

# Stage 3:

## Sorting debts into priority and non-priority

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### Priority debts

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You need to decide which of your debts are 'priority' debts. If these are not paid, you could for example, lose your home, your fuel or your liberty.

Priority debts include:

- Mortgage arrears
- Second mortgage/secured loan
- Ground rent/service charge arrears
- Rent arrears
- Council Tax arrears
- Electricity arrears
- Gas arrears
- Magistrates' Court fine
- Tax arrears
- VAT arrears
- Maintenance/child support arrears
- Hire purchase or conditional sale agreements

You will always be given a warning before any action and will have the opportunity to respond. **Do respond to the warnings as soon as you can**, as you can usually prevent the loss of your home or other essential item or service.

See Stage 5 - Dealing with priority debts, for how you can do this.

### Non-priority debts

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If you don't pay the following debts the creditors cannot take any further legal action without first getting a County Court Judgement, when you will get the chance to offer to pay off the debt in instalments. Non-priority debts include:

- Charge cards
- Credit cards
- Credit sales
- Mail order catalogues
- Money lenders
- Store cards
- Unsecured bank loans
- Unsecured overdrafts

See Stage 6 - Dealing with non-priority debts for how to deal with these debts.