

Van Greunen & Associates Inc.

BLITZ BULLETIN

SEPTEMBER 2011

BLACKLISTING & DE-LISTING PROCEDURE

Recently there has been much confusion regarding who can be blacklisted, when they can be blacklisted and whether the blacklisting can be removed. Speculations regarding the ease at which creditors can blacklist debtors are running amuck amongst debtors countrywide.

A person can only be blacklisted under three circumstances:

- 1) If that person fails to pay accounts timeously;
- 2) If that person fails to pay accounts entirely; and
- 3) If a civil court judgement is obtained against a person for not paying debts.

Once blacklisted, your credit profile will be negative for a certain amount of time dependant on the cause:

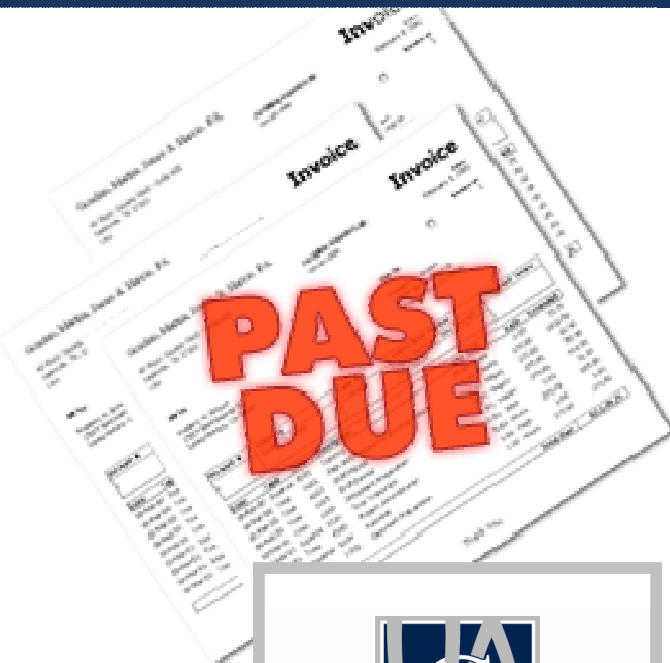
- 1) Civil Judgements - 5 years
- 2) Liquidations - Indefinite
- 3) Sequestrations - 10 years
- 4) Rehabilitations - 5 years
- 5) Defaults - 3 years
- 6) Administration orders
 - a. If rescinded or lapsed - 5 years
 - b. If not rescinded or lapsed - 10 years
- 7) Account performance - 3 years

Once the court has granted judgement against a debtor, the judgement is provided to ITC Transunion and Experian in order to update their records. This is done automatically. When a creditor contacts ITC Transunion and Experian to blacklist a debtor due to failure to pay an account, the credit bureau will send the debtor a letter informing the debtor that he or she has been handed over for blacklisting and providing the debtor with 20 days to respond in order to make arrangements with the creditor.

If the debtor fails to respond within this 20 day period, the debtor will automatically be blacklisted due his or her default.

Note that once you are blacklisted, your listing can not be removed unless the listing was done erroneously. If, subsequent to your name being blacklisted, you pay your debts or have the judgement rescinded, your status can be updated to read *paid in full* or *judgement rescinded*. The listing will therefore remain active for the periods mentioned in this article.

Should you require any assistance in rescinding a judgement or in updating your credit record, please feel free to contact our offices.



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