

# Podcast 13 Transcript

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## SUMMARY KEYWORDS

landlord, property taxes, debt, pay, bankruptcy, utility bills, arrears, include, insolvency, utility provider, filing, owing, proposal, date, typically, condo fees, rent, condo, utilities, account



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Hi, guys, thanks for joining us again, it's Nic and Harmon breakdown debt. Today everybody, we're going to be talking about bills like regular day to day bills that you might have to pay. These are utility bills like hydro Sorry, I'm originally from Ontario, we had hydro power water, gas, cell phone, internet cable, as well as your landlord, possibly rent and property taxes, and how these debts can be treated in a bankruptcy or consumer proposal, and what you can do about them. So lately, we've had a lot of clients that are struggling with utility bills, a lot of the utility providers gave, you know, six months or seven months of deferred payments, and now those deferred payments are becoming due. There's very large utility bills that are outstanding. So I have a lot of clients that are coming to my office saying, Hey, is this something that I can include in my bankruptcy or consumer proposal? So the short answer is yes. But there are certain things that will happen.



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So when you include that current utility provider, what they typically do is we'll stop service with you. So we can include it. But at that point in time, they'll stop the service, unless, of course, it's the middle of the winter, something like that, where they can't stop service, it might be in your best interest to pay up that bill. Some other suggestions that I've given clients is sure we can allow this utility bill in your bankruptcy or consumer proposal. But you might have to open up a new account. So they call it a branch account. So they'll open up a new account to say, Okay, how much were utilities owing up until the date of filing, and now how many utilities are owing after the date of filing. And for that branch account, the utility provider could demand some type of deposit to make sure that

you're going to continue to pay the utilities going forward. Exactly. So because it's an ongoing basis, and no two cases are the same.



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So we once again, you know, we want to clarify that the information we provide in these podcasts does not constitute it's not legal advice. So if you feel that this information, it's something that we cover in these sessions is applicable to your scenario, please give us a call.



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Because every case can be different. So there can be certain factors that we may need to go over with you that can be that can vary, man, depending on what's happening in the current scenario, or you know, you cannot be if it's legal matter, of course, you know, you can always reach out to a lawyer. But if you're dealing with insolvency, you can always feel free to reach out to us at be any debt solutions are reachable at 403-232-6220. And so as Nic has mentioned yet, so where the utilities are, typically, if you're looking to keep them, as you mentioned, with the branch count, you want to make sure that you have an agreement set up with them, so that you can come to terms with them for any future payments, perhaps so certain times, utility companies will be looking for some sort of commitment for any bills that will become due after the date of filing.



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So they want to see that you're gonna continue to commit to make those payments. If any debts owed prior to the date of filing were included in the insolvency. And then that applies as well for certain things like cell phone contracts, or cable contracts. So it may be in your best interest to shut down that account, open up a new account, maybe switch providers if you have a large amount of debt that's outstanding prior to your date of bankruptcy or consumer proposal.



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So we can include those Absolutely, it's just that the utilities that you want to keep, and the providers that you want to keep, you may just want to continue to pay them or catch up the arrears that you have. Ultimately, we're hoping that the proposal or bankruptcy will provide you with a little bit more money in your budget to pay for your basic needs.

You can use this money to catch up your utility bills if needed. So then property taxes is a big one that I run into quite often, clients might have property taxes that are outstanding, and they say hey, well, can these be included in my bankruptcy or proposal?



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Short answer if you're keeping your house no reason being is that debt property taxes, if you're keeping the house you want to continue to live there. It's essentially a secured debt, those property taxes.



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If something happens with your house where it goes through foreclosure, the city can then go after the property to get their property taxes fulfilled. So you need to be aware that



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Property taxes is not something that we can include. Now, if you're walking away from the home, allowing it to go into foreclosure, than it is a debt that could be compromised in that bankruptcy or proposal, because you're not keeping the house, you're not keeping the mortgage, you also don't have to pay the property taxes, or you can compromise the property taxes in connection with the house here. So typically, there will be legalities involved around that aspect. So you know, certain times, you will see that your city where you're located, a municipality, your town, they would be listed on your land titles as well, because they'll typically you have a right on that property. And certain times, yeah, if you're not paying your property taxes, there are legal steps that the city is able to take in order to make sure that their money gets paid.



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So the property taxes can get complicated. So it's always so if you're up to date, and it's typically not a concern, but if you owe a large amount of money to property taxes, then it can be certainly a reason for concern. So definitely, as Nick mentioned, easy way, if you're able to keep up to date, it's there, the options may be limited when it comes to property taxes being a large debt, and you're considering filing for insolvency. One of the ones that I just ran into the other day, Harman that's very similar to property taxes are HOA fees or condo special assessment fees. So those kind of functions similar to again, those property taxes. If you have a special assessment on your condo or Hoa or condo fees, they can

ultimately kind of function very similar to a secured creditor.



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Ultimately, with those special assessments, your condo board could get legal involved and at that point in time, get a judgment against you to try to get that money that money paid. They can also put a lien or rent on the property, and Harmon and I will make sure that we do another podcast where we dig deeper into those writs or liens. To give you a better idea of what those looks like. But keep in mind Hoa condo fees and special assessments for condos as well are something that you can include in your bankruptcy your proposal, but if you're keeping the property, you'll likely just have to pay those to keep up with the property and avoid some other types of legal ramifications. Awesome. And since we're talking about property taxes, condo fees, why don't we get into landlords?



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Nic I think let's try to provide some information to our listeners on how we will deal with landlords when it comes to insolvency. Yeah, so landlords, again, are another special type of current type of Bill. If you are currently with your landlord, you could you could try to include their debt into your bankruptcy or consumer proposal, it definitely is going to affect your relationship with your landlord. It's usually an ongoing bill. So it is best to make arrangements with your landlord to continue to pay that. But a lot of times I have clients that have come to me that have old rent that they have outstanding from a previous place and they didn't pay it up or, you know, a security deposit that wasn't paid or something along those lines. So this can definitely be included in your bankruptcy or consumer proposal. It's that ongoing rent that can be complicated.



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Yes. And with landlord, there's certain things we watch for in the insolvency world, where if you recently moved out, or you're still there, and you're about to move out, and your landlord could have a valid claim in your insolvency filing, and we watch out for those. And because there's also certain priorities, we have to be careful, and insolvency where the landlord may get paid as a preferred creditor in regards to one of the sections in the act that we carefully cite over. So essentially, if it's comes to those scenarios, it's always better to make sure that you disclose that information to your trustee when you're filing for an insolvency filing.



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So make sure you advise and provide full information to your licensed county trustee for any landlord debts as well, because there's certain numbers and certain steps that as a trustee, we have to essentially take into account and the numbers we have to count for when it comes to paying certain creditors are the funds that they may be applicable to their scenario and the dividends they may be eligible to take a participation in. Yeah, so ultimately, you can include that rental arrears in your bankruptcy at that point in time as well as eviction. So people will talk about that. The bankruptcy process will stop an eviction process, because all judgments or



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legal things against you need to stop at the date of the bankruptcy. So you need to know that you know your landlord



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At that point in time, the eviction will will stop the process, you can include the rental arrears. But you might, it's going to make it difficult for that ongoing relationship with your landlord. So you just need to be aware that you could be putting yourself into more stress by continuing. But if you need to stay in the place to accumulate first and last month's rent, it may be an option for you to choose to stay there until you have to, again, we will deal with a landlord, on the other side of things in the administration making sure that the landlords submit their proper claims, if they're entitled to a preference how much that preference is.



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So you need to be aware of that if you want to continue to stay at the place that you're staying at. You'll love it, it's amazing, then it's best to make arrangements with your landlord to negotiate some payments of the arrears. Awesome. And as always, if you are struggling with any debts, or you feel like insolvency may be an option you're considering. Please always give us a call at 403-232-6220 be any debt solution so you can ask for myself or neck. So we appreciate you joining us again. And as always, if there's any questions, concerns, suggestions that you want to get through to us, please contact us. We hope you have a great week. Once again, it's Nick and Harmon breakdown debt. Have a great week, everybody

