CANADIAN PRESS PHOTO

The Bay Street Financial District is shown with the Canadian flag in Toronto. A perfect storm is pushing more Canadians to the brink of bankruptcy as debt rises along with surging prices and interest rates.

As 'perfect storm' pushes more to brink, here's what to know about bankruptcy

Rosa Saba
THE CANADIAN PRESS

With Canadians' debt on the rise as they deal with surging prices and interest rates, experts say many people are in the dark about the insolvency process, even though it could help those in dire straits get a clean slate.

The mounting pressure is on display in consumer insolvency numbers, which rose significantly in the second quarter, according to the Office of the Superintendent of Bankruptcy. Meanwhile, the Canadian Association of Insolvency and Restructuring Professionals said in August that it expects consumer insolvencies will surpass pre-pandemic averages later this year.

"It's an absolute perfect storm," said Scott Terrio, manager of consumer insolvency at licensed insolvency trustee firm Hoyes, Michalos & Associates Inc.

He's worried more Canadians are finding themselves on the brink -- and don't know where to turn.

In the second quarter of 2023, total credit card balances hit an all-time high of $107.4 billion, according to Equifax Canada. Total consumer debt reached $2.4 trillion.

With more Canadians likely needing help with their debt, Terrio and other experts say there are misunderstandings about the bankruptcy process.

Under bankruptcy, a person is discharged from some or all of their debts under a legal settlement, explained Sandra Fry, a credit counsellor with the Credit Counselling Society. If their monthly income is below a certain threshold, bankruptcy is a nine-month process and the only costs are legal fees, she said.

The threshold is set by the Office of the Superintendent of Bankruptcy annually. For 2023, it varies between $2,543 and $6,729 depending on the family size.

If the debtor's income is above that threshold, or rises above it during the bankruptcy process, the debtor has to pay some of their debt back over 21 months, said Fry.

Whether it's nine or 21 months, once the process is over, they're free from those debts. The bankruptcy will show on their credit history for six or seven years after they're discharged, depending on the province, according to the Financial Consumer Agency of Canada. If it's not their first bankruptcy, it stays on their report for 14 years.

It will also impact their credit score, and show up on the Court of King's Bench registry, which can have a negative effect on some professions and in areas like sponsoring immigration, Fry said.

But bankruptcy isn't the only option, said Terrio.

"We actually don't do very many bankruptcies. Ninety per cent of our files are consumer proposals, which is a legal alternative to bankruptcy," he said.

Under a consumer proposal, you'll pay a larger portion of your debt back than you would under bankruptcy, explained Fry, usually over five years.

This will be on your credit history for either three years after you finish paying your debts, or six years after you sign the proposal, whichever is sooner, according to the Financial Consumer Agency of Canada.

It will also negatively impact your credit score, but less so than a bankruptcy, Fry said.

In a consumer proposal, you have to offer the creditors more than they would have received if you filed bankruptcy, said Terrio — usually between 20 and 30 per cent of the debt.

"They're waiting longer, but it's also a decent deal for them. Because if they say no to the proposal, and you go bankrupt, they're going to get less."

One of the main differences between a bankruptcy and a consumer proposal is that the latter doesn't involve your assets, said André Bolduc, chair of CAIRP and a licensed insolvency trustee.

But many people hold the misconception that if they choose bankruptcy, they will lose all their assets, which isn't true, he said.

When it comes to your home, for example, it's dependent on how much equity is tied up in it. If there's none, or the equity is below a certain exemption threshold that varies by province, you can go through bankruptcy while keeping your home and continuing to pay the mortgage, said Bolduc. If that's not the case, you'll likely want to choose a proposal instead, he said.

There are exemptions for other assets as well, such as vehicles and registered savings plans, said Bolduc. These exemptions also vary by province.

Many people may not realize that they're on the precipice, as they're paying their minimums on a large amount of debt and maintaining a good credit score, said Terrio. But all it takes is one major change, such as a layoff, for the house of cards to fall. That's why it's important to map out what your "worst case" scenario looks like, he said.

"You'd be surprised what people realize when they actually put it on paper."

When it's time to evaluate your options, only licensed insolvency trustees can actually take you through a bankruptcy or consumer proposal, said Bolduc. They can also go through other options outside of the insolvency process, and may refer you to a credit counselling organization, he added.

However, you can also start at a non-profit credit counselling organization to evaluate your options, said Fry. If a bankruptcy or proposal is what's best, they can recommend a licensed insolvency trustee, she said.

Credit counsellors can also help you negotiate with individual creditors to try and lower your interest rates, said Fry.

This will not be legally binding, and will impact your credit score and ability to get new credit. But it won't be in the public record, and the organization will also require you to participate in financial education, said Fry.

One of the biggest pitfalls Bolduc sees are people not consulting someone early enough about their debt, often because they're ashamed. His message to those people is that they haven't failed, and they're not alone.

"The comment I get the most from people I meet is ... 'I should have come to see you sooner, and this was not as bad as I thought.'"

EU hits Intel with $400 million antitrust fine

THE ASSOCIATED PRESS

European Union antitrust enforcers slapped Intel on Friday with a fresh $400 million fine in a long-running legal fight that the chipmaker appeared to have won last year.

The European Commission imposed the 376.4 million-euro fine after a court threw out an original 1.06 billion-euro penalty issued in 2009 over allegations that the Santa Clara, California-based company used illegal sales tactics to shut out smaller rival AMD.

The commission, the 27-nation bloc's top antitrust watchdog, accused Intel of abusing its dominant position in the global market for x86 microprocessors with a strategy to exclude rivals by using rebates and sales restrictions.

The EU's General Court last year annulled the original decision, saying that the commission's analysis of the rebates didn't meet legal standards.

However, the court confirmed that the sales restrictions amounted to an abuse of Intel's dominant market position. It couldn't decide how the total fine could be divided up between the two offenses, leaving the commission to come up with a new number.

"The lower fine imposed by today's decision reflects the narrower scope of the infringement compared to the 2009 Commission decision," the EU watchdog said.

Intel's European press team didn't respond immediately to an email seeking comment.

Edmunds has tips for EV shoppers looking to buy their first one

THE ASSOCIATED PRESS

As sales of electric vehicles continue to grow, so do the number of questions curious shoppers have when considering making the switch to a fully electrified car, truck or SUV.

Undoubtedly, the experience of driving and owning an electric vehicle is different from the traditional one for a gas-powered vehicle.

To help first-time EV shoppers, the automotive experts at Edmunds address the most common concerns car shoppers have about going electric.

SHOULD I WORRY ABOUT RANGE ANXIETY?

It's true, no matter its price tag or performance, every EV only travels so far before the driver needs someplace to charge the vehicle's battery.

Thankfully, more and more EVs have enough range to satisfy a wide range of buyers.

Consider how many miles you drive on an average day. Chances are, it's well below what a new EV is capable of.

Many models are now capable of driving more than 300 miles on a full charge.

As long as you're not somebody who drives a car until it's sputtering on its final remaining drops of fuel, you should be fine.

The trickier issue is range while making longer highway trips of hundreds of miles.

These can potentially require multiple stops to charge. Range still won't likely be an issue as long as you plan ahead, but the extra time required for stopping and charging can be a hassle compared to the convenience of fueling a gas-powered vehicle.

WHAT'S THE BEST WAY TO CHARGE MY EV?

An EV owner's home, where a dependable and well-maintained charge point is ready and waiting, is typically the best place.

Having a dependable recharging spot takes away much of the stress car shoppers have about EVs.

There are different levels of charging. The most common method is what is sometimes referred to as Level 2 charging.

It uses a 240-volt power source, similar to what operates large appliances like a stove and clothes dryer. Level 2 can usually fully charge an EV battery overnight.

EV owners who don't have access to a home charger will have to rely on public charging stations. It's much less convenient but it's still possible to do. In this case, Level 3 charging, or DC fast charging, is the quickest means of juicing up an EV.

It can take less than 30 minutes to get a sizable recharge using this method.

Tesla's vast network of Supercharger stations is an example of Level 3 charging.

HOW LONG DO EV BATTERIES LAST?

The battery pack in an EV does have a limited working life, though it's longer than what many shoppers might think when considering an electric. At a bare minimum, a federal mandate requires every new EV to have an eight-year/100,000-mile battery warranty, and many experts say they will last longer.

You can loosely think of an EV's battery as being similar to the one in your smartphone. Over the course of hundreds or even thousands of charging cycles, a battery's maximum capacity, and therefore its maximum range, eventually takes a hit.

Even so, the loss in range is manageable. One analysis found that the average rate of range decline for a battery is about 2.3 per cent per year.

Certain techniques, such as limiting your EV battery charging to 80 per cent or 90 per cent capacity for routine driving, can help maximize battery life.

EDMUNDS SAYS

Owning an EV for the first time can be a bit daunting at first. People have had their whole lives to get used to driving gas-powered vehicles, and EVs are basically brand-new. But once acclimated, drivers will find there are many enjoyable aspects to driving an electric vehicle. As sales of electric vehicles continue to grow, so do the number of questions curious shoppers have when considering making the switch to a fully electrified car, truck or SUV. Undoubtedly, the experience of driving and owning an electric vehicle is different from the traditional one for a gas-powered vehicle. To help first-time EV shoppers, the automotive experts at Edmunds address the most common concerns car shoppers have about going electric.

See Sports for the latest scores

Notice of Plan Amendment
Oct. 5, 2023 - 1:30 p.m.
City Hall - 910 4th Ave. S.

What is This Plan Amendment About?

Civic Works Standing Policy Committee will be considering the amendment to the Watermark Outline Plan. The updated plan provides guidance on how land is used, serviced, and accessed to be more efficient and meet current market demands.

Tell Us What You Think

Written submissions by Wednesday September 27, 2023 on lethbridge.ca/notices.

Verbal presentations on Thursday, Oct. 5, 2023

Bylaw can be viewed at City Hall, 910 – 4 Avenue S.

Questions, contact Janet Gutsell, Senior Subdivision Planner, 403-320-3091 or janet.gutsell@lethbrige.ca

For additional information on this bylaw, filing a petition related to this bylaw, or any other question please contact 311.

For more info, visit: lethbridge.ca/notices lethbridge311

Notice of Public Hearing
2802 5 Avenue North
Bylaw 6417
Oct. 17, 2023 – 3:00 P.M.
City Hall - 910 4th Ave. S.

What is This Bylaw About?

Proposed rezoning will carry forward the currently allowed Uses and most of the development requirements. It will exclude the previous landscaping requirements, the site plan, and the landscaping plan found in Bylaw 6177.

Tell Us What You Think

Written submissions by Tuesday, Oct. 10, 2023

Verbal presentations on Tuesday, Oct. 17, 2023

Bylaw can be viewed at City Hall, 910 – 4 Avenue S.

Questions, contact Genesis Molesky, 403-329-7392 or genesis.molesky@lethbridge.ca

For additional information on this bylaw, filing a petition related to this bylaw, or any other question please contact 311.

For more info, visit: lethbridge.ca/notices lethbridge311

DEVELOPMENT PERMITS

LAND USE BYLAW 6300

Take notice that the following Discretionary Use applications and applications involving waivers have been approved by the Development Officers. More information can be obtained by calling 403-320-3920.

NORTH AVENUES AND STREETS:
1, 561 41 Street North **DEV14831**
Direct Control District
Establish – Amusement Facility

WEST AVENUES AND STREETS:
49 Canyoncrest Point West **DEV14833**
Low Density Residential District
Establish – Type B Home Occupation – Hair Salon

APPEALS:
A letter of appeal may be delivered and/or mailed to:
Secretary of the Subdivision and Development Appeal Board, City Clerk's Office, 2nd Floor 910 – 4 Avenue South, Lethbridge, AB T1J 0P6, Phone 403-329-7329, for receipt no later than **October 16, 2023.**

For more info, visit: Lethbridge.ca/living-here/My-Property/Pages/Public-Notices