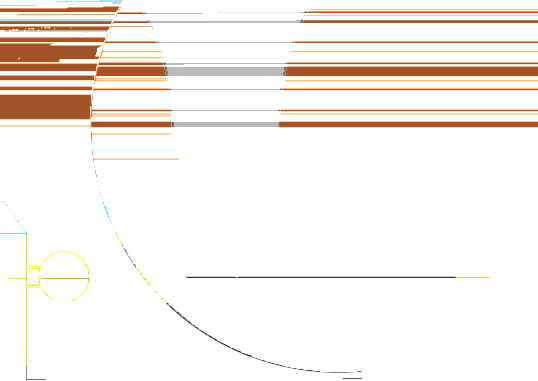


The bottom line

Banks are closely monitoring household debt levels to ensure that Canadian households can successfully manage their debts. Canadian banks remain prudent lenders that manage risk carefully, only lending to clients who demonstrate the ability to repay their loans. At the same time the vast majority of Canadians are responsible borrowers who use credit wisely to strengthen their financial futures.

Canadians make wise borrowing decisions

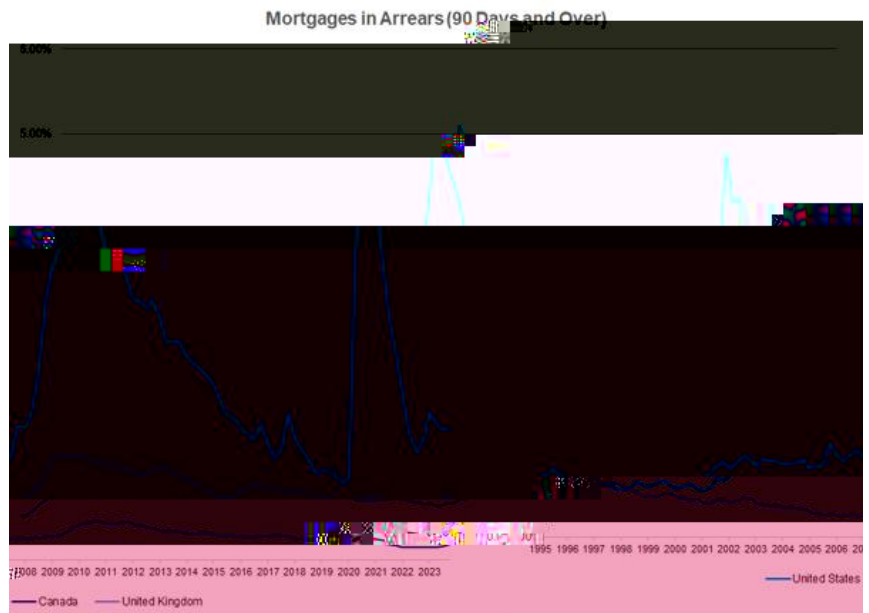
Overall, the vast majority of Canadians are responsible borrowers who use credit wisely to strengthen their financial futures. It is important to put consumer borrowing into perspective: the majority of Canadian household debt, 75 per cent, is made up of mortgage debt⁴ – borrowed money used to purchase a home, a high-quality asset which



Canada, credit card debt only makes up five per cent of total household debt in Canada and credit card debt has remained stable over the past year.¹² Credit card default rates are lower than U.S. levels.

Banks are prudent mortgage lenders

Banks take their role as mortgage lenders very seriously, adhering to prudent standards and ensuring consumers only take on manageable levels of debt. This is clearly evident when looking at national [mortgages-in-arrears](#) numbers for Canada's ten largest banks, which show that less than a fifth of one per cent of homeowners have gone three consecutive months or longer without making a payment, significantly less than in the United States.¹³



Mortgage debt has been growing and this growth has been driven by a variety of forces in the housing market, notably a lack of supply, relatively stronger immigration and – until more recently – low interest and unemployment rates. House prices have almost doubled in the past decade, requiring home buyers to borrow more to finance their homes.

money from chequing to savings accounts automatically, savings calculators, online portfolio managers as well as help and advice in achieving specific savings goals.

The Canadian Bankers Association is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure Canadians can succeed in their financial goals.

Canadian Bankers Association www.cba.ca

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