



Managing Your Debt

1. Reconsider Your Budget

Do you have any expenses that you can decrease to free up some extra cash to maintain your monthly credit payments or put extra payments down? Can you take the bus instead of driving? Cut back on eating out?

How about income? Can you increase it in any way? Get a part-time job? Offer babysitting or home repairs? Can you sell some unsecured assets?

2. Refinance Loans or Mortgage

Look into extending the length of time you have to pay on loans or mortgages. It may cost you more in interest but it will reduce the monthly payment required.

3. Consolidate Loans or Mortgage

Consider a consolidation loan that brings all of your debts under one loan so you only have to make one payment. Be sure that the loan has a low interest rate. Remember not to continue to incur more debt! It defeats the purpose.

4. Borrow from Family or Friends

Can a friend or family member lend you the money? This way you can make payments to your family lender at a more flexible payment schedule, and lower or no interest.

5. Negotiate with Creditors

Occasionally, creditors will set up a different payment schedule for you to make your payments more manageable. You make lower payments over a longer period of time. If you are able to negotiate this with the creditor, be sure to get the agreement in writing. Find out more information regarding what creditors can do from [Service Alberta](http://www.servicealberta.ca).



6. Orderly Payment of Debts program (OPD program)

The OPD program is exclusively available to Alberta residents through Money Mentors. It is designed to help you pay off your unsecured debts at a reduced interest rate of 5%, and it provides protection from legal action such as garnishees.

If you feel that the OPD program is a right fit for you, take the [self assessment](#) to find out if you can make the minimum payments.

7. Consumer Proposal

Consumer Proposals under the Bankruptcy and Insolvency Act would require payment toward your unsecured debts, but not the full payment amount.

8. Bankruptcy

Bankruptcy offers an option to relieve your debt crisis if the other options will not work for you.

For more information on each of these options, “attend” our online seminar under the Seminar section of this website.

