

Consumer's Guide to

DEBT RELIEF OPTIONS IN CANADA

DISCOVER OPTIONS FOR DEBT RELIEF AND CHOOSE THE BEST PATH FOR YOU!

AT ONE POINT OR ANOTHER DEBT, AND HIGH AMOUNTS OF IT, AFFECT US ALL.

It could be an unexpected layoff from work, personal or family illness or unexpected repair to our homes. In some cases, we're able to find our way out through budgeting, sacrifice and monthly payments, but other times the debt can become too much for us to handle, causing collection calls, past due notices and stress.

In this short report, we'll evaluate what options exist to deal with your debt in Canada from paying it back outright to using a licensed insolvency trustee to help you with a consumer proposal.

IF YOU HAVEN'T YET, CLICK HERE & TAKE OUR

60-SECOND DEBT ASSESSMENT QUIZ

HAVE A PROFESSIONAL DETERMINE
THE BEST OPTIONS FOR YOUR SITUATION.





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IF YOU'RE ASKING THE QUESTION "DO I HAVE TOO MUCH DEBT" THEN THE CHANCES ARE YOU DO, AT LEAST FOR YOUR COMFORT LEVEL.

WHEN IS IT TOO MUCH?

5 WARNING SIGNS YOU LIKELY HAVE TOO MUCH UNSECURED DEBT

- 01 **Difficulty paying your bills on time**
- 02 **Receiving collection calls or notices**
- 03 **Living in overdraft or line of credit**
- 04 **Losing sleep worrying about your debts**
- 05 **Allowing bills to stack up because you can't pay**



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**IF YOU’RE LOSING SLEEP
OVER HOW YOU’RE GOING
TO PAY OFF YOUR DEBTS,
THEN THIS IS A WARNING
SIGNAL TO TALK TO
SOMEONE ASAP.**

**THINGS ARE NOT GOING TO GET
BETTER ON THEIR OWN.**



WHAT ARE YOUR OPTIONS?

The good news is there are options, and by requesting and reading this guide you're arming yourself with the information needed to make an informed decision about what's right for you.

2 DEBT RELIEF SCENARIOS TO CONSIDER

If you're in a situation where you have assets available to pay back your debts or you can afford to make the required payments to pay it off in a reasonable amount of time, then your best options are to pay off the debt, sell off assets or access equity in your home to pay it off or get a debt consolidation loan.

- 01 You have the assets or ability to pay back your debt**
- 02 You're insolvent (meaning you owe more than you own and can't keep up with your bills)**

Let's look closer at each of those options.

PAY IT OFF MONTHLY OR CONSOLIDATE

- You can adjust your monthly budget such that you can make regular payments each month and pay off your debt, then this is ideal.
- While it can be a hard pill to swallow to have to make steep debt payments each month, if you're able to do it then it's the right choice.



PAY IT OFF MONTHLY OR CONSOLIDATE CONT.

- You, of course, would need to qualify for a consolidation loan, which can sometimes prove to be challenging depending on the amount of debt you have versus your income.
- However, this is still a good place to start IF you are keeping up on payments and not receiving collection calls or past due notices.



HOME EQUITY OR OTHER ASSETS

- While we hate to access equity in our homes or sell off assets that would allow us to pay down our debt, it is an ideal alternative.
- If you have adequate assets to pay off your debt, then it will be difficult for a licensed insolvency trustee to negotiate lower payment amounts with your creditors.



DEBT SETTLEMENT

- Debt settlement is most often done by credit counsellors. Counsellors negotiate with your creditors on your behalf seeing an ideal outcome of a lower payback amount on your total amount owing.
- The downside is credit counsellors are not federally licensed and they provide no legal protection for you from your creditors. Also, they are not required to fully explain all options to you.



DEBT SETTLEMENT CONT.

- This means you could end up paying back more money than is required, or you could still be harassed by collection calls and even wage garnishments.
- Only a consumer proposal or bankruptcy filed by a licensed insolvency trustee provides you with legal protection from creditors.





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WHAT IF I'M INSOLVENT?

If you are in the situation where you owe more than you own and you cannot keep up with your bill amounts as they come due, then you are what's called insolvent.

CONSUMER PROPOSAL VS BANKRUPTCY

If you are insolvent then a consumer proposal or bankruptcy could be the best option for you. Here's a quick look at the differences between filing a consumer proposal or bankruptcy.



Reference: 020

Amount	Taxes	Total
\$560.00	\$47.60	\$607.60
230.00	\$19.55	\$249.55
30.00	\$142.80	\$1 822.80
00	\$40.80	\$520.80
00	\$19.55	\$249.55
Subtotal		\$3 450.30
Deposit		\$500.00

CONSUMER PROPOSAL

- Consumer proposals, while similar to debt settlements, are filed only by Canadian licensed insolvency trustees.
- Consumer proposals entail collecting all of your financial information and filing a formal proposal to your creditors to pay back a lower amount than is owed in total.



CONSUMER PROPOSAL CONT.

- When a proposal is filed your creditors will receive more money than they would if you were to file for bankruptcy. This is why creditors will most often accept a consumer proposal from your trustee.
- Consumer proposal payments are made monthly to your trustee for up to 60 months. Your trustee then handles all distribution of funds to creditors.



BANKRUPTCY

- Bankruptcy is the next step beyond a consumer proposal. Bankruptcy usually happens when you cannot afford to make any or very little payments each month to pay back your debt. This could be due to a serious life change such as an illness or sudden loss of income.



BANKRUPTCY CONT.

- When filing for bankruptcy you surrender your non-exempt assets (there are several exclusions) to your trustee.
- Through a period of approximately 9 months, for first-time bankruptcy, your trustee works to determine what can be paid back to each of your creditors.
- The process is often completed quickly, in as little as 9 months.



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FINANCIAL FREEDOM IS A MENTAL, EMOTIONAL AND EDUCATIONAL PROCESS.

Our goal at Golding & Associates Licensed Insolvency Trustee is helping Canadian's evaluate the best path to deal with debt, from paying it back outright to getting support from licensed insolvency trustee. We can help you manage debt and regain savings and a healthy financial future.

If you have questions on the actions you should take for your situation, you can [contact us directly](#) or [take our 60-Sec Debt Assessment Quiz here](#).



GOLDING & ASSOCIATES

SERVING HALIFAX & KENTVILLE, NS

Halifax Office:

211 Horseshoe Lake Drive, (Bayers Lake)

Halifax, Nova Scotia B3S 0B9

Resident Office:

Kentville, Nova Scotia B4N 2M9

CONTACT

Toll Free: 1-866-977-4530

**CONTACT US OR
TAKE THE QUIZ HERE**