

**Written Submission for the Pre-Budget  
Consultations in Advance of the 2024 Budget**



## **Recommendation 1: Ensure fair credit and end predatory lending.**

- ***Support fair lending alternatives:***
  - The federal government must create a federally funded Fair Credit Benefit so that all low-income people have access to low-cost credit options in case of an emergency.
  - The federal government should support postal banking and other low-cost alternatives.
- ***Enhance financial inclusion:***
  - Lower the NSF fee from \$48 to \$10.
  - Eliminate overdraft fees and banks must offer overdraft protection to all customers.
- ***Lower the criminal rate of interest of predatory loans.***
  - The federal government must immediately lower the criminal interest rate of installment loans from 47% APR (60% Effective Annual Rate, EAR) to 35% APR (42% EAR). This interest cap should include all associated fees and costs such as insurance.
  - Further lower the interest rate of installment loans further to 30% or 20% plus Bank of Canada rate, whichever is lower.
  - Make the regulations enforceable for borrowers. Currently, it is nearly impossible for anyone to take predatory lenders to court. Two important technical changes must be made to section 347 of the Criminal Code to permit appropriate enforcement of violations by Crown prosecutors. The attorney general fiat requirement (subs. 347(7)) and the actuarial calculation requirement (subs. 347(4)) both must be removed. Both are considerable impediments to prosecution of criminal interest rate violations and effectively make prosecution under section 347 impractical and therefore non-existent. In this grey zone of non-enforcement is where the high-cost lending industry grows new products that violate the criminal interest rate.

## **Recommendation 2: Stop corporate landlords, build and protect affordable housing.**

- Mandate disclosure of property ownership.
- Mandate full rent control across all provinces.
- Stop financialized landlords from buying more affordable housing. Set limits to how much housing they can buy.
- Make housing community owned by-
  - giving the right of first refusal on apartment building purchases to land-trusts, co-ops, tenants, and non-profits; and
  - creating an acquisition fund to give these entities the financial backing to purchase the buildings.
- Plug the tax loophole that gives massive tax exemptions to REITs.
- Any federal financing should be tied to a no displacement guarantee; housing targeted to people in core housing need.

- Build a minimum of 1.2 million units of social housing and affordable housing in the next decade.

**Recommendation 3: Provide affordable, high-speed internet to all low-income people.**

- The federal government should provide affordable, high speed internet access by making the Connecting Families Program universal to include all low-income people and fixed-income seniors at \$10/month and 50/10 Mbps speed.
- Make the program mandatory for all telecoms.

**Recommendation 4: Modernize EI**

- Bring back the temporary changes made to EI atleast until the EI reform process is complete.
- **Fund EI.** For the last 30 years, the federal government has not been funding EI.
- Make EI Accessible for all workers and lower the hour requirement consistently across the country to 300 hours or 12 weeks of insurable work, whichever is better for the worker.
- Expand the qualifying period to atleast 2 years making it easier to allow hard working people who have paid into the system to use it.
- Raise the benefit rates for all workers to 75% of earnings; and raise benefits to 100% of earnings for low wage workers.
- Increase accessibility for all workers.
- Expand EI to include 'quit/fire,' 'refuse work,' or school attendance.
- Develop permanent ways for precarious workers to access EI, including the self-employed.
- Ensure better support for educational opportunities as many workers might have to transition from their jobs to another sector.

**Recommendation 5: Tax the rich**

- Introduces an excess profits tax,
- Introduces a wealth tax
- Closes many tax loopholes used by the wealthiest that drain money out of the public purse.

## Background information

ACORN Canada is a national, community union with over 168,000 members in 24+ neighbourhood chapters across 10 cities. For more information, please visit [www.acorncanada.org](http://www.acorncanada.org)

ACORN members would like the federal government to prioritize the following issues while preparing the Budget for 2024.

**A. Fair banking/ End predatory lending:** ACORN was encouraged to see the announcement made by the Liberal Government to lower the interest rate for installment loans in Budget 2023 from 47% APR to 35% APR. However, the interest rate is still too high and in the absence of any fair credit alternatives and lack of access to banks, many low- and moderate-income people have no choice but to turn to predatory lenders. A recent [report](#) by ACORN Canada shows that there are few low-to-medium cost credit options available for low- and moderate-income people and for those that exist, the scale is severely limited.

### **B. Affordable & Healthy homes**

Canada's housing crisis is getting worse and low- and moderate-income tenants are bearing the brunt of the crisis. Coupled with lack of any rent control or full rent controls in many provinces and weak tenant protections, renters have been in desperate need for support. The Canada Housing Top-Up Benefit launched by the federal government was only a one-time support and left out many moderate-income tenants due to very restrictive income threshold.

Further, coast to coast to coast, corporate landlords are buying all of the affordable apartment buildings on sale and then using predatory tactics to extract as much value as possible – all at the expense of the tenants!

CMHC backs up ACORN's claims. New data shows that the share of units that are affordable for low-income households is less than 5% in major centres, 1% in Vancouver, and almost ZERO% in Ontario cities. In fact, the National Housing Council [report](#) says that we are losing affordable housing much faster and in much greater quantities than is being built. Over 550,000 units of affordable housing units were lost between 2011 and 2021, while the \$40 billion National Housing Strategy had a target to produce only 150,000+ new affordable units over 10 years from 2017. Moreover, the new housing constructed with billions of public dollars is not meant for low- and moderate-income tenants.

ACORN's [research](#) shows that tenants in buildings owned by corporate landlords are more likely to live with roaches, bedbugs, mould, etc., face unfair rent increases, and are not getting any repair work done, especially if they are a long-term tenant.

This aggressive erosion of affordable housing by predatory landlords needs to stop.

### **C. Internet for all**

While nearly all households in the highest income group have access to home internet, 31 per cent of those in the lowest income group don't<sup>1</sup>. ACORN's [Internet for All](#) campaign calls for affordable, high-speed internet for all low-income people<sup>2</sup>. ACORN Canada conducted a national survey which showed that a quarter of respondents said they have sacrificed food in order to pay for internet services<sup>3</sup>. While the federal government launched the Connecting Families program, the program is not universal and suffers from many limitations<sup>4</sup>. It only covers some low-income families and seniors. Some telecoms such as Rogers and TELUS have started offering affordable, high-speed internet but it still remains a patchwork of programs.

### **D. Modernizing EI**

The federal government is in the process of undertaking EI reforms. Recently, the federal government introduced a set of temporary changes as the pandemic exposed the inherent gaps in the current EI system. However, those changes have been discontinued starting September 25, 2022. However, the EI reforms are still underway and workers need support.

- Ensure better support for educational opportunities as many workers might have to transition from their jobs to another sector.

### **E. Tax the Rich**

As per Statistics Canada, the wealth gap between the rich and poor in Canada widened at the fastest pace on record in the first quarter of 2023 compared with the year before. The top 20 per cent of earners in Canada held 67.8 per cent of the country's net worth in the first quarter, compared with the bottom 40 per cent holding 2.7 per cent. A 1% tax on wealth over \$20 million would raise \$10 billion in the first year alone.

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<sup>1</sup> CRTC. (2019). *Communications Monitoring Report 2019*. <https://crtc.gc.ca/eng/publications/reports/policymonitoring/2019/cmr1.htm#a2.1.1>

<sup>2</sup> House of Commons, Canada. (2021). *Affordability and accessibility of telecom services in Canada: Encouraging competition to finally bridge the digital gap*. <https://acorncanada.org/resources/indu-report-accessibility-and-affordability-telecom-services/>

<sup>3</sup> ACORN Canada. (2019). *Barriers to digital equality in Canada*. <https://acorncanada.org/resources/barriers-digital-equality-canada/>

<sup>4</sup> ACORN Canada. (2020). Internet for all: ACORN member testimonials. <https://acorncanada.org/resources/internet-all-acorn-member-testimonies-0/>; Noyes, R. and Grijm, M. (2021). Feds' affordable internet program will help a fraction of those who need it. *The Hill Times*.

[https://www.internetforall.ca/hill\\_times\\_opinion\\_feds\\_affordable\\_internet\\_program\\_will\\_help\\_a\\_fraction\\_of\\_those\\_who\\_need\\_it](https://www.internetforall.ca/hill_times_opinion_feds_affordable_internet_program_will_help_a_fraction_of_those_who_need_it)