

Legally speaking...

# Did you know?

November 2008

Subject: Credit, Debt & Consumer Information

## BANKRUPTCY (3) - CREDIT AFTER A BANKRUPTCY

**Bankruptcy in Canada is governed by the federal Bankruptcy and Insolvency Act (BIA). Filing for bankruptcy must be done by people, who are called trustees, who are authorized under the Act to do so.**

### Can I file for bankruptcy on my own?

You cannot do your own bankruptcy. Filing for bankruptcy must be done by trustees, who are authorized under the act to do so.

### Is the trustee a lawyer?

The trustee is usually an accountant. Lawyers are not given licenses to administer bankruptcies.

### Is it difficult to get credit after a bankruptcy?

It is difficult to give a general answer since each case is different. There is no law that says that people who have gone through bankruptcy should not have credit. It depends on the individual and the banks or other creditors to decide whether to give credit or not.

### Who decides if I can get credit after a bankruptcy?

Credit bureaus, or credit reporting agencies collect information about consumers and sell the information to banks, insurance agencies and employers.

Generally, information about your bankruptcy could show up on your credit file for a period of 6 to 7 years after a bankruptcy. It is the banks and other financial institutions that decide whether to grant someone credit or not after a bankruptcy. It is not the credit bureaus.

### What can I do to get my credit back after a bankruptcy?

If you want to improve your credit record after a bankruptcy, contact your bank and ask for a meeting. Bring your pay cheque stubs, your budget and your bankruptcy (discharge) papers to the meeting. Ask your bank how you can earn your way back to a good credit record with them.

### For More Information

#### Bankruptcy Trustees

The names of trustees in your area are usually listed in the telephone book under "Bankruptcy" or "Trustee" or provincial government services.

Refer to fact sheets: Bankruptcy (1) - General Information and Bankruptcy (2) - Filing for Bankruptcy



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