

Legally speaking...

Did you know?

November 2008

Subject: Credit, Debt & Consumer Information

BANKRUPTCY (1) - GENERAL INFORMATION

If you are in serious financial trouble and not able to pay your debts, then one option is to file for bankruptcy. All other options must be explored and you should seek professional advice before deciding to declare bankruptcy.

If you owe more than \$1000, then you can apply to declare bankruptcy.

What assets can I keep?

Some of the assets you can keep while declaring bankruptcy are:

- 1) Equity in a home in Greater Vancouver and Victoria in the amount of \$12,000, in the rest of the province in the amount of \$9,000.
- 2) \$4,000 in household items.
- 3) Up to \$5,000 equity in a car.
- 4) Up to \$10,000 in work tools.

Will all my debts be cleared?

Not all debts are cleared by filing for bankruptcy. You are still responsible for the following debts:

- 1) Spousal support and child support. A bankruptcy does not stop any actions by the Family Maintenance Enforcement Program.
- 2) Student loans are not erased if bankruptcy is filed prior to or within ten years after the finish of studies.
- 3) Revenue Canada debts. There are some limitations for these debts to be wiped out.
- 4) Court fines.
- 5) Award of damages by a court for intentionally inflicting bodily harm or sexual assault.
- 6) Money owing for things obtained by misrepresentation or things stolen.

For More Information

Credit Counselling of BC: 1-888-527-8999
www.bankruptcycanada.com



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