Understanding the **Division I Proposal process**

1 Sign and file proposal.

2 Creditors notified and a meeting of creditors is held within 21 days to consider the proposal.

3 At the creditors meeting the Licensed Insolvency Trustee (LIT) reviews creditor claims and votes.

Possible creditor negotiations and meeting of creditor adjournment.

A Majority in number of proven creditors who hold ⅔ in value vote in favour of the proposal or an amended proposal and it goes to Court for final legal validation.

Court approves the proposal.

Court rejects the proposal.

B Majority in number of proven creditors who hold ⅔ in value reject the proposal, or the Court rejects the proposal.

You are deemed bankrupt.

Complete the following duties:

- Attend the first meeting of creditors.
- Meet the proposal terms.
  - If you miss a payment, it must be remedied within 30 days or your proposal will be in default and your creditors rights will be revived.

Certificate of Full Performance is issued.

Congratulations! Your proposal is finished.

General Division I Proposal information

- For those that owe $250,000 or more total debt, excluding the mortgage balance on your principal residence.
- Proposals are filed with the Government of Canada.
- A Stay of Proceedings will stop creditor action and interest.
- Assets do not vest with the Licensed Insolvency Trustee.
- A proposal stays on your credit report (TransUnion and Equifax) for six years after the filing date of the proposal, or three years after the Certificate of Full Performance is issued, whichever date comes first.
- Alimony, fraud/embezzlement. court fines, civil assault claims, misrepresentation, and student loans (newer than seven years) don't go away in your proposal.