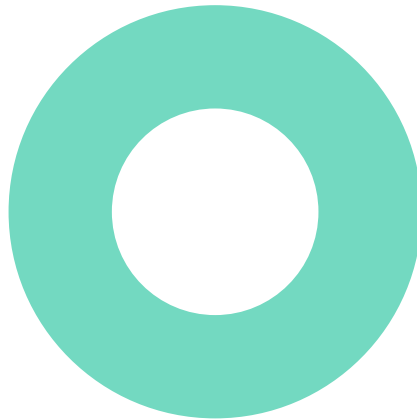
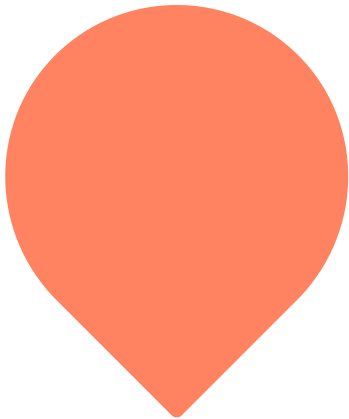


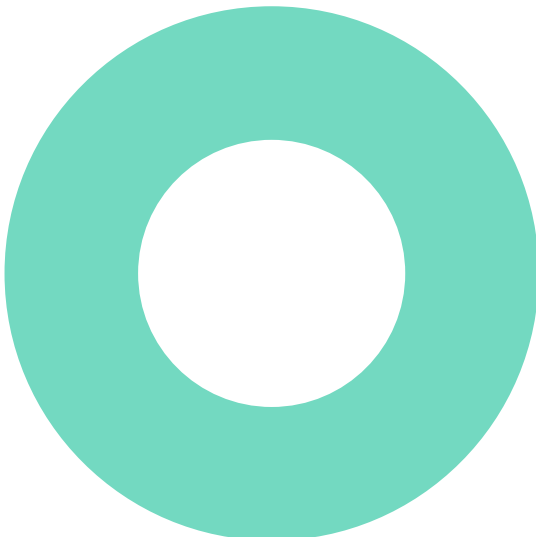
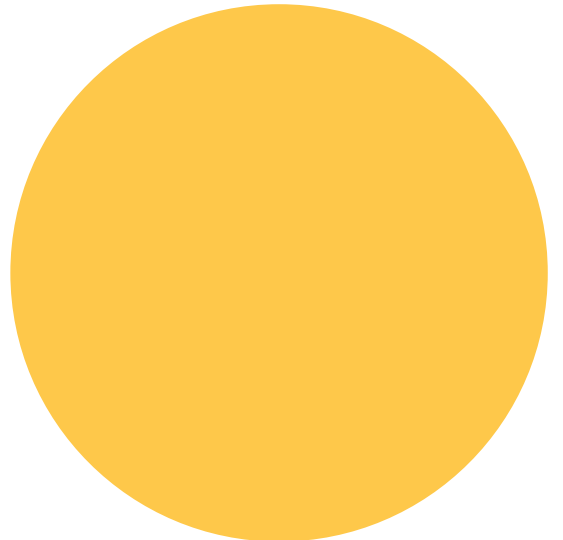
# Debtor Finance





# If payments have dried up, your revenue stream shouldn't.

Debtor Finance made simple.





## The problem

When property home owners don't pay their levies, it places undue pressure on the community scheme.

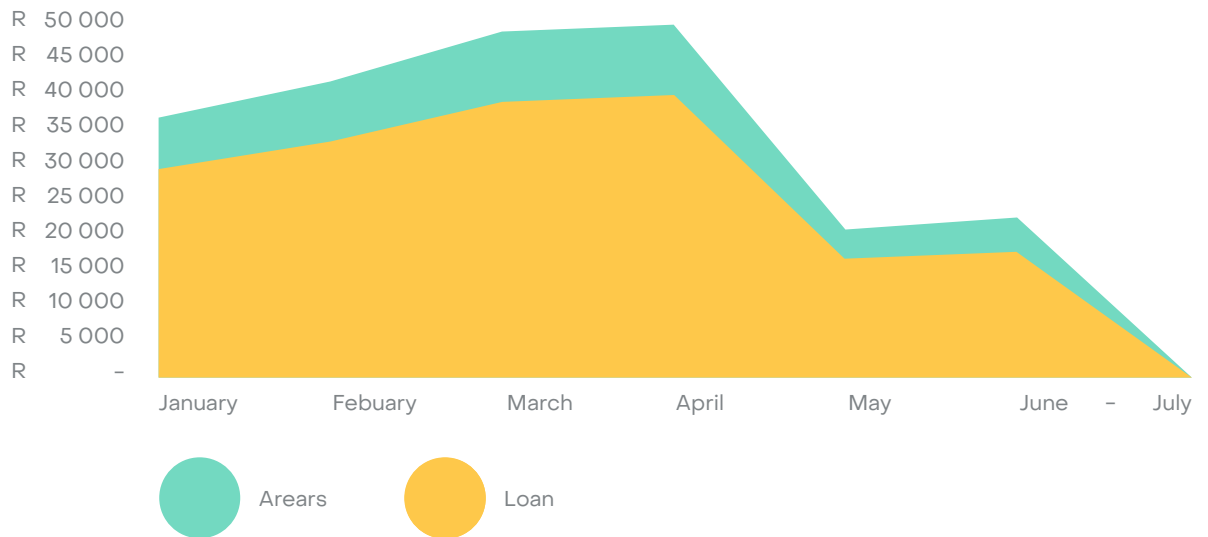
With cash tied up in arrear levies, it is unfair to rely on paying owners' contributions to cover all expenses and it often leads to further default.

The legal cost for the collection of arrears, which is seldom adequately budgeted for, creates a further burden.

Without the budgeted levy income, there are three possible scenarios:

- Paying owners have to cough up more
- Dip into reserve funds to cover the shortfall or;
- Cut back on planned projects or other expenses

Levy default could lead to a vicious cycle in which buildings are not adequately maintained and bills are left unpaid, leading to a deterioration in property value.



## The Solution

Propell's Debtor Finance provides community schemes with a reliable and steady cash flow. Debtor Finance is a revolving loan of up to 80% of levy arrears.

By unlocking the cash tied up in arrears, there is no interruption to paying bills or performing maintenance.

The revolving line of credit allows community schemes to meet their budgets without requiring owners to cough up more or dipping into reserves meant for a rainy day.

Debtor Finance is a loan facility to cover the shortfall left by owners who default on their levy obligation.

Propell makes an initial advance to the community scheme, equal to 80% of levy arrears at the inception of the agreement.

Every month the community scheme or its managing agent provides Propell with an updated report of arrears. Propell then determines whether it should make a further advance to the community scheme or whether the community scheme is required to make a repayment. If the total arrear balance increased, Propell would advance an amount equal to 80% of the increase. Should the arrear balance have decreased, the community scheme would pay an amount equal to 80% of the decrease back to Propell. Effectively, the Debtor Finance balance is adjusted every month to equal 80% levy arrears owed by owners to the community scheme, as illustrated on the graph.

Get in touch.



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