



HANDY

GUIDES

# DEBT

AND HUNTINGTON'S DISEASE



Keeping on top of your financial wellbeing is important to your overall **quality of life**. You may be looking to make a **large purchase** or not have the money to meet an **unexpected expense**. You may decide to borrow money to help make the purchase or to pay the unplanned cost, which means that you now have a debt/credit agreement.

Debt is an agreement to **borrow** and **repay** money to the person or organisation that loaned the money to you, normally in instalments.

It's hard to live life completely debt free, but it's important to be clear about what you can afford before you borrow, and to be confident that you can expect to **meet the repayments**. Under 18s cannot enter into credit agreements. Agreeing to borrow money that you can't afford to repay can have a negative and long-lasting impact.

## Debt vs Problem Debt

Some types of debt can be viewed as being **better to have because they can help increase your wealth, credit rating or income over time**.

### Debt

Most adults will have **credit agreements** for things like mobile phone contracts, mortgages or household bills such as gas and electricity accounts.

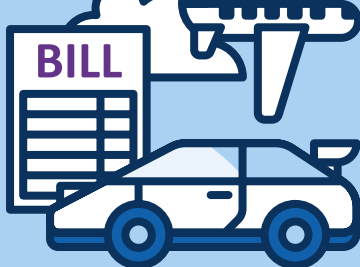


Some borrowing, such as a mortgage, business loan or student loan, might be beneficial in the long term as property can increase in value, or they may increase your earning potential in the longer-term. Some people will refer to these as **investments**.

Having debt is normal, and not to be frowned upon. It can be circumstances out with our control that then mean it becomes problem debt.

### Problem Debt

Problem debt is when you can **no longer afford** to make repayments when they are due. Problem debts may accrue a **high level of interest** or have higher repayment levels than you can afford. You might have extra **fees** to pay because of late or missed payments, it could impact your credit score and in some extreme circumstances your goods could be repossessed. All of which may impact your mental health and impact on your household.



If you are struggling to meet repayments, or borrowing money to cover expenses, then you should **seek advice**.

## Paying Back Debt

It's important to figure out which debts to **pay back first** and to **prioritise your repayments**.

People we owe money to are called **creditors** and the person owing the money is referred to as the **debtor**.



Priority creditors are people you owe money to who can impose the most serious sanctions if you are unable to pay. For example, your landlord, mortgage lender and energy supplier are **priority creditors** as you could lose your home or an essential service if you fall behind on repayments to them. Council Tax, tax, and child maintenance are classed as **priority expenses**, as the problems any arrears can cause are more serious. These creditors can act more quickly on **late/missed payments**.



When taking out debt over a long period of time, consideration should be given to whether the repayments can be made if the person with Huntington's disease becomes unwell or has to give up work. It is also important to think about if these repayments can be made if someone

else in the household has to give up their work or reduce their hours to become a carer.

The **Financial Wellbeing Service** can look at a range of options to work out what these changes could mean for your household income. They can also help to **review your budget** and resolve problem debt. This can include speaking with creditors on your behalf to arrange a manageable repayment plan, or in some circumstances for the debt to be written off. The team will review all options with you so that you can make an informed decision and **gain control** of your finances again. It can also provide guidance around affordable credit and planning for the future.

