



Consumers' Association of Canada

Association des consommateurs du Canada

Manitoba

10 June, 2021

Attention: Office of the Superintendent of Bankruptcy

Subject: **Review of Directives and Regulations under the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act**

For several decades, the Manitoba Branch of the Consumers' Association of Canada (CAC Manitoba) has championed the rights of consumers in an effort to seek and maintain a fair and just marketplace. In particular, our financial services sector research and advocacy includes, payday lending rates and regulations, financial literacy for newcomers, and financial options for vulnerable consumers and consumers with limited resources. CAC Manitoba is, therefore, very grateful for the opportunity to comment on bankruptcy regulations and the bankruptcy process in Canada.

Financial Counselling Requirement

Whether provided by the trustee, a not-for-profit agency, or through at-home study, an effective counselling requirement should be comprehensive, inter-sectional and built on a standard set of components that include topics such as household budgeting, goal setting, emergency preparedness, mental and physical health risks and other underlying causes of an unsteady financial path. To further encourage the effectiveness of course materials, a completion assessment may help identify areas of strength, or weakness, and areas in which consumers may wish to review particular components or seek additional resources. An effective assessment tool, while not a criterion for completion of the bankruptcy process, may provide the opportunity to review, test, and teach.

Creditor Meetings

The choice to attend meetings accompanied by a credit counsellor, a financial advisor, or other knowledgeable advocate, should always be given to consumers. Many consumers are intimidated by the bankruptcy process, or even the meeting venue itself, which may disrupt their feelings of confidence and competence.

Consumer Education

Many organizations, including CAC Manitoba, are working to strengthen the financial literacy of Canadians. What we believe is still required, however, is clear, concise, readily available print, electronic and telephone information outlining the consumer bankruptcy process – perhaps shared when a credit or loan application is prepared. For example, while many consumers may be aware of the required fee for bankruptcy, some may not be aware, or may not be told by the trustee, that a low income fee exists. While most Canadians will never enter into bankruptcy, the process should be part of everyone's financial literacy, especially those who enter into creditor agreements.

Sector job loss, climate change, technological advancements, inadequate addictions and mental health counselling funding, and affordable housing shortages, are only some of the factors effecting the future financial stability and viability of Canadian households. Public policy strategies will help many adjust in financial uncertainty. For some others, however, a robust and flexible bankruptcy process will play an important part in achieving financial relief and a hopeful future.

Thank you gain for the opportunity to provide comment. We welcome other opportunities to participate in the work of the Office of the Superintendent and wish you every success in your work.

Best regards,

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Jacqueline Wasney
Board of Directors, CAC Manitoba