

Goldhar

real rules
of debt

rebalance two

the second of two counselling sessions



shed the debt™

rebalance
and come back
to life

Good people can end up carrying a heavy debt load.

It happens before you know it. All it takes is one speed bump to knock your financial stability off balance.

In your **first** Counselling Session we reviewed the basics of credit, debt, and the particular speed bumps that led to your financial

stress.

This Counselling Session, the **last** of the two required under the terms of the Bankruptcy and Insolvency Act, is an important touchpoint on your road to financial recovery.

Your Goldhar Debt Specialist will help you assess your progress, and ensure you have the knowledge and budgeting tools you need to realize your financial goals and your personal dreams.

Now that you're rebalanced

and back on the road to **reaching** your financial goals...

Let's talk about **managing** your money to keep the budget balanced. Day to day and month to month.

It starts with your income. If we review your **rebalance** sheet, likely your income and non-discretionary expenses are unchanged. Double-check to see. Put your income and expenses into these two charts.

NET MONTHLY INCOME	NON-DISCRETIONARY EXPENSES
Net Salary (after tax) _____	Child Support _____
Pension/Annuities _____	Spousal Support _____
Spousal Income _____	Spousal Income _____
Child Tax Benefit _____	Child Care _____
Spousal /Child Support _____	Fines/Penalties _____
Employment Insurance Benefits _____	Employment Expenses _____
Social Assistance _____	(deductible on tax return)
Rental income _____	Business Expenses _____
Ontario Disabilities Supplement _____	Professional Memberships _____
Other Income _____	Other _____

A B

You may prefer using Goldhar's online **rebalance™** tool. You enter the numbers, it does the math... Visit <http://www.shedthedebt.ca/rebalance> and enter this **private access code**:

G2104CPBRG

A
minus
B
equals

funds after **essential** expenses

Based on your numbers today, has there been a change to the amount of discretionary income remaining after you deduct the expenses you can't change or reduce?

Yes No

Do you have more discretionary income now, or less?

More Less

Now let's review your recurring monthly expenses. Enter the numbers in the charts here (or go back to the online tool).

<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px;"> <p style="text-align: center; margin: 0;">HOUSEHOLD EXPENSES</p> <p>Rent/Mortgage Payment _____</p> <p>Property Taxes _____</p> <p>Condo Fees _____</p> <p>Property Insurance _____</p> <p>Hydro _____</p> <p>Water _____</p> <p>Gas heat _____</p> <p>Cellular/landline phone _____</p> <p>Cable TV _____</p> <p>Internet _____</p> <p>Home Maintenance _____</p> <p style="text-align: right; margin-top: 10px;">C</p> </div>	<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px;"> <p style="text-align: center; margin: 0;">PERSONAL NEEDS</p> <p>Groceries _____</p> <p>Prescriptions _____</p> <p>Medical Supplies _____</p> <p>Dental Care _____</p> <p>Vision Care _____</p> <p>Smoking _____</p> <p>Alcohol _____</p> <p>Eating Out _____</p> <p>Gym/Sports _____</p> <p>Entertainment _____</p> <p>Gifts _____</p> <p>Church/Charity donations _____</p> <p>Allowances to children _____</p> <p style="text-align: right; margin-top: 10px;">D</p> </div>
<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px;"> <p style="text-align: center; margin: 0;">TRANSPORTATION/ COST OF LIVING</p> <p>Car payments _____</p> <p>Fuel _____</p> <p>Maintenance/Repairs _____</p> <p>Public transit _____</p> <p>Driver/vehicle insurance _____</p> <p>Tolls _____</p> <p>Parking _____</p> <p>Car washes _____</p> <p>Laundry/Cleaning _____</p> <p>Hair care/personal grooming _____</p> <p>Toiletries _____</p> <p>Clothing _____</p> <p>Foot ware _____</p> <p>Pet Care/Vet Fees _____</p> <p>In home help _____</p> <p>Property maintenance _____</p> <p style="text-align: right; margin-top: 10px;">E</p> </div>	<div style="margin-top: 20px;"> <p style="text-align: center; background-color: #ccc; padding: 5px; width: 100px; margin: 0;">C</p> <p style="text-align: center; margin: 5px 0;">plus</p> <p style="text-align: center; background-color: #ccc; padding: 5px; width: 100px; margin: 0;">D</p> <p style="text-align: center; margin: 5px 0;">plus</p> <p style="text-align: center; background-color: #ccc; padding: 5px; width: 100px; margin: 0;">E</p> <p style="text-align: center; margin: 5px 0;">equals</p> <p style="text-align: center; background-color: #ccc; padding: 5px; width: 100px; margin: 0;"></p> </div>

Does the total of C + D + E exceed your funds after essential expenses?

Yes No

If yes, what do you think are the real “budget breakers” ?

Let’s list them here: item: _____ \$: _____

item: _____ \$: _____

item: _____ \$: _____

item: _____ \$: _____

Are you **unable** to pay any of the Household expenses on time, every month?

Yes No

If yes, are any of these **debt warnings** signs back in your life?

1. Your credit cards or lines of credit are always maxxed out.
2. Your monthly payments never reduce the balance from month to month.
3. Your bank account is always in overdraft.
4. You miss mortgage payments.
5. Public utilities (hydro, gas, water) are cut off for non-payment.
6. Payday loans, or family loans, are the only way you make it to the next paycheque.
7. Your wages/bank accounts are garnished by creditors, including the Canada Revenue Agency.
8. Creditors are calling and threaten to repossess the car/tv/furniture, or give your file to a collection agency.
9. Your credit card privileges are suspended.
10. All of the above keeps happening over and over.

Have you accepted, and are you using any new credit instruments?
(credit cards, lines of credit, other)

Yes

No

Are you carrying a monthly balance?

Yes

No

What can you cut back?

Recommended budget renovations or reductions:

item _____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

notes

Think about what you can cut back...

Can you get a **cheaper cable** tv package?

Spend **less** on restaurant meals?

Buy one **less** bottle of wine a week?

Cut down on cigarettes?

Stop the gym membership and walk the dog every day?

Together the little things can add up to extra money every month.

barriers to balance

Are there legitimate reasons for any concerns as discussed above?

Did you or your spouse lose your job?

Yes No

Did you find new work or are you still looking?

Yes No

Has there been a family tragedy - loss or illness of a parent/child/spouse ?

Yes No

Are any of the following **barriers** to a balanced budget? (Circle any that apply)

Poor financial planning
Overextended on credit cards/loans
Compulsive shopping/spending
Mortgage too high to carry
Vehicle loans / insurance too expensive
Loaned money to family/friends
Income can't cover day to day expenses
Don't understand how to budget/manage money
Started new business/don't know how to run a business
Family situation - married/became parent very young
Ongoing marriage/family problems
Gambling - bingo, racetrack, casino, online poker
Alcohol/drugs/depression
University/grad school loans
Underemployment
Tax arrears

independent **help** and specialized **counselling** is available for many of these situations.

Your Goldhar Debt Specialist has recommended the following resources to you :

problem

resource suggested

Gambling
Compulsive behaviour
Substance Abuse
Depression

CAMH 1 800-463-6273
(Centre for Addiction and Mental Health)

Tax Arrears

Mortgage too high

Vehicle Loans too high

Family marriage issues

other

I acknowledge that the above resources have been recommended to me by Goldhar and I have agreed to consider contacting the resources provided.

_____ Date: _____

(signature)

maintaining balance

A budget is always the best way to keep track of where your money goes, and to make sure there's always enough to cover the bills.

Use Goldhar's online **rebalance™** tool to track your income and expenses each month. <http://www.shedthedebt.ca/rebalance>

private access code:

G2104CPBRG

If you prefer to work on paper, here are the charts again.

Goldhar | rebalance sheet

NET MONTHLY INCOME

Net Salary (after tax) _____
Pension/Annuities _____
Spousal Income _____
Child Tax Benefit _____
Spousal /Child Support _____
Employment Insurance Benefits _____
Social Assistance _____
Rental income _____
Ontario Disabilities Supplement _____
Other Income _____

A

NON-DISCRETIONARY EXPENSES

Child Support _____
Spousal Support _____
Spousal Income _____
Child Care _____
Fines/Penalties _____
Employment Expenses _____
(deductible on tax return)
Business Expenses _____
Professional Memberships _____
Other _____

B

discretionary expenses

HOUSEHOLD EXPENSES

Rent/Mortgage Payment _____
Property Taxes _____
Condo Fees _____
Property Insurance _____
Hydro _____
Water _____
Gas heat _____
Cellular/landline phone _____
Cable TV _____
Internet _____
Home Maintenance _____

C

PERSONAL NEEDS

Groceries _____
Prescriptions _____
Medical Supplies _____
Dental Care _____
Vision Care _____
Smoking _____
Alcohol _____
Eating Out _____
Gym/Sports _____
Entertainment _____
Gifts _____
Church/Charity donations _____
Allowances to children _____

D

TRANSPORTATION/
COST OF LIVING

- Car payments _____
- Fuel _____
- Maintenance/Repairs _____
- Public transit _____
- Driver/vehicle insurance _____
- Tolls _____
- Parking _____
- Car washes _____
- Laundry/Cleaning _____
- Hair care/personal grooming _____
- Toiletries _____
- Clothing _____
- Foot ware _____
- Pet Care/Vet Fees _____
- In home help _____
- Property maintenance _____

E

discretionary expenses

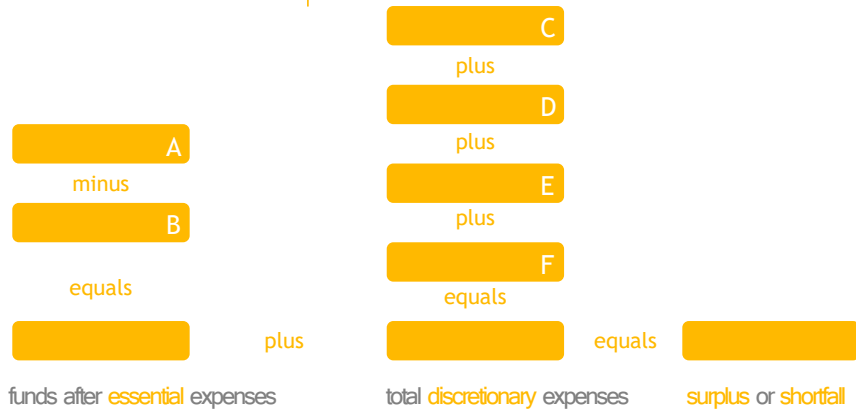
LOANS/CREDIT CARDS/ARREARS
monthly payments

- Credit Cards minimums (all) _____
- Line(s) of Credit _____
- Personal loans _____
- Family/private loans _____
- Income Tax _____
- HST _____
- Other Business Taxes _____
- Life/Disability Insurance _____

F

Goldhar

rebalance bottom line



reach your goals and dreams

Money is the great enabler. Without it, we always feel challenged and uncertain. With it, we are empowered to make plans and see them come to life.

Let's revisit your financial goals and dreams

Pay all the bills every month
Have an emergency fund
Save for the kids' education/daughter's wedding
Buy health insurance/life insurance
Buy a home
Buy a cottage
Take a vacation every year
New car
RRSP/TFSA retirement savings

Do they seem within **reach** now?

Yes No

Are you able to set aside something every month for

RRSP or TFSA	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Holiday fund	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Children education	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Down payment	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

The easiest way to reach your goals and make your dreams come true is to follow the money. Know where it comes from, and where it goes.

The Goldhar online rebalance tool is an easy way to take a money "selfie" every month.

future credit

Your bills are being paid on time. You aren't carrying credit balances any more.

By now you are likely in a position to begin to consider a credit card or other borrowing.

Before you take on new credit obligations, here is a simple guide to the basics of credit.

credit score

Your credit score is a record of your credit and payment habits, and is created automatically by credit reporting agencies. Your score is requested by banks, credit card companies, landlords, cell phone and cable companies, etc. Your score is used as an indicator of your creditworthiness. It may also be used to set the interest you will pay on your loan or credit card.

credit rating

Credit-reporting agencies rate your credit repayment history on a scale of 1 to 9. A rating of "1" means you pay your bills within 30 days of the due date. A rating of "9" means that you never pay your bills at all or that you have made a consumer debt repayment proposal to the lender. A letter will also appear in front of the number: for example, I2, O2, R2. The letter stands for the type of the credit you are using.

The most common ratings in Canada are "R" ratings. The "R" indicates that the item being described involves revolving credit. If you always pay on time, it will be coded an R1. If an amount was written off because you never paid it back, it is coded R9.

Right now, your rating is likely R9 because you made a settlement of your debts under the protection of the Bankruptcy and Insolvency Act (BIA). That rating will improve over time, as you pay out your proposal or are discharged from bankruptcy.

re-establishing credit

In today's world a credit card is a necessary evil. It's practically impossible to book airfare, reserve a hotel room, or rent a car without one. Debit cards, however, are becoming more accepted for all these purchases. So before you assume you have to have a credit card, consider all the ways you can use your debit card for the purchases.

A **debit** card offers the payment convenience of a credit card, but the money you are accessing is the money you have already deposited you're your bank account. So you won't be paying interest, or running up credit balances. However, it's all too easy to overspend what's in your bank account, leaving you short on bills and other payments. As with all spending, knowing your budget limit is essential.

A **secured** credit card can provide you with the purchase flexibility to travel or pay for other credit-card only expenses. This type of credit card has built-in controls to help you govern your usage. You secure the credit card with a cash deposit that equals the credit limit on the card. The card issuer keeps that money as security against any balances on the card. By paying off the balance in full every month your credit score will improve and eventually you will qualify again for a regular credit card.

Your Goldhar Debt Counsellor can help you review the secured-credit cards available and assist you in choosing and applying for one.

credit card basics

Follow these rules of debt and you'll find healthy spending, like healthy eating, soon becomes a new way of life.

1. Don't use your credit card to make everyday purchases. Essentials like food, clothing, and gas for the car are best purchased with cash or a debit card. Planning to ensure these payment are covered is a good start to your rebalanced budget. Using your credit card when you could just as easily use debit is a habit that can quickly lead to new debt.

2. Don't get by with minimum-only payments. If you are using your credit card wisely, you should have enough money in your bank account to pay off the credit purchases at the end of the month. Making only the minimum payment is the first step to building up new debt. You don't want to be there again.

3. Only buy what you know you can pay afford. Period. If you need to use the card to extend you cashflow - perhaps to cover business expenses for which you will be later reimbursed - have a plan to pay it back in no more than a couple of months. Once you get into that habit, you will always be on top of your credit card.

When you're working to build or rebuild your credit history, **how** you use credit is everything. It's important that you use your fresh credit to build and maintain a good credit score.

fresh start

Remembering where you've been is the best way to start using new credit. Take it slow. Don't go out and immediately max out your credit card. If you need that much extra money, we need to go back to your rebalance sheet and find realistic ways to overcome an income shortfall.

Save the credit card for the purchases that can only be bought with a credit card.

That said, there's a secondary purpose to re-establishing your credit, and that the repair of your credit rating. Using the card and repaying the balance every month is the best way to do that. Single out a monthly recurring payment - maybe your cell phone bill. Set up your payment as an automatic charge to your credit card, and then pay off the charge every month. This will have an immediate and positive effect on your credit score.

bigger purchases

If you need to travel - on business or even a much-needed holiday - you'll be using the credit card. Or maybe the fridge breaks down or the car needs repairs. These are the emergencies that typically force you to use your credit card. Whatever the expense, try to keep the charges to the card at no more than 30% of your credit limit. This rule of thumb is a safeguard against maxxing out the card.

When you make the credit card purchase, earmark the same amount in your bank account to pay your credit card bill when it comes in. Or make the credit payment right away. You don't have to wait until the bill comes in the mail to pay the balance.

Occasionally, you may need to use the card to extend your cashflow. Always have a plan to pay it back in no more than a couple of months. Once you get into this habit, you will always be on top of your credit card.

monitor your card usage

Sign up for **online statements** and you can view your account activity online. If your credit card gives you this ability, sign up so you can monitor your credit card balance and pay your bill online.



congratulations

you are well on your way to a **rebalanced** financial future

Your Goldhar Debt Counsellor remains available to help you navigate the speed bumps. If you need **help** with debt management at any time, in the future, don't be shy. Call. We can help you again. It happens.

Refer family and friends to **Goldhar**.

We won't share your secrets. But we will help them **shed** the debt and rebalance for a fresh financial future.

They can call us at **1 855 541 5114** for a no-obligation consultation. Or they can contact us online at www.shedthedebt.ca



shed the debt™

Goldhar& Associates Ltd. Licenced Insolvency Trustee

consumer proposals • protection from creditors • debt settlement

call in confidence

1-855-541-5114

Counselling Session Acknowledgement

Attendance at two counselling sessions is required in order to fulfill the terms of your consumer proposal, or qualify for discharge from bankruptcy.

I acknowledge that I attended **rebalance two**, my second counselling session with a Goldhar Debt Specialist on _____.
(date)

Name of estate: _____

Name of Goldhar Debt Specialist (Counsellor): _____

Trustee in Bankruptcy: Goldhar & Associates Ltd.

I acknowledge that the following mandatory topics were reviewed with my Goldhar Debt Specialist:

rebalance two counselling booklet	YES	NO
monthly budget tools, including online	YES	NO
non-budgetary causes of my financial trouble	YES	NO
money management strategies	YES	NO
warning signs of financial difficulty	YES	NO
obtaining and using credit	YES	NO
resources for assistance including additional counselling for _____	YES	NO

I acknowledge that my Goldhar Debt Counsellor has recommended that I seek assistance from CAMH for _____ and has provided me with a telephone number to call CAMH in times of personal stress. YES NO

Counsellor: _____
Signature

Counsellor: _____
Signature