

THE MONEY WISE

Debt Consolidation Decision Worksheet™

Compare your options before you take on new debt.

THE GOAL

"Consolidation" isn't one thing. This worksheet walks you through your real numbers so you can see, on paper, which path a consolidation loan, a balance transfer, a consumer proposal, or a debt management plan actually fits your situation before you sign anything.

A practical Canadian guide • 2026 Edition • Companion to Debt consolidation in Canada: line of credit vs. balance transfer vs. consumer proposal

How to Use This Guide

- ☐ Complete Part 1 (Your Debt Snapshot) first, every other section builds on these numbers.
- ☐ Work through Part 2 (Quick Eligibility Screen) to narrow down which paths are realistically available to you.
- ☐ Use Part 3 to compare real, sourced numbers side by side, not guesses.
- ☐ Run the Balance Transfer Trap check in Part 4 before you transfer anything.
- ☐ Finish with Part 5 to set your next concrete step.

IMPORTANT

A consolidation loan, a balance transfer, and a debt management plan all restructure your debt you still owe the full balance. A consumer proposal is the only path here that legally reduces what you owe, and it's a formal insolvency filing with real credit-report consequences. This worksheet helps you compare them honestly, not talk you into the one that sounds easiest.

Part 1: Your Debt Snapshot

List every unsecured debt you're carrying; credit cards, lines of credit, personal loans. This is the number every lender or trustee will ask for anyway.

Creditor	Balance (\$)	APR (%)	Min payment (\$)	Months held
TOTAL				

CALCULATE YOUR BLENDED AVERAGE RATE

(Balance 1 × APR 1) + (Balance 2 × APR 2) + ... , divided by your total balance.

My blended average rate: _____ %

Part 2: Quick Eligibility Screen

Check what applies to you. This narrows down which paths are realistically available before you spend time comparing rates.

- My credit score is roughly:
 - ☐ 750+
 - ☐ 660 - 749
 - ☐ 600 - 659
 - ☐ Under 600
 - ☐ Not sure
- My total unsecured debt is:
 - ☐ Under \$10,000
 - ☐ \$10,000 - \$25,000
 - ☐ \$25,000 - \$50,000
 - ☐ Over \$50,000 (up to \$250,000 - consumer proposal eligible)
- My income is:

- ☐ Stable and predictable
- ☐ Variable but sufficient
- ☐ Currently strained
- Could I realistically clear this debt in 3 - 5 years at a meaningfully lower rate?
 - ☐ Yes
 - ☐ Maybe
 - ☐ No - the math doesn't work even at a lower rate

Rough read:

- Good credit + "Yes" above → lean toward a consolidation loan, LOC, or balance transfer.
- "No" regardless of rate → lean toward a consumer proposal or debt management plan conversation.
- "Not sure" anywhere → that's exactly what the free consultations in Part 5 are for.

Part 3: Compare the Paths

Fill in real numbers as you get them from your bank's pre-qualification tool, a balance transfer offer in hand, or a free Licensed Insolvency Trustee (LIT) consultation. Typical Canadian ranges are shown as a starting reference only; your actual offer is what counts.

Path	Typical rate range	My actual quote	Est. monthly payment	Debt reduced?
Consolidation loan / LOC	~7% - 12% good credit, 18% - 35% fair/poor			No - full balance
Balance transfer card	0% - low promo (6 - 12 mo); 1% - 3% fee			No - full balance
Consumer proposal	No interest once filed; repay a negotiated %			Yes - creditors accept less
Debt Management Plan	Full balance, interest often reduced			No - full balance

Part 4: The Balance Transfer Trap Self-Check

If you're considering a balance transfer, run this before you apply, it takes two minutes and can save you from the single most common mistake with this option.

Balance I'd transfer: _____

Promotional period (months): _____

Transfer fee (typically 1% - 3% of balance): _____

Required monthly payment to clear it in time: $\text{balance} \div \text{promotional months} =$
\$ _____ / month

Can I actually sustain that payment?

- ☐ Yes, this path likely works
- ☐ No, any balance left when the promo ends reverts to the card's standard rate, often high-teens to high-20s% APR, which can cost more than staying put.

If "No," revisit the consolidation loan or consumer proposal rows instead.

Part 5: Your Next Step

ONE NUMBER TELLS YOU A LOT

Your blended average rate from Part 1 is the single most useful number in this worksheet, it's the first thing a lender or trustee will ask for, and it's what every "typical rate range" above should be compared against.

Based on what you filled in above, here's where to go next:

- ☐ Leaning toward a consolidation loan, LOC, or balance transfer → get real, no-obligation quotes from 2 - 3 lenders before applying anywhere; a hard inquiry only happens once you formally apply
- ☐ Leaning toward a consumer proposal or unsure the numbers work at all → a consultation with a Licensed Insolvency Trustee is free and required by law to lay out your options honestly, not just sell you one
- ☐ Leaning toward a debt management plan → a non-profit credit counselling agency accredited by the Canadian Association for Financial Empowerment (CAFE) can review your numbers at no cost

Where This Fits in Your Debt & Credit Reset

This worksheet solves the multi-debt problem: which path fits your numbers. Two other pieces of the Debt & Credit Reset ecosystem pick up from here:

- ☐ One card, one call: the Credit Card Negotiation Call Script + Pre-Call Checklist, if a rate negotiation on a single card might be enough on its own
- ☐ Ready for the full framework: Destroy Your Debt walks you through your complete debt picture, a payoff strategy, negotiation, and a realistic timeline to zero
- ☐ Want the credit-score context: Your Credit Score, Decoded explains how each of these paths shows up on your credit report

NEXT STEP

Book a free 30-minute Clarity Call to walk through your numbers together:
calendly.com/themoneywise/30min

You don't need to have this fully figured out before you reach out. You need your numbers from Part 1 and a willingness to make the next smart move.

Let's make your money work harder.

A note on this worksheet: *this is educational content, not personalized financial, legal, or insolvency advice. Rates, fees, and eligibility vary by lender and change over time to confirm current terms directly with any lender or trustee before deciding. Speak with a qualified professional if your situation is more serious.*

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