



# SWITCHING YOUR BANK ACCOUNT

If you owe money to your bank for credit cards, a line of credit, or loans we strongly advise that you move your account to a different bank **before** filing bankruptcy or a consumer proposal.

## How to Open A New Bank Account:

**Step 1: Set up a new account** with a new financial institution.

**Step 2: Withdraw any positive balance from your old bank account** and deposit them into the new account.

**Step 3: Change your income to your new account immediately.** This includes work income, Child Tax Benefits, other government payments, support payments etc.

**Step 3: DO NOT advise any creditor** of your new account number **except mortgage or car payments** you will be continuing to pay.

**Step 4: Change any pre-authorized payments** for utilities, rent and insurance payments that will continue after filing. If the payment can't be changed immediately, arrange to pay by cash or money order. Contact the place you first arranged your pre-authorized payments: either online, with your bank or the appropriate creditor.

**Step 5: Stop any payments from your old account.** Some financial institutions will consider any attempts to take funds from the old account after the date of your bankruptcy or proposal to be a debt they can collect from you because it happened after you filed bankruptcy.

**Step 6: Close your old bank account.** If your old account is in overdraft you will not be able to close it. Reduce the overdraft limit if possible.

## When Can You Keep Your Old Account?

If you do not owe money to your bank you can continue to bank there but we recommend you review your account carefully to ensure creditors do not have access to your money through pre-authorized payments.

**It's Easier to Change:** We strongly recommend opening a new bank account to ensure that your bankruptcy or proposal process will be as simple for you as possible.

## Why Make the Switch?

Your bank has the right to take funds from your account to pay back money you owe to them.

Your bank has the ability to freeze your account so that you cannot access your money.

- Your new bank should be a bank with whom you have no debt.
- You cannot have overdraft protection.
- You are entitled to bank at any financial institution of your choice.
- Your new bank can help you re-establish credit after you are done a consumer proposal or bankruptcy