

IT'S TIME TO SETTLE MY DEBTS

C YOU'RE DROWNING UNDER A MOUNTAIN OF DEBT

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- Prepare a budget to identify your essential expenses. Check whether you are eligible for government financial aid (housing allowance, work premium, child assistance, etc.). Stop using your credit cards.
- If you are unable to pay the full balance on your credit cards, you can group your debts together by consolidating them with one financial institution. In this way, you will only have to make one payment a month and the interest rate will be lower than the interest rate under your various credit cards.
- If you apply for a loan and you have a poor credit file, your lender may insist that another individual act as guarantor and thereby agree to pay in your place if you do not repay your loan or if you go bankrupt.
- You can request a copy of your credit file from a credit agency and, if applicable, have any inaccurate information contained in your file corrected.

ONE OF YOUR CREDITORS IS HOUNDING YOU

- To put a stop to repeated telephone calls from a debt collector, send him a letter asking him to contact you only in writing.
- A creditor is not allowed to harass or intimidate you (e.g.: threaten a lawsuit or arrest). If your creditor harasses you, you can sue him. He is not allowed to intimidate your family, your circle of friends or your employer.
- If you have signed a guarantee on behalf of another person, that person's creditor is allowed to contact you since you have assumed a financial commitment in favour of the creditor.
- Never pay a greater amount than what you owe.
- As soon as you receive a formal demand, contact a legal aid lawyer to find out what recourses are available to you.
- There are several ways to put your financial situation back on track and avoid legal proceedings: voluntary deposit, consumer proposal, negotiations with creditors, bankruptcy, etc. The lawyers at legal aid can advise you. Do not hesitate to consult them.



**IF YOU HAVE ANY DOUBTS REGARDING YOUR ELIGIBILITY,
DO NOT HESITATE TO HAVE IT VERIFIED.**

Legal aid: a network at your service



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June 2010

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YOUR CREDITOR HAS YOUR BACK UP AGAINST A WALL

- You will receive a formal demand from your creditor before any legal proceedings are initiated.
- As soon as you receive legal proceedings, consult a legal aid lawyer or go to the courthouse in order to find out what steps you must take. Make sure you act in time so as not to lose your rights (appearance, attendance in court, etc.).
- If the value of the contract or the amount claimed is \$7,000 or less, ask for your case to be transferred to the Small Claims Court that serves your domicile. This is a court where people represent themselves, without a lawyer, and where the costs are much lower.
- If your creditor obtains a judgment ordering you to pay him the amounts claimed, he could seize your property, your car, your wages or even your house, in certain cases. If you are summoned to court, you will also have to answer the creditor's questions regarding your property and sources of income.
- You should know that the property required for everyday life is protected by law and cannot be seized to pay back your debts (furniture, food, clothing, support payments, the unseizable portion of your wages, etc.). If your property or income is seized, you can contest the seizure. Consult a legal aid lawyer without delay.



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