted for whatever reason, shall, where practical, continue from the previous action taken.
- (n) Service of documents and processes may be in accordance with section 115 of Systems Act.
- (o) All legal costs, including attorney-and-own-client costs incurred in the recovery of arrears, shall be levied against the debtors account.
- (p) Where a company, closed corporation, trust or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986) is in arrear to this Municipality, the liability for such arrears shall be extended to the directors or members thereof jointly and severally.

4. Employer deductions

Whenever an agreement in terms of section 8, of the City of Cape Town's Credit Control and Debt Collection By-law, is concluded with an employer the Municipality may pay a commission to the employer, the amount of which will be determined from time to time.

5. Councillor and municipal staff arrears

- (a) Staff arrears will be dealt with in accordance with Schedule 2 of the Systems Act, and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period.
- (b) In accordance with Schedule 1, item 12A of the Systems Act, a Councillor of the Municipality may not be more than 3 (three) months in arrears for municipal service fees, surcharges on fees, rates or any other municipal taxes, levies and duties levied by the Municipality. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the Municipality shall deduct any outstanding amount from such Councillor's remuneration after this 3 (three) month period.

6. Credit control

- (1) All new applications for the provision of a service may be subject to the payment of a deposit based on the applicant's municipal payment history with a minimum deposit as per the tariff.
- (2) Any adjustment to the basic deposit will be determined by the debtor's Municipal payment record.
- (3) The applicant may be required to undergo a full credit check in an endeavour to trace all debt inclusive of municipal debt owed by the applicant. This will require the provision of, inter alia, acceptable means of identification and if applicable, binding lease agreement, title deed and other supporting document as required by the Municipality from time to time. The relevant application form as approved by the Municipality from time to time forms an integral part of this Policy insofar as the contents of such application form are not in conflict with any of the provisions of this Policy.
- (4) Application for services for businesses, including but not limited to, trusts, companies, close corporations, partnerships, sole proprietors and government institutions should be approved subject to the provisions of sub-item (1) above. The application must include the

submission of a resolution delegating authority to the applicant and furnishing, if applicable, the business entity's registration number or Trust Reference Number (T number) with the Master of the High Court. The names, addresses and all relevant contact particulars of all the business's directors or members or trustees or proprietors or partners must be submitted with the resolution. The relevant application form as approved by the Municipality from time to time forms an integral part of this Policy insofar as the contents of such application form is not in conflict with any of the provisions of this Policy.

(5) The Municipality shall not conduct any business activity with or provide any services to any persons who are in arrears with municipal accounts except as provided for in policy and as determined by the Municipality from time to time, nor will any refunds of credits be made to any debtor who is in arrears with their Municipal account.

(6) Contract guarantees

(a) Introduction

In terms of sub-clause 192.6 of the City of Cape Town: Supply Chain Management Policy, compiled in terms of section 111 of the Finance Management Act, financial guarantees may be required on behalf of contractors to secure certain performance and advance payment obligations of a contractor.

(b) The City Manager may accept a contract guarantee from a registered bank or insurance company having one of the following ratings from the credit rating agencies indicated:

- (i) Banks: a short term rating of F1 (Fitch Ratings), A1 (Global Credit Rating Co.) or Prime-1 (Moody's).
- (ii) Insurers: a claims paying ability rating of A- or above from Global Credit Rating, or A3 or above from Moody's.

(c) A 100% cash deposit may be accepted as a contract guarantee in lieu of a paper guarantee.

(i) No interest will be payable while the deposit is held by the Municipality

(d) The City Manager may add or delete, temporarily or permanently, the name of a financial institution to or from the list of approved guarantee providers, notwithstanding the absence or presence of an acceptable credit rating, if he or she is satisfied or unsatisfied as to its credit worthiness in a particular instance.

(e) The list of financial institutions referred to in sub-item (d) above shall be posted on the website of this Municipality.

(f) The format of the guarantee, as referred to in this sub-item, shall be as approved by Council and forms part of this policy.

(g) A guarantee shall exclude a suretyship.

(7) Service guarantees

(a) Introduction

In terms of this policy deposits should be made by way of cash payments. Council however recognises that for large and very large electricity users guarantees may be accepted in place of cash deposits.

- (b) The City Manager may accept a service guarantee as provided for in this sub-item.
 - (c) Item 6, (6), (b), (c), (d), (e), (f) and (g) read with the necessary changes as the context may require, apply to the conditions of service guarantees.
- (8) Rental guarantees
- (a) The City Manager may accept a guarantee for deposits in terms of a lease agreement as provided for in this sub-item.
 - (b) Item 6, (6), (b), (c), (d), (e), (f) and (g) read with the necessary changes as the context may require, apply to the conditions of rental guarantees.
- (9) Guarantees against potential damages
- (a) The City Manager may accept a guarantee against potential damages to this Municipality, as provided for in this sub-item, for any reason.
 - (b) Item 6, (6), (b), (c), (d), (e), (f) and (g) read with the necessary changes as the context may require, apply to guarantees against potential damages.

7. Disputes

- (1) In this item “dispute” refers to the instance when a debtor questions the correctness of any account rendered by the Municipality with the City Manager as per the process contained in sub-item (2) below.
- (2) In order for a dispute to be registered with the Municipality, the following procedures must be followed:

By the debtor

- (a) The dispute must be submitted in writing or dictated to the official who will record it in writing and have it read, and if necessary, corrected, it must be signed by the disputant as correct. The document must then immediately be lodged with the relevant authorised official.
- (b) No dispute will be registered verbally whether in person or over the telephone.
- (c) The debtor must furnish full personal particulars including all their account numbers held with the Municipality, direct contact telephone numbers, fax numbers, postal and e-mail addresses and any other relevant particulars required by the Municipality.
- (d) The full nature of the dispute must be described in the correspondence referred to above.
- (e) The onus will be on the debtor to ensure that he receives a written acknowledgement of the receipt of the dispute.

By the Municipality

- (a) On receipt of the dispute the following actions are to be taken:
 - (b) All disputes received are to be recorded in a register kept for that purpose. The following information should be entered into this register:
 - (i) debtors account number;
 - (ii) debtors name;
 - (iii) debtors address;
 - (iv) full particulars of the dispute;
 - (v) name of the official to whom the dispute is given to investigate and resolve in accordance with the provisions contained in this Policy;
 - (vi) actions that have, or were, taken to resolve the dispute;
 - (vii) signature of the controlling official.
 - (d) An authorised controlling official will keep custody of the register and conduct a daily or weekly check or follow-up on all disputes as yet unresolved.
 - (e) A written acknowledgement of receipt of the dispute must be provided to the debtor.
- (3) The following provisions apply to the consideration of disputes:
- (a) All disputes must be concluded by the City Manager.
 - (i) The City Manager may require any official or disputant to attend any meeting in order to assist with the investigation relating to the facts surrounding the dispute;
 - (ii) the City Manager has the right to call for any document, book, computer data or record which in his/her sole discretion is deemed necessary to assist in determining the facts surrounding the dispute.
 - (b) The City Manager's decision is final and will result in the immediate implementation of any debt collection and credit

control measures provided for in this Policy after the debtor is provided with the outcome of the dispute.

- (c) The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.
 - (d) Should a debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act.
- (4) The Municipality reserves the right to declare a dispute on any account as may be deemed necessary.

8. Accounts

- (1) In terms of section 102 (a) of the Systems Act this Municipality deems all separate accounts of a person liable for payment to this Municipality, to be consolidated, regardless of the fact that separate accounts for such debtor may be rendered, and includes all pre-paid services for which no account is rendered.
- (2) All separate debts owed to this Municipality by a debtor shall be deemed to be consolidated.
- (3) Payment of any undisputed debt, in terms of Section 7, of the City of Cape Town's Credit Control and Debt Collection By-law, will firstly be allocated to the debtors account as follows-
- (a) allocation to down payments; then
 - (b) allocation to cash security deposits; then
 - (c) allocation to penalty fees (e.g. RD charges); then
 - (d) payments received via 3rd party receipting will always be allocated as per sub-item (e) below; then
 - (e) if there is a partial payment the allocation shall be as follows-
 - (i) payments are allocated from oldest debt to youngest debt until all debt is paid; then
- (4) A debtor may make a payment at a municipal cashier, which has the facility to allocate the payment. The payment will then be allocated as specified and any overpayments will be allocated as per sub-item (3) where applicable.

9. Irrecoverable debt

Criteria for irrecoverable debt

- (1) Debt will only be considered as irrecoverable if it complies with the following criteria:
- (a) all reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

- (b) any amount equal to or less than R500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or
- (c) the cost to recover the debt does not warrant further action; or
- (d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or
 - (i) there is a danger of a contribution; or
 - (ii) no dividend will accrue to creditors; or
- (e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or
 - (i) where the estate has not been reported to the Master and there are no assets of value to attach; or
- (f) it has been proven that the debt has prescribed; or
- (g) the debtor is untraceable or cannot be identified so as to proceed with further action; or
 - (i) the debtor has emigrated leaving no assets of value to cost effectively recover Councils claim; or
- (h) it is not possible to prove the debt outstanding; or
 - (i) a court has ruled that the claim is not recoverable; or
- (i) the outstanding amount is due to an irreconcilable administrative error by the Municipality; or
- (j) all arrears will be written off to bad debts where water consumers, that form part of the Integrated Water Leaks Repair Strategy, where the improved property value is less than R199 000.00, or as determined by Council from time to time, have had their water leaks repaired and for a period of six months, from the date of repair-
 - (i) pay their water & sewer bill above the free portion on or before the due date; and,
 - (ii) maintain their water consumption within affordable levels;
 - (iii) the six months as contained in sub-item (j) is not applicable where a water management device has been installed at the property; or
- (k) arrears owed by previous Administrations, amongst themselves, that now form part of the City of Cape Town ; or
- (l) expenditure incurred, in respect of internal accounts raised in the name of the City of Cape Town, in any previous financial year; or
- (m) conversion of old dormant account balances of debtors, inherited from the previous municipalities which now form part of the City of Cape Town, and where reasonable steps have been taken to recover these debts; or
- (n) all debtors who are registered as indigent as more fully set out in item 23 will have their arrears written off; or
- (o) if an offer of full and final settlement is confirmed in writing by the City Manager in terms of section 14 (2) of the City of Cape Town: Credit Control and Debt Collection By-law; or
- (p) all arrears may be written off to bad debts where Council-
 - (i) expropriates any property; or

- (q)
 - (ii) purchases any property in terms of item 10 (1) (f); or
- (q) all arrears may be written off to bad debts where a property has been forfeited to the State in terms of the Prevention of Organised Crime Act 121 of 1998; or
 - (i) where the occupiers have been evicted from Council, Provincial or State properties due to criminal activities; or
- (r) through supporting the City's housing related debt management processes and in instances where a housing debtor has applied for and been granted a housing indigent grant in terms of the Housing Indigent Policy, all debt related to that property for that debtor (excluding capital debt of home ownership units), up to the date of granting of indigent status will be written back. Such write back will occur only once for any debtor, thereby allowing for a once off rehabilitation, whereafter the debtor will immediately be subject to the housing debt management policy should the account again fall into arrears; or
- (s) where a item 7 dispute or a section 62 appeal determines what needs to be written off; or
- (t) where the Director: Housing advises the Director: Revenue that a housing debtor has been granted a housing indigent grant such debtors rates, services and sundry debt related to that property for that debtor shall be written off once; or
- (u) where registered non-profit organisations or public benefit organisations would, except for there being arrears on their Municipal accounts, qualify to receive a 100% rates rebate, in terms of the Rates Policy, will, with effect from the date of qualification, have all their arrears written off, thus ensuring that they meet all the criteria to receive the rates rebate and;
 - (i) this assistance will only be granted once to an organization subject to the condition that an electricity prepayment meter and a water management device must be installed, where applicable;
 - (ii) should any tampering with or bypassing of the water and electricity meters be discovered, any arrears written-off, in terms of this sub-item, will become payable with immediate effect and any other action as per any legislation or policy that applies to such tampering and/or bypassing will be instituted;
 - (iii) should the City Manager become aware that the focus of the organization has changed, or its financial position has improved or its registration as a non-profit organisation or public benefit organisation has lapsed or terminated

within three years after the arrears were written-off, such arrears will become payable with immediate effect.

Authorisation

- (2) In respect of other debt, schedules indicating the debtor account number, the debtor's name, the physical address in respect of which the debt was raised, address, erf number, if applicable, amount per account category as well as a reason to write-off the amount must be compiled.
- (3) Notwithstanding the above, the Municipality or its authorised officials will be under no obligation to write-off any particular debt and will always retain sole discretion to do so.

CHAPTER 2: RATES AND SERVICES

10. Rates

- (1) The following provisions apply to rates and any levies:
 - (a) interest shall be charged on all overdue accounts;
 - (b) if the account is not paid by the due date as displayed on the account a notice shall be issued showing the total amount owed to the Municipality;
 - (c) if the account is not settled or there is no response from the debtor to make acceptable arrangements to repay the debt, summons may be issued and the legal process followed;
 - (d) in instances where the rates debt is in respect of Municipal property sold by suspensive sale agreement, the collection thereof will be dealt with in terms of the Deed of Sale, and if applicable, this Policy, or any subsequent applicable written agreement between the Municipality and the debtor;
 - (e) at any stage while the debt is outstanding, all reasonable steps shall be taken to ensure that the ultimate sanction of a sale-in-execution is avoided or taken only as a last resort. The Municipality, however, has total commitment to a sale-in-execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time. This is also applicable to all debt, and includes all debt which is a charge against a property, as referred to in this Chapter;
 - (f) as part of the recovery process the City Manager may bid, to a maximum of Rx (Rx could equal R10,00 or the total of the debt plus costs and include any reasonable amount for clearance purposes.), at a sale-in-execution and, if successful, sign all relevant documentation to acquire and take transfer of the property.
 - (g) the City Manager shall have the right to negotiate and to cancel the deed of sale, as referred to in sub-item (f) above, before transfer to the City, if such cancellation results in either the bond holder or the debtor, or both the said parties, paying in full for all debt owed to the City in connection with that property as well as all costs related thereto.
 - (h) the City Manager may proceed to sale in execution of any immovable property classified as a problem building in terms of the Problem Building Strategy Policy and may attach any condition to such property as determined in terms of the aforesaid policy when proceeding as aforesaid.

11. Services

- (1) The following provisions apply to the payment for services:
 - (a) accounts must be paid by the due date as shown on the account;

- (b) interest will be charged on all overdue accounts;
 - (c) the debtor must be warned on the monthly account of a possible disconnection if payment is not received by the due date;
 - (d) if payment is not received or suitable payment arrangements are not made by the due date, a notice shall be hand-delivered or posted to the physical supply address warning of an imminent disconnection after 7 (seven) days from the date as stated on the notice;
 - (e) if payment is not received or suitable payment arrangements are not made by the due date as shown on the notice, the supply or supplies will be disconnected and or restricted;
 - (f) a notice shall be left at the property advising that the supply has been restricted or disconnected and warn that all electric points should be considered live and that all water outlets should be closed.
 - (i) The notice must also advise that the supply will only be reconnected after the amounts specified on the notice, or any other debt including the reconnection fee, have been paid or an arrangement acceptable to the Municipality has been made;
 - (g) the above Notices must also warn of the consequences of unauthorised reconnection;
 - (h) all residential consumers whose water supply has been restricted will have access to a basic water supply of at least 6kl per month either by means of a restricted water flow to their property or where the water supply has been disconnected as a result of, but not limited to, illegal reconnections and tampering, a water management device will be installed, or a communal water supply point, within a radius of approximately 200 meters from their property, will be provided; and
 - (i) the City Manager has the sole discretion to insist on a water management device being installed to a property where the water supply is regularly restricted for non payment; or
 - (ii) the City Manager deems the debtor to be a credit risk to the Municipality; and
- a water management device may be disconnected or restricted for non-payment of any debt owed to this Municipality.
- (i) subject to the provisions contained in item (f), debtors may be required to pay all penalties and arrears in full before the supply is restored;
 - (j) subject to the Municipality's capacity at the time to restore such service, restricted or disconnected services will be restored within a reasonable period of time after the relevant conditions contained in this policy have been met;
 - (k) the onus shall always be on the debtor to request reconnection and to prove that the full amount on the restriction or

- disconnection notice was paid or that an arrangement was entered into in terms of sub-item (f);
- (l) despite the provisions of sub-items (a) to (k), should the amount outstanding for the supply of services remain unpaid, full recovery procedures, including appropriate legal actions shall be undertaken in order to collect these monies.
- (2) The following provisions apply in the event of unauthorised reconnection of, or tampering with, water or electricity supply:
 - (a) the unauthorised reconnection of, or tampering with, a service supply is considered a criminal offence which may result in legal action being taken. Where this has occurred the water or electricity supply will be effectively disconnected;
 - (b) the full amount of arrears plus any unauthorised consumption, and any applicable tariffs, will be payable prior to reconnection. Should exceptional circumstances exist, adequate payment arrangements may be permitted at the sole discretion of the City Manager.
 - (3) The installation of a prepayment meter, with the written permission of the owner, is encouraged, however;
 - (i) the City Manager has the sole discretion to insist on a prepayment meter being installed to a property where the electricity supply has been disconnected for non-payment; or
 - (ii) the City Manager deems the debtor to be a credit risk to the Municipality; and

a prepayment meter may be disconnected for non-payment of any debt owed to this Municipality.
 - (4) A minimum of 20% to a maximum of 50% of the value of units purchased for electricity shall be allocated in the first instance to electricity arrears and thereafter to any other arrears. This action will be by prior arrangement with the debtor and shall remain unchanged unless by default.
 - (5) An authorised representative of, or service provider to the Municipality, shall be given access to any premises in accordance with the provisions of section 101 of the Systems Act.
 - (6) The City Manager shall have the right to disconnect or restrict any service to a property, regardless of who has occupation, upon the written request from the registered owner and provided the service account is in arrears.
 - (7) Where a service has been disconnected or restricted, the City Manager may insist that the service be transferred to the owner.

12. Other debt

Sundries

- (1) Interest will be charged on all overdue accounts.
- (2) In the recovery of sundry debt, the Municipality reserves the right to utilise any legal action at its disposal as well as making use of any third party debt collectors.
- (3) Restrictions, disconnections and the termination of services may be utilised to obtain overdue payment.

Dishonoured Payments: Rates and General Services

- (4) If a drawer of the cheque, debit order, EFT payment, or the customer who received value from such payment, is an existing debtor of the Municipality, the reversal and penalty fee may be debited to an account of such payer and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. The Municipality reserves the right to refuse to accept or to cancel such further payment methods from such person, to place the matter on the National Adverse Credit Listing, or take any steps as contained in this Policy, which may include criminal charges against the offender.
 - (a) Where a payment referred to in sub-item (4) was tendered and any debt management action, in terms of this policy, was suspended, and such payment was not honoured, such debt management action shall continue without further notice to such debtor.

Dishonoured Payments: Sundry Services

- (5) If payment tendered by way of cheque, debit order or EFT payment is not from an existing debtor of the Municipality, then a *sundry* debtor account is opened and a debit and penalty is raised. Once the account is submitted and the debtor fails to honour the cheque, debit order or EFT payment, and pay the penalty within 14 (fourteen) days of receipt, a final demand is generated and submitted. If there is still no response, then the matter shall be handed over for placement on the National Adverse Credit Listing, or take any steps as contained in this Policy which may include criminal charges against the offender.
 - (a) Where a payment referred to in sub-item (5) was tendered, and any debt management action, in terms of this policy, was suspended, and such payment was not honoured, such debt management action shall continue without further notice to such debtor.

- (6) If a drawer of the cheque, debit order or EFT payment, or the customer who received value from such payment method, is an existing debtor of the Municipality, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor. The Municipality reserves the right to refuse to accept further cheques, debit order or EFT payment from such payer and or beneficiary and may take any steps as contained in this Policy which may include criminal charges against the offender.
- (7) The Municipality may attach the rental or any other payments due to debtors who are in arrears with their Municipal accounts.

Clearance Certificates

- (8) All monies including any estimated amounts for the duration of the validation period of a certificate in terms of section 118, of the Systems Act, or section 89 of the Insolvency Act, 24 of 1936, are for the purpose of section 118, deemed to be due and must be paid in order to facilitate the transfer of immovable property:
 - (i) All amounts that are due in connection with the property must be paid in full prior to the issuing of any clearance certificate in terms of section 118, of the Systems Act;
 - (ii) no interest shall be paid in respect of any payment made in terms of this item unless allowed for in terms of any other legislation; and
 - (iii) all payments will be allocated to the registered sellers' municipal accounts in terms of the City of Cape Town: Credit Control and Debt Collection By-law and all refunds, if any, in respect of such payment, will be made to such seller, after registration of transfer has been registered in the Deeds Office.
- (a) No certificate, in terms of section 118 of the Systems Act, will be issued where the property owner has not complied with any relevant legislation, policy or agreement relating to the property in question.

13. Arrangements

Principles for Residential Debtors

- (1) Current charges must be paid in full.
- (2) The debtor may be required to prove levels of income and must agree to a monthly payment towards arrears based on such debtors ability to pay or based on such debtors total liquidity if the Municipality so requires.

- (3) All negotiations with the debtor should strive to result in an agreement that is in the interests of both parties and is sustainable.
- (4) Interest will be charged on arrears.
- (5) Interest on-
 - (i) arrears in respect of all services may be suspended; and
 - (ii) rates may be calculated at 0%;
 whilst the debtor adheres to the conditions of the arrangement.
- (6) Debtors who default on three occasions in respect of arrangements made will be denied the privilege of making further arrangements and the full amount becomes payable. Interest will be calculated from the original due date of the debt, taking any payments into consideration.
- (7) All arrangements may be subject to periodic review.
- (8) All services may be restricted or disconnected and legal action may be taken against debtors referred to in sub-item (6) and such debt may be referred to third party debt collectors, for recovery.

Arrangement Criteria for Residential Debtors

- (9) In cases where residential debtors wish to make arrangements to liquidate their arrears, the following payment criteria, inter alia, will apply:
 - (a) current account; and
 - (b) an agreed payment towards arrears based on the principles contained in this Policy and sub-items (2) and (3) with a minimum payment as per the “Minimum Payment Schedule” as adjusted by the Municipality from time to time.
- (10) Each following month the debtor will be required to pay:
 - (a) current account; and
 - (b) an instalment as determined in sub-item (9)(b) above.
- (11) Should the debtor default, payments will be as follows:
 - (a) first default: current account and the monthly payment as determined in sub-item (9)(b) above increased by 50% of that payment;
 - (b) second default: current account and double the monthly payment as determined in sub-item (9)(b) above;
 - (c) final default: current account and full arrears.
- (12) In all cases failure to respond to notices will result in normal credit control procedures and all debt collection processes as provided for in this Policy may be taken.

Principles for Non-residential Debtors

- (13) In cases where non-residential debtors wish to make arrangements to liquidate their arrears, the following criteria, inter alia, will apply-
- (a) debtors may be required to furnish the Municipality with their latest audited financial statements and other supporting documentation relevant to their financial position in order to negotiate a settlement arrangement acceptable to the Municipality;
 - (b) all negotiations with debtors should strive to result in an agreement that is in the Municipality's best interests and is sustainable;
 - (c) interest will be charged on arrears at an interest rate that shall be determined by Council from time to time;
 - (d) interest on-
 - (i) arrears in respect of all services may be suspended; and
 - (ii) rates may be calculated at 0%;
whilst the debtor adheres to the conditions of the arrangement;
 - (e) all arrangements may be subject to periodic review;
 - (f) the final decision to make these arrangements will rest with the City Manager.

Arrangement Criteria for Non-residential debtors

- (14) If the non-residential debtor wishes to make an arrangement, interest may be charged or suspended on any outstanding amount and such arrangement will be subject to approval of the official as delegated in terms of sub-item (13)(f).
- (15) Should the debtor default on any arrangement, all services and any agreements may be restricted, disconnected or terminated and legal action may be taken and such debt may be referred to a third party for recovery. Interest will be calculated from the original due date of the debt taking any payments into consideration.

Special Conditions Regarding Arrangements

- (16) Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118, of the Systems Act, will not be issued until such time as the full outstanding amount is paid.
- (17) The conditions contained in the Municipality's arrangement document, as amended from time to time, will be deemed to form part of the arrangement criteria contained in this Policy.

- (18) Should the current account be higher than normal, due to, but not limited to, under-estimations and faulty meters, previous accounts rendered may be taken into consideration, when determining an amount to pay in order to enter into an arrangement.
- (19) Notwithstanding sub-item (9) (a) above, the City Manager may determine that interest, disconnection and reconnection charges, be excluded from the first upfront amount to be paid, when entering into an arrangement.
- (20) All debtors entering into arrangements, shall provide their banking details, and those who have the facility to sign a debit order with their financial institutions shall do so.
- (21) The City Manager would normally only enter into arrangements with property owners and account holders and may, on receipt of an affidavit, by the occupier or a tenant of a residential property, which certifies that the owner of the property which such tenant or occupier so resides in, is untraceable or not contactable or such owners whereabouts are unknown, and-
 - (a) that they have a right to occupy such property and stating the time period that they have so occupied the property;
 - (b) the last known address of the owner;
 - (c) the rental due for such right to so occupy;
 - (d) that such occupier or tenant undertakes to advise the owner at the first reasonable opportunity of the current situation and that the tenant or occupier further agrees to obtain the consent of the owner to condone the process as set out in this sub item-

enter into an arrangement with such a tenant or occupier in terms of this policy, to pay off arrears on an account which is a charge against the property.

Steps to be taken by the City Manager

- (e) authorise an arrangement be entered into with the occupier or tenant subject to;
 - (i) the possible installation of a pre payment electricity meter or a water management device or both;
 - (ii) a letter being dispatched to the last known address of the owner as per Council records and the address supplied in item (21) (b), which shall advise the owner of such owners responsibilities relating to the non payment of the amounts due against the property and of the arrangement and the possible installation of both a pre payment electricity meter or a water management device, and giving the owner fourteen (14) days in which to object to such installation and arrangement.

- (f) should the owner fail to respond to the notice in item (21) (e) (ii) the City Manager may proceed to install such devices and shall activate the said arrangement.
- (22) The City Manager may refuse to reconnect or restore any service to a tenant unless written permission is obtained from the property owner:
 - (i) authorising the tenant to enter into an arrangement in terms of this policy; and
 - (ii) authorising the reconnection or restoration of any service.
- (23) The City Manager may disconnect or restrict any service to a property;
 - (i) if the owner withdraws, in writing, any permission granted in terms of sub-item (22) where the tenant has defaulted on the arrangement made; and
 - (ii) no new application for any service to the property will be authorised until all the arrears have been settled in full.

14. Special Rating Areas (including City Improvement Districts)

- (1) Any additional rate, tariff or levy will be determined in accordance with Section 22 of the Property Rates Act and the City Improvement District By-law 6118 of 2004.
- (2) Any additional rate, tariff or levy will be added to the monthly municipal account and must be paid by the due date to avoid interest being charged.
- (3) The additional rate, tariff or levy will be subject to the debt management procedures as described in this Policy.
- (4) Interest will be charged on all overdue accounts.

CHAPTER 3: HOUSING

15. General principles

- (1) Interest may be charged on all overdue accounts at an interest rate that shall be determined by Council from time to time.
- (2) Interest charges on arrears will be frozen subject to the rescheduled debt arrangement being honoured.
- (3) A debt rescheduling arrangement requires the payment of the current monthly charges plus a mutually agreed amount towards the arrears each month.
- (4) If a debt arrangement is not honoured, the debt collection process or legal action will resume from where it was suspended and not restart at the beginning of the debt management process.
- (5) The Ward Councillors will be reasonably sent notification of defaulting debtors following the issuing of the letter of demand and when judgement is granted against the occupant.
- (6) Home visits may be undertaken by officials or representatives on behalf of the Municipality following the issue of the letter of demand to the debtor. Where the tenant and spouse are not home at the time of the visit, a letter for the tenant to call at the housing office will be left at the dwelling. (After one recorded unsuccessful attempt by housing officials or representatives, house visits will be deemed to have been completed) The visiting official or representative will make every effort to encourage the defaulting debtor to pay their current account and enter into an arrangement for arrears. Where a homeownership purchaser is not in occupation of the property it is not incumbent on the Municipality to perform home visits.
- (7) The City Manager may recover from the debtor the following costs in instances where such costs are incurred by or on behalf of the Municipality,
 - (a) cost and administration fees where payments, made to the Municipality by negotiable instruments, are dishonoured by banks when presented for payment;
 - (b) legal and administration costs, including attorney and client costs, and tracing fees incurred in the recovery of debts;
 - (c) any collection commission.

- (8) The following minimum payments added to legal costs are required from the debtor prior to stopping the legal process.

Following the service of a summons 1 X total monthly housing charge

Where judgement has been granted2 X total monthly housing charge

On day of eviction3 X total monthly housing charge

In each case the payment will be limited to the lesser of the outstanding balance or the amount calculated above.

The Housing Manager may use discretion where the tenant is found to be indigent.

- (9) If the debtor defaults on an arrangement which was made on the day of eviction, a re-issued warrant of eviction will be obtained and the subsequent eviction process can only be stopped if 12 x the total monthly housing charge plus legal costs are paid.
- (10) Should the debtor default on this second arrangement, no further arrangements will be entered into and the eviction will be enforced unless the debtor pays the amount owing in full.

There will be no reinstatement after eviction.

- (11) In order to ensure the affordable implementation and recovery of all housing charges as aligned to the City's housing debt management programme, the subsidy phase out programme status will remain at its current level.
- (12) Items 11, 12 and 13 found in Chapter 2 do not relate to housing under this chapter.

16. Collection process: Rental Schemes

- (1) Rental is payable in advance by the due date.
- (2) If payment is not received, a first contact letter requesting payment and offering the debtor an opportunity to make an arrangement within 30 (thirty) days, from the date of the letter, is sent to the defaulting debtor.
- (3) If no response to the first contact letter, a letter of demand is sent, allowing the defaulter 30 (thirty) days, from the date of the letter, a further opportunity to make an arrangement.
- (4) If the debtor fails to respond to this letter of demand, within 30 (thirty) days, the debtor may, within the next 30 (thirty) days, receive a house visit (note sub-item 15 (6)).

- (5) Failure to respond after the house visit, will result in legal proceedings.
- (6) The legal collection process will start with a letter demanding payment within a stipulated period.
- (7) If the debtor fails to respond within the allowed time, summons will be issued.
- (8) No response to the summons will result in default judgement and the ultimate sanction of eviction.

17. Collection process: Home-ownership Schemes

- (1) Instalments and other housing charges are payable by the due date.
- (2) If payment is not received, a first contact letter requesting payment and offering the debtor an opportunity to make an arrangement within 30 (thirty) days from the date of the letter, is sent to the defaulting debtor.
- (3) If no response to the first contact letter, a letter of demand is sent, allowing the defaulter 30 (thirty) days, from the date of the letter, a further opportunity to make an arrangement.
- (4) If the debtor fails to respond to this letter of demand within 30 (thirty) days, the debtor may, within the next 30 (thirty) days, receive a house visit (note sub-item 15.6).
- (5) Failure to respond after the house visit will be followed by legal proceedings.
- (6) The legal collection process will start with a letter demanding payment within a stipulated period.
- (7) If the debtor fails to respond within the allowed time, summons will be issued, followed by default judgment and ultimately, the sanction of eviction.
- (8) If the amount due on the day of eviction is not paid, repossession of the property will take place and immovable property sold or may be converted to a rental unit and let in accordance with the City's housing allocation policy.

18. Arrangement agreement on arrear debt shall be as determined by the Municipality from time to time.

19. Indigent Relief (Rental and Homeownership Schemes) shall be as determined by the Municipality from time to time.

CHAPTER 4: INDIGENT RELIEF FOR RESIDENTIAL PROPERTIES

20. Tariff Structure

The tariff structure for rates and services are designed to enable those consumers who meet the criteria as defined in the tariffs to obtain free basic services and those residential properties, which are below a specified value, to be rates free.

21. Excess consumption

Any consumer who uses in excess of the free allocation of services, will be charged for those services in accordance with the tariff and will be subject to standard debt management procedures if this amount is not paid in accordance with this Policy.

22. Arrears

- (1) All debtors who qualify and are registered as indigent, will have their arrears written off once during ownership of the property, and thereafter will be subject to item 21 above, provided that, where possible;
 - (a) a water management device and a prepayment meter for electricity have been installed at the property.
- (2) Notwithstanding item 21 and 22 (1) above and irrespective of whether consumers receive a current account for rates and services, consumers who are in arrears are still required to make an arrangement with the Municipality to pay off their arrears in accordance with the principles and conditions contained in this Policy.

23. Registration criteria

In order to qualify for registration as an indigent, for a period not exceeding twelve months, an applicant must satisfy the following criteria:

- (a) the usage of the residential property must be predominantly private residential; and
- (b) the applicant must be-
 - (i) the registered owner of the residential property; or
 - (ii) an occupier of a child-headed household which is registered in the name of the deceased parent or deceased parents; or
 - (iii) a purchaser of a residential property from any of the spheres of Government on a delayed transfer basis; and

- (c) the gross total household income of the residential property may not exceed the maximum income of the Senior Citizens and Disabled Persons Rates Rebate Scheme which receives a 100% rates rebate as per the City of Cape Town: Rates Policy; and
- (d) the applicant may not be the registered owner of more than one property; and
- (e) be a full-time occupant of the property; and
- (f) notwithstanding the aforesaid, owners of residential immovable property which have a Municipal value of R88 000.00, or less, or as determined by Council from time to time, will be deemed to meet the criteria in sub-item (a) to (e) above and will be regarded as being registered, unless proven differently. However, in order to qualify for the benefit in item 22, an electricity prepayment meter and a water management device must be installed where applicable.

Council may determine the criteria as mentioned in sub-items (a) to (f) from time to time.

24. Indigent relief: Rates

- (1) All improved residential properties that have a municipal valuation of R88 000,00 or less will be exempt from paying rates. These residential properties, therefore, qualify for a 100% rebate of rates; and
 - (i) the City will not levy a rate on the first R88 000 of the market value of residential properties.
- (2) All residential improved properties that have a municipal valuation of R199 000,00 or less, including those properties referred to in item 20, will receive an indigent grant of, not more than, R30,00 towards the payment of their rates and property services account, excluding electricity. Residents who meet the criteria as described in item 23 and whose improved residential properties are valued at more than R199 000,00 will also receive an indigent grant of, not more than, R30,00 towards the payment of their rates and services account, excluding electricity.
- (3) The R30,00 referred to in sub-item (2) above, may not be converted to cash, set-off against any other account nor may it be refunded in terms of the Municipality's refund procedures.
- (4) All residential property owners who qualify in terms of item 23, will receive the same rates rebate benefits as approved by Council for senior citizen and disabled persons, at the equivalent gross total household income level.

- (5) All amounts mentioned in sub-items (1) to (4) shall be as determined by Council from time to time.
- (6) All debtors, who qualify and are registered as indigent, who require a municipal valuation certificate of their property, for purposes of applying for a social grant, will receive such certificate at no cost.

25. Indigent relief: Water

- (1) Residential consumers may receive their first 6kl, or as determined by Council from time to time, of consumption on a zero-based tariff. In addition to this, residential consumers who qualify in terms of sub-item 24(2), will receive an indigent grant.
- (2) The City Manager shall grant authority that a water management device be inserted in properties qualifying for indigent relief so as to reduce consumption to affordable levels.

26. Indigent relief: Electricity

- (1) Residential Consumers who are on the Domestic Low Consumption Tariff will receive 50kWh free, bringing the total electricity provided to a maximum of 450 kWh per month, on a zero-based tariff, or as determined by Council from time to time. Should the electricity purchased exceed 400 kWh per month, over a twelve month average up to June of the completed financial year, such tariff shall be changed and the 50kWh free will no longer be allocated.
- (2) The City Manager shall grant authority that a prepayment meter be installed in those properties where the owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means. All prepayment meters are installed at the rate as indicated on the Electricity Service Sundry Tariff Schedule, as found in the City of Cape Town: Tariff Policy.

27 Indigent relief: Solid waste

- (1) All residential debtors whose, properties are below a municipal valuation, as determined by Council from time to time, may receive a free or rebated waste collection service; and
 - (a) all residential property owners, who are registered as indigent, and who qualify in terms of item 23 (a) to (e), will receive a waste collection service rebate of 100% for the first 240L Container (Wheelie bin).
- (2) All informal residential debtors will receive a free basic waste collection service as set out in the Tariff Policy.

28. Debt management actions

- (1) Subject to sub-item (3) and (4) no disconnections and or legal action will be instituted against any debtor, who has registered for and been accepted as an indigent for a period of twelve months, or while they still qualify as indigent, and meet all the criteria, in item 23 (a) to (e), during this twelve month period.
- (2) An application for registration as indigent is only valid for a period of twelve months from date of acceptance.
- (3) It is a requirement of this Policy that should the personal circumstances of a debtor improve to such an extent that such debtor no longer qualifies as an indigent, then such person must notify the Municipality immediately of this change in order for such persons name to be removed from the indigent register.
- (4) If it is found that a debtor no longer qualifies as an indigent, and they have not informed the Municipality, then this debtor will be de-registered as an indigent, all suspended steps, as referred to in sub item (1) above, will be lifted, from the time the debtor's circumstances were found to be improved, and interest will be payable on any outstanding amounts.

29. Misrepresentation

- (1) Debtors found to have misrepresented themselves in order to benefit from the Municipality's indigent relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and all benefits that have been received, in terms of the indigent relief, will be reversed.
- (2) Any person who has received any benefit or relief in terms of this policy and who has misrepresented themselves in order to qualify for such benefit or relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and all benefits or relief received, will be reversed.
- (3) The City Manager shall report any misrepresentation in terms of this policy to the South African Police Services.

CHAPTER 6: PROPERTY MANAGEMENT

30. General principles

- (1) Interest may be charged on all overdue accounts at an interest rate that shall be determined by Council from time to time.
- (2) Interest charges on arrears will be frozen, and on rates will be calculated at 0%, subject to the rescheduled debt arrangement being honoured.
- (3) A debt rescheduling arrangement requires the payment of the current monthly charges plus a mutually agreed amount towards the arrears each month.
- (4) If a debt arrangement is not honoured, the debt collection process or legal action will resume from where it was suspended and not restart at the beginning of the debt management process.
- (5) The City Manager may recover from the debtor the following costs in instances where such costs are incurred by or on behalf of the Municipality,
 - (a) cost and administration fees where payments, made to the Municipality by negotiable instruments, are dishonoured by banks when presented for payment;
 - (b) legal and administration costs, including attorney and client costs, and tracing fees incurred in the recovery of debts;
 - (c) any collection commission.

31. Property Leases Collection process

- (1) Rental is payable in advance by the due date.
- (2) The Property Management Debt Management process begins when a lessee falls into arrears in respect of rental which constitutes a breach of the lease contract.
- (3) The Property Management Department may contact a property leases debtor either telephonically or in writing noting the requirement to make payment against an overdue property leases account.
- (4) No response to this initial contact may (where applicable) lead to restriction (residential) /disconnection (commercial) of the water/electricity supply for that property.
- (5) Where a debtor is in contractual default, a “first contact letter” requesting payment, and offering the debtor the opportunity to make an

arrangement within 30(thirty) days of the date of the “first contact letter”, is submitted to the debtor.

- (6) Failure by the debtor to respond to the “first contact letter” within the requisite 30 (thirty) day period will automatically result in the institution of the required legal and related proceedings by way of a “legal letter” demanding payment within a stipulated period being sent to the debtor.
- (7) If the property leases debtor does not respond (viz. payment in full for commercial leases or the conclusion of an appropriate debt rescheduling arrangement for residential leases) to the “legal letter” within 30 (thirty) days, summons will be requested for issue to the debtor.
- (8) Where the debtor does not respond to the summons (viz. payment in full for commercial leases or the conclusion of an appropriate debt rescheduling arrangement for residential leases) within a 30 (thirty) day period a judgement order will be requested by the City which may lead to eviction.
- (9) Where the debtor does not respond before the date of court appearance (viz. payment in full for commercial leases or the conclusion of an appropriate debt rescheduling arrangement for residential leases), eviction will proceed.
- (10) Should the debtor make an arrangement on the day of eviction and not adhere to the content of the agreement, the debtor will have to pay the lesser of the full outstanding debt and 12 X monthly lease instalment for residential leases and the full debt for commercial leases, in order to stop the City proceeding with the subsequent eviction.

CHAPTER 6: GENERAL

32 Right of access to property

- (1) The owner or occupier of premises in this Municipality must give an, official of this Municipality or a any representative of a service provider, authorised by the City Manager, access at all reasonable hours to the premises in order to inspect the premises, read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict the provision of any service.

33 Compromising or compounding any action, claim or proceedings

- (1) In terms of section 109 of the Systems Act the City Manager may compromise or compound any action, claim and proceedings where applicable.
- (2) Sub-item (1) is not applicable to rates except as provided for in section 26 (3) of the Property Rates Act.

34 Review of this Policy

- (1) This Policy shall be reviewed annually as part of the budget process or whenever required.

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Minimum Payment Schedule

Income	Payment	Income	Payment	Income	Payment	Income	Payment
0	10.00	3300.00	33.00	5700.00	57.00	8100.00	81.00
1000.00	10.00	3400.00	34.00	5800.00	58.00	8200.00	82.00
1100.00	11.00	3500.00	35.00	5900.00	59.00	8300.00	83.00
1200.00	12.00	3600.00	36.00	6000.00	60.00	8400.00	84.00
1300.00	13.00	3700.00	37.00	6100.00	61.00	8500.00	85.00
1400.00	14.00	3800.00	38.00	6200.00	62.00	8600.00	86.00
1500.00	15.00	3900.00	39.00	6300.00	63.00	8700.00	87.00
1600.00	16.00	4000.00	40.00	6400.00	64.00	8800.00	88.00
1700.00	17.00	4100.00	41.00	6500.00	65.00	8900.00	89.00
1800.00	18.00	4200.00	42.00	6600.00	66.00	9000.00	90.00
1900.00	19.00	4300.00	43.00	6700.00	67.00	9100.00	91.00
2000.00	20.00	4400.00	44.00	6800.00	68.00	9200.00	92.00
2100.00	21.00	4500.00	45.00	6900.00	69.00	9300.00	93.00
2200.00	22.00	4600.00	46.00	7000.00	70.00	9400.00	94.00
2300.00	23.00	4700.00	47.00	7100.00	71.00	9500.00	95.00
2400.00	24.00	4800.00	48.00	7200.00	72.00	9600.00	96.00
2500.00	25.00	4900.00	49.00	7300.00	73.00	9700.00	97.00
2600.00	26.00	5000.00	50.00	7400.00	74.00	9800.00	98.00
2700.00	27.00	5100.00	51.00	7500.00	75.00	9900.00	99.00
2800.00	28.00	5200.00	52.00	7600.00	76.00	10000.00	100.00
2900.00	29.00	5300.00	53.00	7700.00	77.00		
3000.00	30.00	5400.00	54.00	7800.00	78.00		
3100.00	31.00	5500.00	55.00	7900.00	79.00		
3200.00	32.00	5600.00	56.00	8000.00	80.00		

NOTES TO THE PAYMENT TABLE:

1. Debtors must never feel that they have lost control of their account.
2. The most financially strongest arrangement must be negotiated at all times.
3. The minimum payment required as per the above table is equal to 1% of monthly income earned and levels of income are rounded down in all cases. For example an income of R3 265,78 would be rounded down to R3 200,00 and R2 645,78 would be rounded down to R2 600,00.

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