**Background**

debt consolidation companies, liquidation companies, bankruptcy law firms and pawn shops

* Just reported this month that household debt to income ratio has hit another all time record, of $1.67 of debt for every dollar earned
* Read stories on how there are people in Toronto and Vancouver that could only make the minimum payment on their credit cards, but as their condo fees/mortgage interest increased, accumulating debt from both mortgage or credit card and then they start getting more credit cards to handle with everyday expenses. In the end they start drowning in debt and usually what happens is, their bank calls and offers solutions like a debt consolidation loan at a lower interest rate or a second mortgage.
* The problem with this is that it doesn’t solve the problem, especially if the bank also advises them to sell their home
* A common solution now is to visit an insolvency trustee. These lawyers propose an offer to each of the client’s creditors to pay a portion of debt under a strict plan over period of time, the reminder of the debt is erased. Creditors typically agree to these arrangements since they finally get the money that they lent back.

**Oliver the Jewelry buyer**

**References**

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