

## Fewer locals seeking bankruptcy protection

### Quicker to seek financial help

BY TYLER OLSEN, THE TIMES MAY 28, 2013

The number of Chilliwack residents heading for bankruptcy has declined each of the last two years, according to numbers released recently by a Lower Mainland bankruptcy trustee firm.

In 2012, 178 people in Chilliwack applied for bankruptcy protection, while another 67 people submitted consumer proposals to erase their debt.

The combined number-245- was down 23 percent from 2010, when 317 bankruptcies or consumer proposals took place.

The numbers were collected by the government of Canada and broken down and disseminated by Blair Mantin, a vice-president of Sands & Associates.

Mantin said the numbers suggest consumers are seeking financial help earlier to avoid bankruptcy.

"Debt levels are at an all time high," he said, "but it's interesting that bankruptcies are actually declining in Chilliwack-they were down about 12 per cent from 2011 to 2012.

"However, consumer proposals have increased more than 11 per cent in that same time period," Mantin said. That increase includes proposals filed in Mission.

Consumer proposals give debtors the ability to avoid bankruptcy by offering to pay back a portion of the money owed. Mantin-whose firm promotes the use of consumer proposals-says the numbers show a trend towards people trying to negotiate down their debts before bankruptcy is the only option.

Mantin said foreclosures are a main driver of bankruptcies.

"A lot of people who are coming in who are doing bankruptcies these days, it's because they bought the house a couple years ago, expected it to go up . . . [but] the house has declined in value and they're having trouble making the mortgage payments," Martin said. "I see a surprising number of young families who overextended themselves, had to sell, and if they're locking in a \$50,000 loss, sometimes it's too much for them to consider doing a proposal on."

Martin says the tightening of consumer credit and mortgage rules, along with the fear of rising interest rates, has put a damper on some of the speculation that fuelled much of the debt accumulated over the last decade.

But, he says, British Columbians continue to carry loads of personal debt-\$37,000 on average.

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