

DEBT ARRANGEMENT AND ATTACHMENT (SCOTLAND) ACT 2002

EXPLANATORY NOTES

THE ACT

Part 1 – the Debt Arrangement Scheme

Section 2 – Debt payment programmes

7. **Section 2** defines what a debt payment programme under the scheme is and specifies how an application for approval of a debt payment programme may be made.
8. **Section 2(1)** defines a debt payment programme as a programme which provides for the payment of money owed by a debtor.
9. The Scottish Ministers are given the power in section 2(2) to approve a debt payment programme upon submission of an application by a debtor. It is intended that this approval function of the Scottish Ministers will be delegated by them to another body by virtue of the power contained in section 8.
10. Details of what must be included in an application are set out in section 2(3). The programme is to specify arrangements proposed for payment of debts giving details of the amounts, periods and manner in which debts are to be paid, these details to be specified by the debtor according to the debtor's knowledge and belief.
11. **Section 2(4)** provides that the application form is to incorporate the consent of all the debtor's creditors.
12. The debt payment programme will specify the person (the "payments distributor") to whom the debtor proposes to make instalment payments for distribution amongst creditors. Section 2(5) provides that a person appointed to carry out the payment distribution function has to be approved for that purpose by the Scottish Ministers.