

Welcome to the first Hoyes Michalos newsletter where we will provide tools, tips and advice about personal finance issues.



Hi ,

Welcome to our first Debt Free in 30 newsletter! Our goal is to bring you helpful tools, tips and advice that can help you on your road towards living debt free.

Don't worry, we won't be sending you heaps of emails. We'll be providing quarterly tips, important notices and we'll even have the odd giveaway or two.

You can opt-in or opt-out of further newsletters by clicking hoyes.com/newslettersignup. You can withdraw your consent at any time by using the unsubscribe button at the bottom of any Hoyes Michalos newsletter.

Don't forget to add newsletter@hoyes.com to your address book so we'll be sure to land in your inbox!

So, let's get started!

Should You Pay For Credit Repair?

We've received a significant number of calls from clients asking if they should take out a credit repair loan to help them rebuild their credit and even build up their savings.

We understand the desire. You hope to improve your credit score so that you can qualify for a car loan or mortgage at a lower interest rate. The sad truth is that many companies understand your desperation and have designed programs they say can help however the cost is usually quite expensive.

We looked into a couple of popular programs including one that offers to loan you money to help you rebuild your savings. Here's what we found:

- the inherent interest rate in one such loan that we looked at was 26%;
- this included a \$200 up-front service fee; and
- after paying \$1,511 in payments, the client would have savings of only \$1,000.

If setting aside some savings is your objective, you would be better to put the equivalent

monthly payment into a separate savings account on your own. Arrange to have this done through automatic savings deductions to ensure that you meet your savings goals.

While we cannot definitively say how a \$1,200 loan would impact this client's credit score, it is likely that a credit card of that amount would have a similar impact and, if paid off monthly, would cost significantly less.

Our advice is to look at the numbers carefully before signing up for any credit repair program, know what the full cost will be and make sure any such program meets your financial goals. Lastly, do your research to see if there are better ways of meeting those objectives.

For more about our findings read the [full blog post](#).

Supreme Court Rules on 407 ETR Debts

In a landmark ruling the Supreme Court of Canada has ruled that debts owed to the 407 ETR that are included in a bankruptcy are discharged and that the 407 ETR Concession Company Limited cannot request that the Ministry of Transportation in Ontario withhold license plate renewals for debts that are extinguished under the *Bankruptcy & Insolvency Act*.

If you filed bankruptcy before the release of the Supreme Court of Canada decision on November 13, 2015, 407 ETR will immediately remove your account from plate denial if you have no new 407 ETR debt, and if you have no other debts with the Ministry of Transportation. 407 ETR will send you a letter stating that you are removed from the plate denial system. If you do not receive a letter, you must send them a copy of your Notice of Bankruptcy and Certificate of Discharge, or Order of Discharge. Full details are on the [407 website](#), and it is recommended you fill out the [407 bankruptcy document checklist](#). For bankruptcies filed after November 13, 2015 with Hoyes Michalos, we will contact 407 ETR directly on your behalf. We do not yet know the impact of consumer proposal filings, and are investigating. We will post further updates as they become available.

For more information read our [post here](#).

Debt Free in 30

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Relocating, going back to school or buying a home? Find out how to plan financially for these big events.

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