

Managing bills and debt during an emergency

When a crisis hits, managing cash flow can become challenging. If you're struggling to pay your bills, this can lead to even more stress. Do what you can to focus on taking control of your payments and cash flow.

1

Look after your money coming in. Apply for government benefits and emergency financial support that is available.

During COVID-19, the [Canada Emergency Response Benefit](#) offers \$500/week for Canadians who have stopped working or have partial income due to the emergency situation. If possible, make sure you are up to date on filing your taxes so that you can still be eligible for any other benefits such as the GST/HST credit, Canada Child Benefit, and more.

2

Look after your most important expenses first.

Prioritize the most important bills first – your rent, mortgage, food, utilities. Then see what you have leftover to cover other needs and wants, or even savings.

3

Cut back on expenses where you can.

During a crisis it can be tempting to spend more on impulse items. But keep in mind your “future self” may need the money more! If you still have money coming in, keep up with your bill payments so that you can stay in good standing with your creditors.

4

Talk to creditors about deferring payments. There may be emergency relief options available.

- During COVID-19, [student loan repayments](#) are suspended until September 30, 2020.
- The [major banks in Canada](#) are offering deferrals on credit card payments. Talk to your bank to apply for this relief.

5

Talk to your bank about deferring mortgage payments.

If you are in good standing and have been financially impacted by an emergency, there may be relief available.

- During COVID-19, [Canada's largest banks](#) are offering deferred mortgage payments.

6

Find out about rental relief available in your area if you are having trouble paying rent.

- During COVID-19, some provinces are offering income support, rent supplements, and freezing evictions.

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7 **Beware of scams.** During a crisis, fraudsters will try to take advantage of fears by spreading mis-information. Be cautious about phone calls, emails, or texts which promise things that sound “too good to be true.”

- [Protect yourself from fraud during COVID-19.](#)

8 **Borrow safely.** If you need to borrow money to cover expenses, avoid high-cost borrowing like payday loans. Credit card rates or a line of credit at the bank are likely to charge much less interest.

- [Canada’s six major banks are providing relief for credit card payments and providing relief for personal loans](#) during COVID-19.

9 **Come up with a plan to manage calls from creditors or collections.** If you receive calls from creditors or collections, calmly explain your situation and ask for deferral options. Do not agree to a plan for payments if you’re not able to afford it. Covid-19 related government supports are meant to cover basic living expenses like shelter, food, and utilities.

- If the calls continue, reach out to your local non-profit credit counselling agency or budget counsellor for specific advice, or contact your provincial consumer protection agency.
- [Find a not-for-profit credit counsellor in your community.](#)

10 **Seek specialized debt help.** If you are dealing with significant debt, seek specialized support.

- A [not-for-profit Credit counsellor](#) or [budget counsellor](#) can review your personal situation, help you determine your options and create a plan of action.
- If you require more structured help like a bankruptcy, it is still a good idea to contact your local not-for-profit credit counselling agency first. They will review your situation and if you need this service, they will refer you to a trusted Licensed Insolvency Trustee who will help you.
- **Watch out for debt services which charge a consultation fee up front.** A not-for-profit service will consult with you at no charge to determine the best next steps.

11 **Remember to care for your health and safety.** Emergency situations are temporary, and it’s important to do your best and take each day one at a time. Reach out for help if you need it, take care of yourself and your family as best you can, and stay safe.