

# The 5 Things Nobody Tells You Before Entering Debt Review

*What I wish I had known before I signed the application form*

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In 2023 I entered debt review. I was earning R10,000 a month and owing R16,086 in monthly obligations. I was mathematically impossible. Debt review saved me — but I walked in almost completely blind. These are the 5 things I wish someone had told me before I signed that application form.

■ **My situation in 2023:** R10,000 salary. R16,086 monthly obligations. Credit score below 550. Debt review was the right tool. But understanding it first made all the difference.

## 1 Your credit record is flagged the moment you apply — and stays flagged until the very end

The moment your debt counsellor notifies your creditors (within 5 business days of your application), every credit bureau in South Africa is informed. TransUnion, Experian, Compuscan, and XDS all flag your profile as 'under debt review'. This flag means: no new cell phone contracts, no new credit cards, no vehicle finance, no home loan, and in some industries no new employment. The flag stays on your record until every single debt in the plan is fully repaid AND your debt counsellor issues a clearance certificate. This can take 5 to 10 years. This is not a reason not to enter debt review if you genuinely need it. It is information you deserve to have before you decide.

## 2 The fees are real — and they come out before your creditors get paid

Debt review costs money. Before your creditors receive a single rand of your monthly payment, the fees are deducted first. These include: an application fee (R50 per agreement or R300 maximum), a once-off restructuring fee (up to R8,000), a monthly counsellor service fee (varies), and a Payment Distribution Agency (PDA) fee of up to 3% of the monthly distribution (maximum R400). On a R4,000 monthly payment, you could be paying R600 to R650 per month in fees before your creditors receive anything. Over a 5-year debt review that is R36,000 to R39,000 in fees. This is not a complaint — the counsellor earns their fee. But you deserve to know the number clearly.

### 3 You can overpay to get out faster

This is the most important thing most people never discover. The monthly restructured payment in your debt review plan is a minimum, not a ceiling. You are legally permitted to pay more. Any overpayment goes directly to reducing your outstanding principal balances. If you can find an extra R500 or R1,000 per month — through a side income, overtime, or cutting costs — and add it as an overpayment, you can shave 2 to 3 years off your exit timeline. That is 2 to 3 years of your life returned to you. Always confirm with your debt counsellor in writing that overpayments reduce principal balances rather than being held as future payment credits.

### 4 Some employers check your credit — especially in financial services

This is the consequence most people never anticipate. Certain employers — particularly banks, insurance companies, security firms, and any role involving handling of money — conduct credit checks as part of their hiring process. A debt review flag on your record can result in a job offer being withdrawn or an existing employment being affected in regulated sectors. Before entering debt review, think carefully about whether your current or planned career path could be affected.

### 5 Debt review is a tool, not a rescue — you still have to do the work after

Debt review provides legal protection, breathing room, and a restructured payment plan. What it does not provide is financial education, a savings habit, an emergency fund, or the wealth-building skills that ensure you never end up here again. The clearance certificate is not the finish line. It is the starting line. Everything you learn and build after debt review determines whether this was a one-time crisis or a repeating pattern. That is why I founded Mlinjana Financial Group and wrote *The Debt Millionaire* — to make sure the person who comes out of debt review knows exactly what to do next.

✓ **Before entering debt review**, try everything in this order: negotiate directly with creditors, consolidate, restructure your budget, voluntarily surrender assets you cannot afford. Only enter debt review if you have genuinely exhausted these options.

## Ready to take the next step?

Book a free 60-minute financial coaching session with Chuma Afika Mlinjana.

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■ *Get the full guide: [The Debt Millionaire by Chuma Afika Mlinjana](#)*