

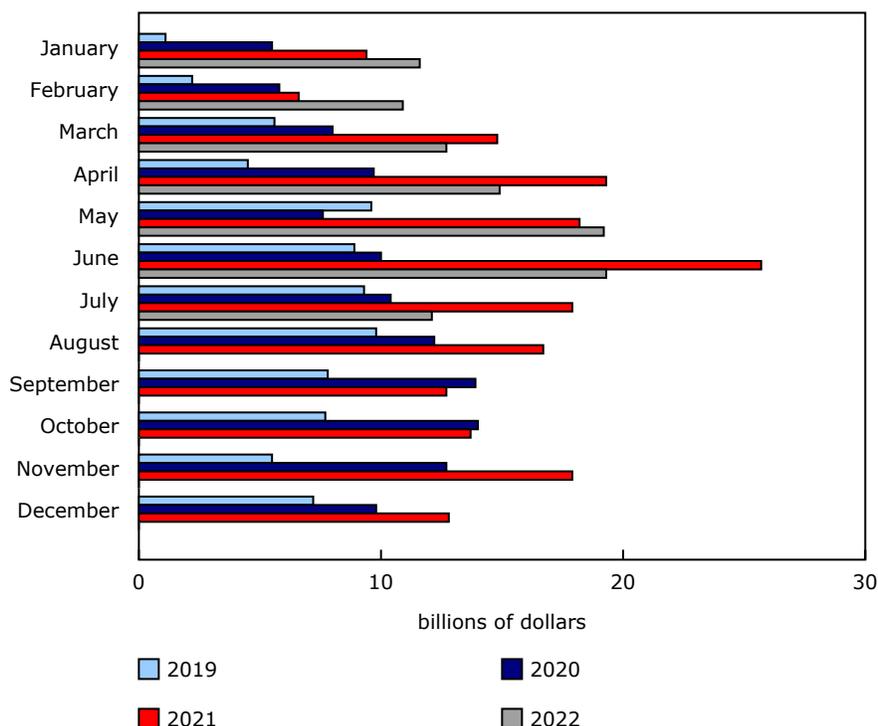
Monthly credit aggregates, July 2022

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

Household borrowing

Household mortgage debt reached \$2,051.8 billion at the end of July on a seasonally adjusted basis, up \$10.9 billion (+0.5%) from June. This was the smallest increase since February 2021. On an unadjusted basis, household mortgage debt rose 9.3% year over year, marking the fifth consecutive month of slowed growth.

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 July, the [Bank of Canada raised the policy interest rate](#) by 100 basis points to 2.5%, the fourth increase of the year, further impacting borrowing costs. The volume of existing home sales continued to decline, falling 21.0% in July, the fourth consecutive monthly decrease. At the same time, the average sale price dropped for the fifth month in a row to roughly \$630,000. According to the [New Housing Price Index](#), new home prices for Canada edged up 0.1% in July compared with June.

Non-mortgage loan debt edged up \$0.2 billion to reach \$718.1 billion, a slowdown from the \$3.7 billion rise recorded in June. Credit card debt with chartered banks increased by \$0.2 billion (+0.2%) in July. On a seasonally adjusted basis, credit card balances rose 0.5% after posting stronger growth for several months since the beginning of 2022, while [advance estimates of retail sales](#) indicate a 2.0% decrease in July, following six consecutive monthly increases. Meanwhile, home equity lines of credit (seasonally adjusted) advanced at a slightly slower pace than in June, rising 0.3% in July. This form of secured debt reached \$171.1 billion by the end of the month and represented 23.8% of all non-mortgage debt.



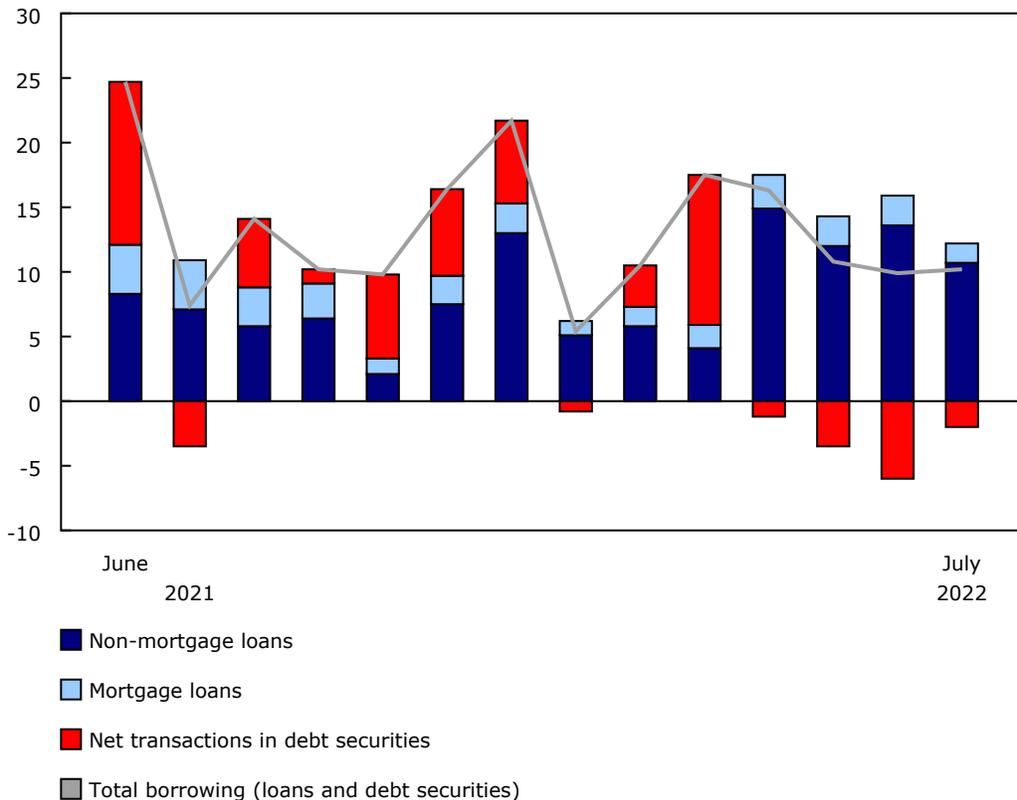
On a seasonally adjusted basis, the total credit liabilities of households grew 0.4% (+\$11.5 billion) to reach \$2,769.9 billion in July. This followed a 0.6% rise in June. Seasonally adjusted real estate secured debt, composed of both mortgage debt and home equity lines of credit, rose by 0.5% (+\$11.4 billion) to reach \$2,222.8 billion.

Private non-financial corporation borrowing

In July, total non-mortgage loan liabilities of private non-financial corporations rose 1.3% (+\$10.7 billion) to reach \$859.9 billion. On a seasonally adjusted basis, these liabilities rose 1.2%, a slowdown from the 1.4% increase recorded in June. Non-mortgage loans from chartered banks drove the increase with a rise of 1.9% (+\$11.1 billion) in July, decelerating from the 2.2% increase recorded in the previous month; however, this latest increase pushed the level of non-mortgage loans 18.6% higher compared with July 2021. Non-mortgage loans from non-banks edged down 0.1% (-\$0.4 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.

Government non-mortgage loans to private non-financial corporations decreased 0.4% to reach \$62.9 billion, mainly as a result of the continued net repayments and forgiven amounts related to the Canadian Emergency Business Account program. The mortgage debt of private non-financial corporations increased 0.4% (+\$1.5 billion) to reach \$356.7 billion, a deceleration from the 0.7% rise recorded in June. Nearly three-quarters (72.8%) of mortgages held by private non-financial corporations are non-residential in nature.

In terms of debt securities, private non-financial corporations recorded net retirements for the fourth consecutive month, with net retirements of \$2.0 billion, mainly in the form of long-term instruments (i.e., bonds).

On a seasonally adjusted basis, total credit liabilities (i.e., loans and debt securities) of private non-financial corporations reached \$1,883.8 billion in July, an increase of 0.5% (+\$9.1 billion).

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 July 2022 includes revised estimates from January to June 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 August will be released on October 20.

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 "[A preview of revisions to the Financial and Wealth Accounts, 1990 to 2022](#)," 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).