

How to clear your name from blacklist

Question: "I want to buy the house as soon as possible, the problem is I'm blacklisted and I need R60 000 to clear my debts.

"My company will not approve my application before I clear my name. What is available to me to clear this situation?"

Wikus Olivier, Debt Management Expert at DebtSafe, responds:

Answer: Your credit profile seems to be the issue here. Not necessarily the fact that you have debt. You can improve or restore your credit profile by addressing a few issues.

a) Know exactly what is going on with your credit profile. Pull a credit report from one of the reputable credit bureaux. You are entitled in terms of the National Credit Act (NCA) to one free credit report per year. Once you now exactly what items on your credit profile are causing the issue, you can then take steps to rectify them.

b) Your payment history would most likely be the biggest issue. This is a history of your payment behaviour for the past 24 months. Bring all arrears up to date. Your payment history will reflect the arrears for 24 months, but if you have a good payment history for the past 3 to 6 months it should significantly help to improve your credit profile and credit score.

c) If there are any judgments on your credit profile, try to settle those first. The new Credit Act Amendments states that credit bureaux should remove any listings with regards to a judgement if the judgment was settled. No need to apply for a rescission any more.

d) If there are default listings, you can bring those accounts up to date or even settle them. You can then try to negotiate with the credit provider to remove those default listings or wait 12 months which is the retention period for default listings. Note that Judgments and default listings has a very heavy weight in calculating your credit score.

Don't try to settle all your debt at once. This will not have any effect on your credit score. First build up a history of good payment, pull your credit report monthly, and once your score is good, re-apply for the bond.

It will take at least 3 months to start seeing any movement.

How to read your credit report

Source: Finance24