

## MEDIA RELEASE

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### BCM Executive Mayor to encourage residents to pay debt and get write offs

Residents are gearing to spend their annual bonuses and Buffalo City Municipality wants them to spend it by paying their accounts. The City has come up with a debt Repayment scheme that will see consumers who pay their debts in this period getting a write-off up to 50%.

On 15 December 2010, the Executive Mayor Zukisa Faku and Acting Municipal Manager Andile Fani will visit our Payment centres in King Williams Town and East London to launch this campaign and pay their accounts as well.

The scheme seeks to encourage both Domestic and Business debtors to pay their municipal accounts by receive a write off up to 50% of their consolidated debt of 120 and older. The scheme runs from 1 November 2010 to 30 April 2010.

During the launch, The Executive Mayor and Acting Municipal Manager will be interacting with consumers in an effort to gain better insight of what they require from the municipality.

The incentive is also motivated by the current financial challenges that are affecting the country and thus the City's ability of the Municipality to raise revenue with declines experienced since the recession.

In order to qualify debtors have to apply and register at any Municipal finance enquiry office within Buffalo City Municipal area. To apply means that the debtor will obtain a quote from the BCM enquiry office of what is required to be paid in terms of the settlement options.

To register means that a payment must be made at the cashiers and the details of the payment be taken back to the BCM enquiries person that provided the quote so that the transaction can be completed. Once the debtor is registered to the scheme, a write off will be effected based on the payment made on the settlement option chosen

If the debtor makes partial payments if OPTION 1 is chosen then amounts will be off accordingly, provided the criteria is met. The incentive is given on the debtors' entire debt, even if the debt is handed over for legal collection  
Note that failure to pay every month in terms of IPTION 1 and OPTION 3 will result in credit control being implemented.

#### SETTLEMENT OPTIONS

NOTE: In order to register, a payment must be made.

##### OPTION 1: Partial Settlement

Pay debt in current, 30 day, 60 day, 90 day ageing categories in full

Any amount tendered in the 120 days category or older will trigger an automatic write off of an amount equal to the amount tendered

##### OPTION 2: Full settlement, full reward

Full settlement of debt in the ageing category less than 120 days 50 % settlement of the debt 120 days+

The payment will automatically trigger a write off of an amount to the amount tendered for payment in the 120 days+ category

