

Exempt Assets

What assets are protected and which ones are not?

In Ontario, the bankruptcy exemptions (what you are allowed to keep) are:

- All necessary clothing
- One motor vehicle worth up to \$6,600 (car, truck, etc)
- Principal residence maximum equity \$10,000*
- \$13,150 worth of household furnishings and appliances
- \$11,300 worth of tools of trade (equipment that you use to earn a living)
- Certain types of life insurance
- All RRSP, RRIF and SDSP (Deferred Profit Sharing Plan) savings except for contributions made in the 12 months before your bankruptcy
- Farming tools up to \$29,100

Except for these exempt assets, the balance of your assets are realizable for the benefit of your unsecured creditors.

**If your house has equity in it (above the allotted \$10,000 exemption), then the LIT must realize on the equity. This can be done in two ways: either the LIT sells the property and realizes on the equity directly, or you (the bankrupt) can repurchase the equity in your house from the LIT in order to avoid the sale of the property.*