



What is a proposal to my creditors?

Some debtors try proposals on their own, but it is often difficult to get all creditors on side. A formal proposal through a Trustee/Administrator is a process where a debtor makes some type of proposal to their creditors with respect to their debts. These proposals can include a reduction of the debt owing or an extension of the time for payments. Payment options can be completed in a lump sum, or by monthly payments made over a period of time.

The creditors then have the opportunity to vote for, or against this proposal. If they accept the proposal, you will make payments based on the arrangement outlined in the proposal. These payments are made through the Trustee or Administrator of your proposal. There is no interest added to your payment.

If you have pledged any of your assets as security, you will have to continue with those payments if you want to keep that asset. Should your creditors not accept the terms of your proposal, you can generally negotiate its terms. If non-negotiable, we can help you look at the other options available to you.

If you need assistance and want to explore a Proposal or any other option, contact a Trustee to seek professional advice.

Donna Carson, CGA, CIRP, Trustee is a Senior Vice President with Meyers Norris Penny Limited in Calgary. For more information, call Donna at 403.538.3187 or email donna.carson@mnp.ca. Consultation calls and meetings are free and confidential. For more information, you can also visit www.mnpdebt.ca.

Meyers Norris Penny Limited Advisory Services will be providing a series of 10 articles relating to insolvency, bankruptcy and consumer proposals. This is the fourth article in the series. Raising awareness and educating the public is the best way to prevent consumers and businesses from serious financial dilemmas. Our series of articles will address the early warning signs to flag, explore options in a financial crisis and explain the truth behind bankruptcy, proposals and legal actions. If you miss 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.