

BANKRUPTCY AND DILIGENCE ETC. (SCOTLAND) ACT 2007

EXPLANATORY NOTES

THE ACT

Commentary

Part 13 – Amendments of the Debt Arrangement and Attachment (Scotland) Act 2002

Section 211 – Debt payment programmes with debt relief

New section 7A – Debt payment programmes: power to make provision about debt relief

753. New section 7A(1) gives the Scottish Ministers the power by regulations to make provision in relation to debt payment programmes to provide, through such programmes, an element of debt relief. The power allows such programmes to be set up in such a way that debtors do not have to pay off the whole amounts due to creditors under the programmes and for the writing-off at the end of the programme of any debts outstanding.
754. Subsection (2) sets out the particular ways in which that power might be used (although it is not an exhaustive list). These include specifying—
- the minimum part of the debt that will have to be repaid;
 - the circumstances when the creditor's consent is needed and how that consent is to be signified;
 - the debtor's liability to pay interest, fees or charges arising from the debt;
 - the creditor's rights to recover such interest, fees or charges; and
 - how, on completion of a debt payment programme, outstanding debts can be discharged.
755. Subsection (3) provides that subsections (3) and (4) of section 7 of the 2002 Act apply to regulations made under new section 7A. This allows the Scottish Ministers to pilot debt payment programmes with an element of debt relief for limited periods and, after assessing the pilot scheme, to provide that such programmes continue to be available.
756. [Section 211\(4\)](#) amends section 62 of the 2002 Act to provide that regulations made under section 7A(1) are subject to affirmative resolution procedure.