



What are the financial costs to file for a proposal or bankruptcy?

A proposal is an option where you and your creditors have formally agreed to some type of repayment terms. Repayment terms refer to either an extension of time or a reduction in the amount of debt to be repaid. The “costs” to file such a proposal are based on a percentage of the total payment you are making. Should you consult a Trustee for professional advice, they can help you develop the proposal, which is then presented to the creditors.

There may be costs involved in filing for personal bankruptcy. These costs include the Trustee’s time, mandatory counselling sessions and government registration fees. The costs that are charged are government regulated. Sometimes there are payments required by the individual, which are set by the Superintendent in Bankruptcy’s guidelines. This is a guideline based on your income, number of dependents and your personal circumstances.

During your initial meeting, you will explore your options with a Trustee, who will help determine your costs based on your personal circumstances. Many Calgarians may come face-to-face with a financial crisis at some point. There are solutions to debt problems, but often they require professional assistance. The best way to deal with your financial issues is to get control of your situation before it becomes more difficult to manage. Bankruptcy may or may not be the best choice for you. There may be other options that work better for your personal circumstance.

At MNP, our insolvency team has more than 30 years of experience helping individuals and businesses get through the tough times – and back on the road to financial health. With a free and confidential consultation, Meyers Norris Penny can assist you in working through your financial crisis. For more information, please visit www.mnpdebt.ca.

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This is the last of a series of 10 articles Meyers Norris Penny Limited Advisory Services provided relating to insolvency, bankruptcy and consumer proposals. We hope these series of articles has addressed the early warning signs to flag, explored options in a financial crisis and explained the truth behind bankruptcy, proposals and legal actions. Raising awareness and educating the public is the best way to prevent consumers and businesses from serious financial dilemmas. If you missed any of these published articles in the series, you can visit our website www.mnpdebt.ca where we will have an archive of all previously published articles.