

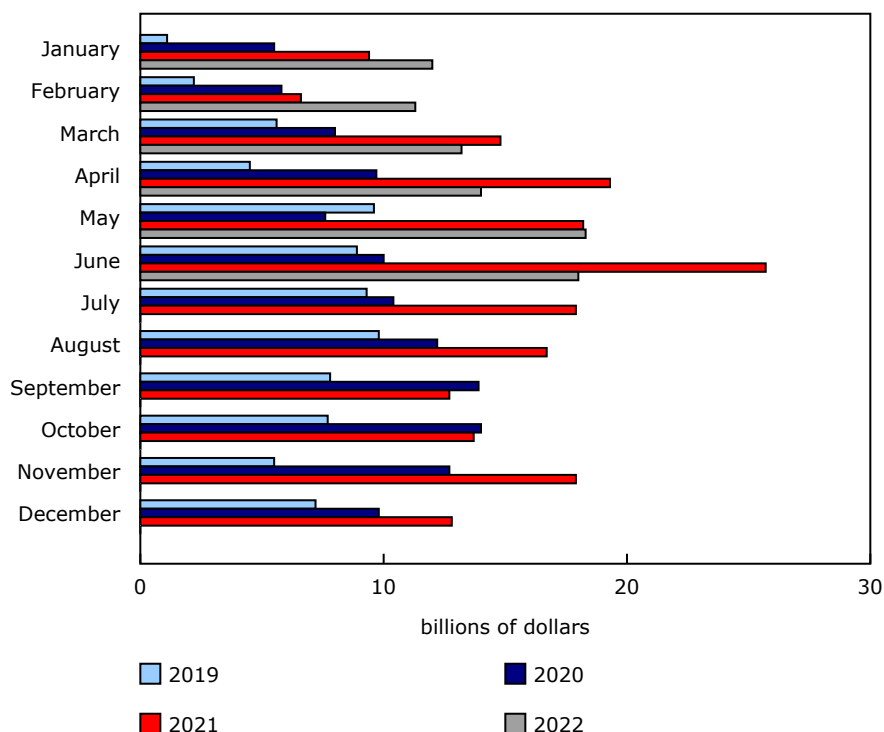
Monthly credit aggregates, June 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, August 19, 2022

Household borrowing

Household mortgage debt increased 0.9% to reach \$2,040.7 billion in June, a rise of \$18.0 billion from May. Compared with June 2021, a strong month of borrowing, mortgages were up 9.6%. This represents the first time that annual growth was below double digits since June 2021. On a seasonally adjusted basis, household mortgage debt grew 0.7% in June, a deceleration from the 0.8% increase recorded in May.

Chart 1
Month-over-month change in household mortgage loans



.. not available for a specific reference period
Source(s): Table 36-10-0639-01.

In June, the [Bank of Canada raised the policy interest rate](#) by 50 basis points to 1.5%, further impacting borrowing costs. The volume of existing home sales declined by 10.3% in June while the average sales price dropped to roughly \$666,000, a fourth consecutive monthly decrease. However, there is frequently a lag between a home purchase and the disbursement of funds, meaning decreased sales volumes and prices may not be immediately reflected in borrowing activity. According to the [New Housing Price Index](#), new home prices for Canada had a monthly increase of 0.2% in June, a slowdown from the 0.5% pace set in May.

Non-mortgage loan debt grew by \$3.4 billion (+0.5%) in June to reach \$714.5 billion. Credit card debt with chartered banks rose \$1.4 billion (+1.6%), a fifth consecutive monthly increase. On a seasonally adjusted basis, credit card balances were up 0.8%, reaching 96.0% of their level recorded in February 2020, before the



COVID-19 pandemic, while [retail sales](#) increased further in June (+1.1%) after five consecutive months of growth. Home equity lines of credit increased by \$1.1 billion (+0.6%) to reach \$171.1 billion in June. By comparison, home equity lines of credit balances reached a high of \$199.0 billion in November 2012.

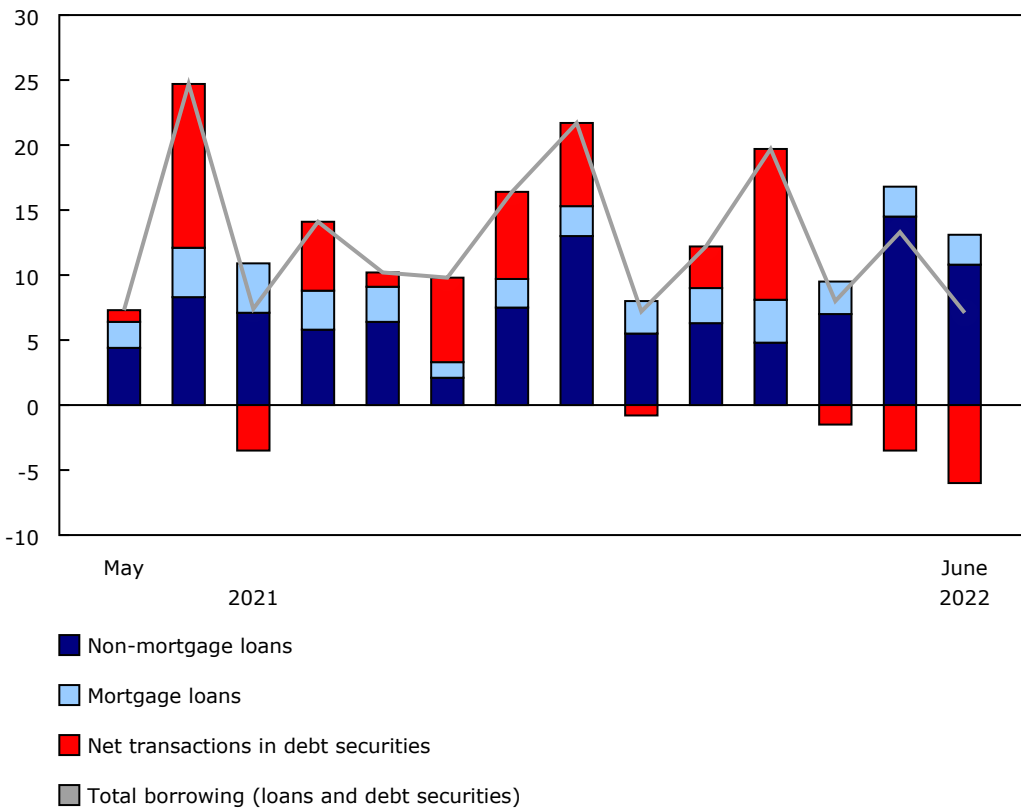
Overall, the total credit liabilities of households rose 0.8% (+\$21.4 billion) from May to reach \$2,755.2 billion by the end of June. On a seasonally adjusted basis, total credit liabilities of households were up 0.6% in June, following a 0.7% rise in the previous month. Real estate secured debt, composed of both mortgage debt and home equity lines of credit, rose by 0.9% (+\$19.1 billion) to surpass \$2.2 trillion.

Private non-financial corporation borrowing

In June, total non-mortgage loan liabilities of private non-financial corporations posted a monthly increase of \$10.8 billion (+1.3%) to \$842.8 billion, a deceleration from the \$14.5 billion rise (+1.8%) recorded in May. On a seasonally adjusted basis, these liabilities rose 1.1% in June. Non-mortgage loans from chartered banks drove the increase with growth of 2.0% (+\$11.4 billion), the largest monthly increase since December 2021, while non-mortgage loans from non-banks edged down 0.2% (-\$0.6 billion).

Chart 2
Private non-financial corporation borrowing

billions of dollars



Note(s): Borrowing is defined as the month-to-month difference in the stock of outstanding loan liabilities plus the net transactions in debt securities.
Source(s): Tables 36-10-0640-01 and 36-10-0670-01.

Stock of government non-mortgage loans to private non-financial corporations decreased 0.4% to reach \$62.6 billion in June, a third consecutive monthly decline, mainly as a result of net repayments and forgiven amounts related to the Canadian Emergency Business Account program.

The mortgage debt of private non-financial corporations increased 0.6% (+\$2.3 billion) to reach \$359.1 billion in June.

In terms of debt securities, private non-financial corporations recorded net retirements for the third consecutive month, with net retirements of \$6.0 billion in June, mainly in the form of long-term instruments (i.e., bonds).

Overall, total credit liabilities (i.e., loans and debt securities) of private non-financial corporations reached \$1,880.1 billion, an increase of 0.7% (+\$12.4 billion) in June. On a seasonally adjusted basis, total credit liabilities of private non-financial corporations rose 0.5%.

Note to readers

Unless otherwise stated, this release presents data not adjusted for seasonality.

Revisions

This release of the monthly credit aggregates for the month of June 2022 includes revised estimates from January 2021 to May 2022. These data incorporate new and revised data, as well as updated data on seasonal trends.

Overview of the monthly credit aggregates

The monthly credit aggregates break down a portion of the quarterly national balance sheet accounts (NBSA) by month. They provide details on lending to households and non-financial corporations—in other words, the stock of these sectors' outstanding liabilities from the debtor perspective—across a range of credit instruments, including mortgage loans, non-mortgage loans, and debt and equity securities. The aggregates cover all lending sectors, including chartered banks, non-bank deposit-taking institutions, other financial corporations, government and other lenders. The estimates are presented as booked-in-Canada to capture activity within Canada, with either domestic or non-resident lenders. In addition, amounts are reported on an end-of-period basis (i.e., the value of the stock of an asset on the final day of the month). The third month of each quarter is benchmarked to the corresponding quarterly release of the NBSA.

Household sector borrowing is divided into financing in the form of non-mortgage loans (i.e., funds principally for consumption) and mortgage loans (i.e., debt acquired to finance the purchase of a property, whether residential or non-residential in nature). Household borrowing in the form of mortgage debt and home equity lines of credit is referred to as real estate secured debt and presents a further delineation of household liabilities associated with residential and non-residential properties.

As with the household sector, non-financial corporation borrowing is divided into non-mortgage and mortgage loans. However, overall credit liabilities of non-financial corporations also include their borrowing in the form of debt securities, with terms to maturity that are both short term and long term in duration.

The NBSA are composed of the balance sheets of all sectors and subsectors of the economy. The main sectors are households, non-profit institutions serving households, financial corporations, non-financial corporations, government and non-residents. The NBSA cover all national non-financial assets and all financial asset-liability claims outstanding in all sectors and, similarly, they present stocks at the end of each quarter.

Estimates are available on a seasonally adjusted basis to improve the interpretability of period-to-period changes in debt. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

For more information on the concepts, methodologies and classifications used to compile these monthly estimates, please see the document "[Guide to the Monthly Credit Aggregates](#)."

Next release

Data on the monthly credit aggregates for July will be released on September 19.

Available tables: [36-10-0639-01](#) to [36-10-0641-01](#) , [36-10-0666-01](#) and [36-10-0670-01](#).

Definitions, data sources and methods: survey numbers [1804](#), [1806](#) and [5334](#).

As a complement to this release, the documents "[Guide to the Monthly Credit Aggregates](#)" and "[An overview of revisions to the Financial and Wealth Accounts, 1990 to 2020](#)," which are part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), are available.

As a complement to this release, the data visualization products "[Financial accounts on a from-whom-to-whom basis, selected financial instruments](#)," "[Distributions of Household Economic Accounts, Wealth: Interactive tool](#)" and "[Securities statistics](#)," which are part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), are also available.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, provides an up-to-date portrait of national and provincial economies and their structure.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).