

Yes, it is generally against the law to apply for new credit while under debt review or administration. South African law prevents individuals in these situations from entering into new credit agreements. This is to protect both the individual from taking on more debt than they can handle and the credit providers from lending to someone who is already struggling to meet their financial obligations.

Here's why:

- **Debt Review:**

When under debt review, a "flag" is placed on your credit profile, indicating that you are undergoing a process to restructure your existing debts. Reputable lenders will not approve new credit applications while this flag is active.

- **Administration:**

Similarly, being under administration means a court has appointed an administrator to manage your finances. You cannot enter into new credit agreements without the administrator's permission.

- **National Credit Act:**

Both debt review and administration are legal processes designed to help over-indebted consumers manage their finances. The National Credit Act (NCA) aims to prevent consumers from accumulating more debt than they can afford.

- **Consequences:**

Applying for credit while under debt review or administration can lead to legal and financial repercussions. It can also jeopardize the debt review or administration process itself.

- **Alternatives:**

If you need financial assistance while under debt review, it's crucial to consult with your debt counsellor to explore options like extending your current debt review period or other available solutions.