



Case Study: Family Debt Crisis

Meet John and Liz

John (age 38) and Liz (age 33) are dealing with the financial challenges of raising a family

Location: Oshawa Ontario

John and Liz are a young family with six children. Liz was a stay at home mom, and John was an X-ray Technician at Lakeridge Health Oshawa. They were deeply in debt. They were not living extravagantly, but costs of kids programs and a few extras meant they built up \$32,000 in credit card debt all too quickly. Afraid to lose their home but unable to keep up with the payments they called us for help.

The Challenge

With such a large family, John and Liz needed to keep their home and Liz needed to stay at home with the kids. Daycare would just be too expensive for Liz to return to work. So increasing their income wasn't an option.

THEIR DEBTS

Mortgage	\$286,000
Bank Credit Card A	\$14,000
Bank Credit Card B	\$17,000
Gas Card	\$1,000
Total Unsecured Debts	\$32,000

THEIR ASSETS

House NRV	\$290,000
Car	\$9,000
Value For Creditors	\$4,000

The Solution

Based on John's income and the equity value in their home, we estimated that their creditors would receive about \$9,000 if they filed bankruptcy. John and Liz opted to file a consumer proposal. They were able to reduce their \$32,000 debt to \$10,500 – with no interest – and they were able to keep their car and house.

Payments

\$175 for 60 months

Total Repaid \$10,500

Total Saved \$21,500

John and Liz were able to repay their creditors with easy instalments that fit in their budget and they were able to keep their house and car. All without having to file bankruptcy.

Liz came into our office recently, seven months pregnant and pointed at her baby bump and thanked us. "Because of you, we can now afford to have this baby because you were able to straighten out our financial mess".

Your Debt Crisis Can Have A Happy Ending Too!

You too can trust our office to give you the right advice and help you rebuild your financial well-being. If you have any questions regarding a Consumer Proposal, call us at 1-866-747-0660 or contact us through our email by clicking on the contact us button on our website.

We're Here to Help.

Contact one of our trustees at any of our offices across Ontario by calling **1-866-747-0660** or visit **hoyes.com**

Hoyes, Michalos & Associates

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*names and some details changed for privacy

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