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Misconceptions About Personal Insolvency

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Your creditors are calling from the early hours of the morning until late evening. They are pressing you to beg and borrow funds to pay their debt and can be very threatening. Unfortunately, there is no sympathy to your personal situation and the tone of these calls and the statements made can create fear, conflict, stress and anger. The only objective of a collection agent is to get you to pay, now. Whether you eat, put gas in your car or pay your heating bill does not matter, they want to satisfy their need and to them you are merely another file.

Getting the calls to stop and finding someone to advise you can also be difficult. Financial issues can be embarrassing and most people prefer to keep their personal business from family, friends and co-workers. You know you need a fresh start and the help of an objective professional who is experienced in dealing with these issues but procrastination prevails and a day to day cycle of further pain often emerges.

The concept of bankruptcy makes you very uncomfortable and not what you planned for yourself. The typical consumer is often unaware of the role of the trustee and the options available for dealing with debt and subsequently they delay getting advice.

The purpose of this article is to provide an overview of the common misconceptions people have when dealing with the ramifications of debt obligations that they currently cannot meet.

Fear

Financial issues cause fear and collection agents often prey on this factor for their own gain. You have never been in this situation before and perhaps are unaware of the limitations on creditors. The unknown is a primary cause of fear in all of us. Will they contact your employer, will they follow through on threats? Well, in some instances they will, but a trustee in bankruptcy can prevent unsecured creditors from disrupting your life, coming to your home or place of business and repossessing your personal property. Often, we can eliminate the Fear Factor within a few hours.

Shame

Based on personal experience, most people feel shame and embarrassment. The shame can emerge from many areas including an overwhelming feeling that deep down you are somehow a failure; have let your family down; or that people will look down on you when they find out. First of all, most of these issues are magnified by over thinking and procrastination. You will stop the process of letting people down when you begin to

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make strides towards your fresh start. You are not a failure, some of the worlds most successful people have been in your shoes and have emerged to be leaders. The greatest lessons in life are learned during our most trying circumstance. People will not look down on you because the general public do not need to know your situation.

Bankruptcy and insolvency legislation was enacted to ensure your rights and to help by providing relief from your debts.

Credit gone

This misconception is often a barrier to moving forward. Your existing credit situation is what it is. You may have an excellent credit rating because you are making your minimum monthly payments on time. The problem is the interest is accumulating faster than your payments are applied. So, a decision has to be made whether credit rating is more important than reducing or eliminating your debt.

A bankruptcy or proposal is reported on your credit rating for 3-7 years. That doesn't mean that you can't obtain credit during that time. Part of getting a fresh start is learning how to rebuild your credit and the different ways you can obtain credit in the short term.

Denial

Earlier in this article, the concept of procrastination was highlighted. The problem with waiting is that certain options may no longer be available because you waited too long. Getting the right information up front and beginning the process of understanding what you need to be doing is the starting point. You should be calling a licensed trustee as soon as you get a sense that you will not be able to meet your financial obligations. They will review your financial situation, analyze all alternatives and ensure you are comfortable with taking any further steps. The objective of the trustee and the fun part of our business is watching the burden of debt being removed from people and seeing the peace of mind and confidence return to their outlook.

Getting Started

No obligation, no pressure, no disrespect and plenty of empathy await you at the end of your first step towards a fresh start. You owe it to yourself to at least explore what life looks like on the other side of your current situation. Now, take that first step, stop the cycle and call me, I will explain the concepts in this article and more to you at your convenience.