

Goldhar

real rules
of debt

rebalance one

the first of two counselling sessions



shed the debt™

rebalance
and come back
to life

When you first came to Goldhar, you needed protection from creditors and a strategy to retire the debts you couldn't pay. We helped you **shed** the debt™ and start counting your blessings.

This Counselling Session, the **first** of two required under the terms of the Bankruptcy and Insolvency Act, is your first opportunity to sit down with your Goldhar Debt Counsellor to talk about how your debt load became unmanageable.

In this session you will review the basics of credit, debt, and the particular speed bumps that led to your financial stress.

With the help of your Goldhar Debt Counsellor, you will lay the groundwork for a **fresh financial future** that will put you on track to achieving your goals and dreams.

now that the pressure is off

Let's review how you got here.

Everybody has debt. In today's world, with electronic commerce online and in store, with credit cards the only way to check into a hotel or rent a car, debt is a necessary **financial tool**.

Debt isn't bad, when you know how to **manage** it.

The first step in managing your money, and keeping debt from going bad, is to understand the warning signs of debt trouble.

What were your debt trouble warning signs ?

1. Credit cards or lines of credit always maxxed out.
2. Monthly payments never reduced the balance month to month.
3. Bank account always in overdraft.
4. Missed mortgage payments.
5. Public utilities (hydro, gas, water) cut off for non-payment.
6. Payday loans, or family loans, the only way you make it to the next paycheque.
7. Wages/bank accounts are garnished by creditors, including the Canada Revenue Agency.
8. Creditors calling and threatening to repossess the car/tv/furniture, or give your file to a collection agency.
9. Credit card privileges are suspended.
10. All of the above happening over and over.

managing your money

You've got a **fresh start**. The bills are gone. You have no credit cards and so no balances.

Don't let history **repeat** itself.

Look at the list of warning signs on Page 3.

Check off all that applied to you.

Then consider this:

Were there legitimate reasons the money ran short?

Did you or your spouse lose your job?

Did you find new work or are you still looking?

Was there a family tragedy - loss or illness of a parent/child/spouse ?

Or did the money just get away from you?

It happens.

Sometimes there's never enough money to go around, no matter how hard you try to earn more and spend less.

Were any of the following the cause of your financial distress?

(Circle all that apply)

Poor financial planning

Overextended on credit cards/loans

Compulsive shopping/spending

Mortgage too high to carry

Vehicle loans /insurance too expensive

Loaned money to family/friends

Income can't cover day to day expenses

Don't understand how to budget/manage money

Started new business/don't know how to run a business

Family situation - married/became parent very young

Ongoing marriage/family problems

Gambling - bingo, racetrack, casino, online poker

Alcohol/drugs/depression

University/grad school loans

Underemployment

Tax arrears

Independent Help is available for many of these situations. Your Goldhar Debt Counsellor will recommend the resources you need.

problem

resource suggested

Gambling

Compulsive behaviour

Substance Abuse

Depression

CAMH 1 800-463-6273
(Centre for Addiction and Mental Health)

Tax Arrears

Mortgage too high

Other

How do I spend less ?

Whatever the reasons for financial trouble, it always comes down to this:

*"Annual income twenty pounds, annual expenditure nineteen pounds, nineteen shillings, and six pence, result happiness ...
annual expenditure twenty pounds ought and six, result misery."*

Charles Dickens, *David Copperfield*

Spend **more than you earn**, and you're living on borrowed money, and borrowed time.

A **budget** is the best way to keep track of where your money goes, and to make sure there's always **enough** to cover the bills.

Here are some simple charts to help you add up how much money comes in every month, how much you need to cover the basics, and what's available for "treats".

You may want to use Goldhar's **online rebalance™** tool.

Visit <http://www.shedthedebt.ca/rebalance> and enter this **private access code**:

G2104CPBRG



rebalance sheet

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 ware _____
- Pet Care/Vet Fees _____
- In home help _____
- Property maintenance _____

E

discretionary expenses

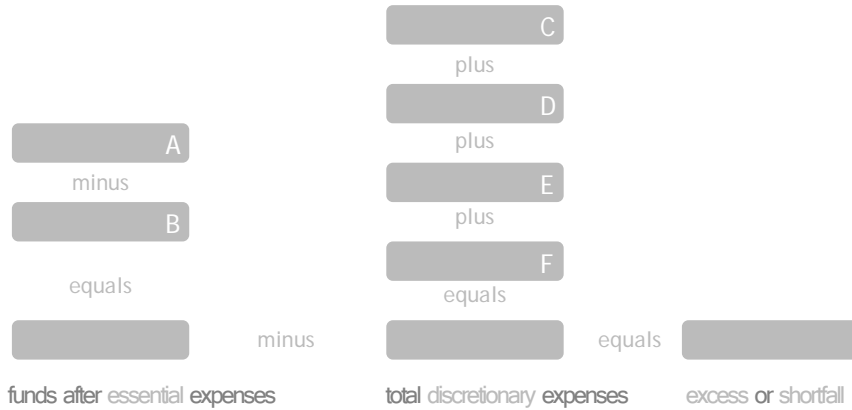
LOANS/CREDIT CARDS/ARREARS
monthly payments

- 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



Is your budget back in balance?

Yes

No

If no, can you identify why?

Yes

No

Now that the credit cards and other **bills are gone**, you should have a clear view to where your money needs to go.

What can you cut back?

Can you get a **cheaper cable** tv package?

Spend less on restaurant meals?

Buy one less bottle of **wine** a week?

Cut down on **cigarettes**?

Stop the **gym** membership and walk the dog every day?

Each one of these ideas sounds silly.

Together they can add up to extra money every month to help you ...

Reach your **Goals** and **Dreams**

Money is the great enabler.

Without it, we always feel **challenged** and uncertain.

With it, we are empowered to make plans and see them come to life.

What are your financial goals and dreams?

Pay all the **bills** every month

Have an emergency fund

Save for the kids' education/daughter's wedding

Health **insurance**/life insurance

Buy a home

Buy a cottage

Take a **vacation** every year

New **car**/second car

RRSP/TFSA **retirement** savings

How do you get there?

The easiest way to reach your goals and make your dreams come true is to **follow the money**.

Know where it comes from, and where it goes.

The Goldhar online rebalance tool is an easy way to take a money “selfie” every month.

Do your numbers, see what’s left over, feel good about it, and then stash the extra cash somewhere you won’t spend it.

Your **bank** will be happy to set up a savings account.

Your Goldhar Debt Counsellor will suggest other savings vehicles as well.

RRSP

TFSA

Savings account

“Pay Yourself Too” account

GIC

Other

Smart Shopping

One way or another we have to **shop to live**. We need food to eat and clothes to wear. If the kids are growing they need shoes, boots, jeans, winter coats, sports equipment. There's always something on the shopping list.

But when you're managing your money on a tight budget, shopping needs a **new approach**.

This part isn't fun, but it can make the difference between peace of mind and financial chaos.

Buy what you must. But before you buy take time to consider your options.

Does another store have almost the same thing, for less?

If you buy a roast for Sunday dinner, can you get two more meals from the leftovers during the week?

Do you need to buy two or can you get by with only one?

Can you stretch out your old black coat for another winter?

Little habits catch on, and once you switch from buying because you like it, to buying because you know it's the best value, you'll be in a good way to spending your money wisely.

Shopping becomes an adventure when you're on a quest for the best price/value combination.

Healthy Use of Credit

Yes, your credit rating took a hit when you made your consumer proposal or assignment in bankruptcy. But you can re-establish your credit rating. And you can qualify for certain types of credit before you are released from your proposal or discharged from bankruptcy.

Secured Credit Card

It's given that without a credit card it's difficult to stay in a hotel or rent a car. During this time of financial re-building, you can apply for a secured credit card, which help you rebuild your credit rating. You secure the credit card with a cash deposit that equals the credit limit on the card. The card issuer keeps that money as security against any balances on the card. By paying off the balance every month your credit score will improve and eventually you will qualify again for a regular credit card.

How to use your credit card.

Don't treat a credit card like a loan. Use it like a bank account of convenience. If you spend \$100 on the card, pay the \$100 back into the card before the end of the month. If you are always paying your cash into the card, then you can use the card as access to cash, without running up a balance. As long as there is the money in your chequing account to pay off the card, you are using the credit as it was meant to be used - for convenience of payment, not for extra money that you don't have.

Occasionally, you may have an extraordinary expense that requires you use the card to extend you cashflow. But always have a plan to pay it back in no more than a couple of months. Once you get into the habit, you will always be on top of your credit card.

A word to the wise .

Don't use spousal credit cards. Each of you should have your own card. That way your debts don't co-mingle. Joint accounts are for your monthly expenses.



Goldhar is here to help

If your cash flow can't cover the bills this month speak with your Goldhar Debt Counsellor.

We'll help you rebalance **right away** to keep your fresh start on track.

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 no-obligation consultation. Or they can contact us online at www.shedthedebt.ca



shed the debt™

Goldhar & Associates Ltd. Licenced Insolvency Trustee

consumer proposals • protection from creditors • debt settlement

call in confidence

1- 855-541-5114

Counselling Session Acknowledgement

Attendance at two counselling sessions is required in order to fulfill the terms of your consumer proposal, or qualify for discharge from bankruptcy.

I acknowledge that I attended **rebalance one**, my first counselling session with a Goldhar Debt Counsellor on _____.
(date)

Name of estate: _____

Name of Goldhar Debt Counsellor: _____

Trustee in Bankruptcy: Goldhar & Associates Ltd.

I acknowledge that the following mandatory topics were reviewed with my Goldhar Debt Counsellor:

Notice to Creditor Package (before session)	YES	NO
rebalance one counselling booklet	YES	NO
monthly budget tools, including online	YES	NO
non-budgetary causes of my financial trouble	YES	NO
Self exclusion and proof of additional counselling for _____	YES	NO
money management strategies	YES	NO
spending and shopping habits	YES	NO
warning signs of financial difficulty	YES	NO
obtaining and using credit	YES	NO
review of other personal considerations	YES	NO

Counsellor: _____ Signature
Counsellor: _____ Signature

