

# Goldhar

real rules of debt

When you can't cover the **mortgage** without mom...

When the **Canada Revenue Agency** comes knocking...

When you think you're **caught up** and the car breaks down...

When **utilities** bingo backfires and **hydro pulls the plug**...

When you can't remember the last time you  
paid **all** the bills **on time**...

When you're **afraid to answer** the phone if you don't  
know who's calling...

When you dread **what's in the mailbox**, or hide mail  
from your spouse...

# Goldhar debt rules

# shed the debt™

rebalance and come back to life



Family, job, kids, health, elderly parents... anything can become the unexpected **speed bump** that throws your budget out of balance.

When the bills are growing faster than your budget, it doesn't take long before you feel that debt **rules**.

Your **shed** the debt™ consultation with Goldhar & Associates Ltd. is the first step in restoring balance to your financial life and your future.

# human. responsive. proactive.

These attributes are at the heart of Goldhar & Associates Ltd.

Our role is to review your debt situation with you, explore all reasonable opportunities to resolve your financial problems, and provide you with straightforward counsel to help you rebuild your finances for a **fresh and manageable future**.

As licensed Trustees in Bankruptcy, we can administer your **Consumer Proposal**, or file your assignment in **Bankruptcy**, both of which offer you protection from creditors under the Bankruptcy and Insolvency Act.

We won't consider either of these options until we've truly assessed your debt load and explored all other options for relief.

## debt relief options

- credit counselling
- debt consolidation loan
- consumer or Division I proposal
- assignment in bankruptcy

A **consumer** or **Division I proposal**, or an assignment in **bankruptcy** are the **only** options that provide legal protection from creditors and immediately stop garnishments, executions, suspension of essential utilities, and other collection actions.

**Only** a licensed trustee in bankruptcy can help you make a proposal to your creditors or file an assignment in bankruptcy.

## consumer proposal

A **consumer proposal** allows you to reduce and then settle your unsecured debts - including what you owe to the Canada Revenue Agency - for an agreed upon amount, to be repaid in one manageable monthly payment to the trustee for up to 60 months.

The amount of your **settlement offer** must be more than the creditors would receive in a bankruptcy. And you must be able to demonstrate that you can meet that **monthly payment** without fail.

A consumer proposal is prepared by Goldhar, who will present it to your creditors and assist in negotiations until there is an agreement between you and the creditors on the amount you propose to pay.

Goldhar will **administer the fulfilment of your proposal** until all amounts have been paid. Once Goldhar files your proposal, all garnishments, executions, and legal actions by creditors are stopped, and public utilities may not discontinue service for non-payment.

- on unsecured debts totalling \$250,000 or less (other options exist if debts are over \$250,000)
- you retain control of your assets
- your obligation is limited to payment of the settlement amount accepted by your creditors
- you can pay off the remainder of your proposal at any time you choose
- if your proposal is rejected you may choose to file for bankruptcy, or can work with Goldhar to find another solution

## assignment in bankruptcy

**Bankruptcy** is a legal declaration that you are insolvent and are unable to meet your obligations to your unsecured creditors. It offers you the chance to wipe your debt slate clean and start a fresh financial life.

If you are truly unable to pay your bills and make debt payments when they are due, and you **cannot afford to make an offer to your creditors** through a consumer proposal or Division I proposal, bankruptcy may be the only viable option for debt relief.

To make an assignment in bankruptcy, you work with Goldhar as your Trustee in Bankruptcy to determine what **assets** you have that can be **liquidated** as payment to your creditors. Many people who file for bankruptcy have no assets to be liquidated.

Once you make your assignment in bankruptcy, all garnishments, executions, and legal **actions by creditors are stopped**.

- you are required to fulfill certain obligations to the trustee, including a monthly reporting of your income and expenditures
- if you have income in excess of the thresholds set by the Superintendent of Bankruptcy, up to 50% of your deemed “surplus” is payable to the Trustee until you are discharged from bankruptcy
- assets traditionally do not include such items as household furniture, clothing and your personal effects
- usually you may keep your car/vehicle; savings in an RRSP; your computer, etc.
- if only one spouse goes bankrupt, the Trustee usually permits the other spouse to buy out the bankrupt spouse’s share of the home equity

## effect on your credit rating

Filing a proposal or an assignment in bankruptcy will have a **negative impact** on your credit rating. A proposal will be reflected on your rating for 3 years after the fulfilment of your proposal; a first bankruptcy will show for 7 years from the date of discharge. Second and third bankruptcies remain even longer.

That said, if you haven't been paying your bills on time, and/or are in arrears on credit cards, public utilities and other creditors, your credit rating is likely already low, and won't improve until you take steps to settle your debts.

Working with Goldhar now can get you back on a sound financial footing and help you rebuild your credit rating.

Once you have settled your debts, you can qualify again for certain credit cards and other loans, such as car loans or a mortgage. Goldhar can assist you in **rebuilding** your credit.

## special circumstances for tax debtors

When your **biggest creditor** is the Canada Revenue Agency, or the provincial Ministry of Finance, there are some limitations to the debts you can relieve in a consumer or Division I proposal or a bankruptcy.

In a Division I proposal (made if your debts total more than \$250,000) **trust monies**, such as the employee portion of source deduction remittances, must be discharged in full, inclusive of any interest and penalties, **within 6 months**. This may not rule out a proposal, if you can afford monthly payments that are sufficient to discharge this portion of your debt within six months.

The bankruptcy of a corporation will **transfer** responsibility for HST and outstanding source deductions to the **Director(s)** of the corporation, who must then personally make a proposal or file for bankruptcy to settle the debt.

A CRA **lien** against your home or property is **not relieved** through a proposal or bankruptcy. In fact, the debt lives on and may continue to accrue interest. However, CRA cannot register a lien after you have filed any of the following: a Notice of Intention; a proposal; a bankruptcy. If there is the possibility that CRA is moving to register a lien, **don't delay** in filing your Notice of Intention, proposal or bankruptcy.



## don't be embarrassed

Will the neighbours know?

What will the children think?

My mother will be so upset...

Can my boss find out?

How will I face my family?

It's natural to want to protect your privacy and your dignity when you're dealing with unmanageable debt.

Here's the good news: nobody needs to know.

Working with a licensed Trustee in Bankruptcy permits you to come to terms with your creditors confidentially. Your family, your employer, your neighbours don't need to know a thing - unless you happen to be formally indebted to them, which most often is not the case.

Your Goldhar Trustee can help you work out what to say to the children at home. But believe us when we say that the kids will only notice your smile. And they will be happier to see you bounce back to life. So will your mother, your community group, your friends, your brothers and sisters...

There will be no visits to your home, no notices posted on the door. The neighbours have no reason to know you are working with a Trustee in Bankruptcy. And there is no need to contact your employer - unless your wages are garnished, in which case our contact will be of the best kind - to advise of the removal of the garnish.

## what should I choose?

The answer is not always clear cut. In some cases, a bankruptcy might wipe away your debts for less, but the monthly surplus payments may be more than you can afford.

Work through the following income and expenditure rebalance sheets to come up with your ultimate bottom line. That will give you a pretty clear picture of which option is most likely to meet your personal financial objectives.

Goldhar will review your numbers with you and objectively discuss the pros and cons of each option.

You're not on your own.

You can use Goldhar's [online rebalance](#)<sup>®</sup> tool to calculate your total liabilities and assets.

Visit <http://www.shedthedebt.ca/rebalance> and enter the [private access code](#) shown here.

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Prefer to work on paper? Print out the charts on the next four pages and work out your numbers that way.

[www.shedthedebt.ca/rebalance](http://www.shedthedebt.ca/rebalance)

### NET MONTHLY INCOME

Net Salary (after tax) \_\_\_\_\_  
Pension/Annuities \_\_\_\_\_  
Spousal Income \_\_\_\_\_  
Child Tax Benefit \_\_\_\_\_  
Spousal /Child Support \_\_\_\_\_  
Employment Insurance Benefits \_\_\_\_\_  
Social Assistance \_\_\_\_\_  
Rental income \_\_\_\_\_  
Ontario Disabilities Supplement \_\_\_\_\_  
Other Income \_\_\_\_\_

A

### NON-DISCRETIONARY EXPENSES

Child Support \_\_\_\_\_  
Spousal Support \_\_\_\_\_  
Spousal Income \_\_\_\_\_  
Child Care \_\_\_\_\_  
Fines/Penalties \_\_\_\_\_  
Employment Expenses \_\_\_\_\_  
(deductible on tax return)  
Business Expenses \_\_\_\_\_  
Professional Memberships \_\_\_\_\_  
Other \_\_\_\_\_

B

## discretionary expenses

### HOUSEHOLD EXPENSES

Rent/Mortgage Payment \_\_\_\_\_  
Property Taxes \_\_\_\_\_  
Condo Fees \_\_\_\_\_  
Property Insurance \_\_\_\_\_  
Hydro \_\_\_\_\_  
Water \_\_\_\_\_  
Gas Heat \_\_\_\_\_  
Cellular/landline phone \_\_\_\_\_  
Cable TV \_\_\_\_\_  
Internet \_\_\_\_\_  
Home Maintenance \_\_\_\_\_

C

### PERSONAL NEEDS

Groceries \_\_\_\_\_  
Prescriptions \_\_\_\_\_  
Medical Supplies \_\_\_\_\_  
Dental Care \_\_\_\_\_  
Vision Care \_\_\_\_\_  
Smoking \_\_\_\_\_  
Alcohol \_\_\_\_\_  
Eating Out \_\_\_\_\_  
Gym/Sports \_\_\_\_\_  
Entertainment \_\_\_\_\_  
Gifts \_\_\_\_\_  
Church/Charity donations \_\_\_\_\_  
Allowances to children \_\_\_\_\_

D

**TRANSPORTATION/  
COST OF LIVING**

Car payments \_\_\_\_\_  
Fuel \_\_\_\_\_  
Maintenance/Repairs \_\_\_\_\_  
Public transit \_\_\_\_\_  
Driver/vehicle insurance \_\_\_\_\_  
Tolls \_\_\_\_\_  
Parking \_\_\_\_\_  
Car washes \_\_\_\_\_  
Laundry/Cleaning \_\_\_\_\_  
Hair care/personal grooming \_\_\_\_\_  
Toiletries \_\_\_\_\_  
Clothing \_\_\_\_\_  
Foot wear \_\_\_\_\_  
Pet Care/Vet Fees \_\_\_\_\_  
In home help \_\_\_\_\_  
Property maintenance \_\_\_\_\_

**E**

**discretionary expenses**

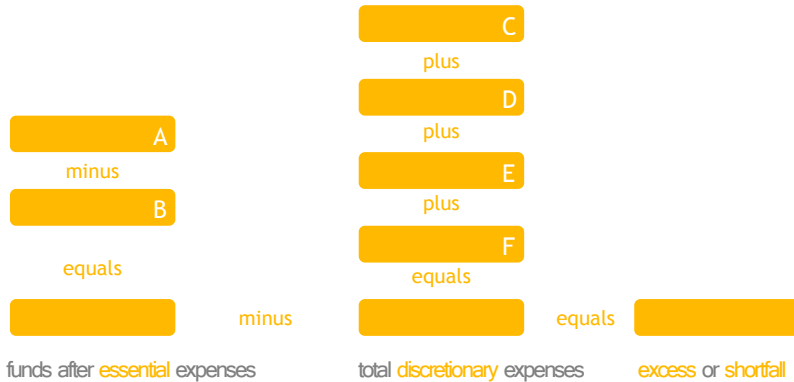
**LOANS/CREDIT CARDS/ARREARS  
monthly payments**

Credit Cards minimums (all) \_\_\_\_\_  
Line(s) of Credit \_\_\_\_\_  
Personal loans \_\_\_\_\_  
Family/private loans \_\_\_\_\_  
Income Tax \_\_\_\_\_  
HST \_\_\_\_\_  
Other Business Taxes \_\_\_\_\_  
Life/Disability Insurance \_\_\_\_\_

**F**

# Goldhar

## rebalance bottom line





[www.shedthedebt.ca/rebalance](http://www.shedthedebt.ca/rebalance)

## consumer proposal vs bankruptcy

Goldhar will help you with this part. Call **1 855 541 5114** today to book your free appointment. We can meet in offices in Mississauga, Pickering, Barrie and Niagara Falls. Or Goldhar can come to you anywhere in the Goldhar area.

### consumer proposal

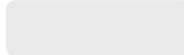


Total to Creditors

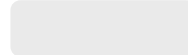


Monthly payment over 60 months

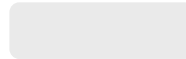
### bankruptcy



Total to Creditors



Surplus income



Monthly payment over \_\_\_\_ months

## final thoughts

Refer family and friends to **Goldhar**.

We won't share your secrets. But we will help them **shed** the debt and rebalance for a fresh financial future.

They can call us at **1-855-541-5114** for a **free** no-obligation consultation. Or they can contact us online at [www.shedthedebt.ca](http://www.shedthedebt.ca)

If you need **help** with debt management in the future...

Don't be shy. We can help you again. It happens.

[www.shedthedebt.ca](http://www.shedthedebt.ca)







shed the debt™

Goldhar & Associates Ltd. Trustees in Bankruptcy

consumer proposals • protection from creditors • debt settlement

call in confidence

1-855-541-5114

[www.shedthedebt.ca](http://www.shedthedebt.ca)