

## **Ontario Reforms Debt Settlement and Real Estate Transaction Practices**

*Province Providing New Rights and Increased Protections for Consumers*

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Ontario is strengthening financial protections for consumers using debt settlement services and implementing new rules to protect consumers in real estate transactions, ending unfair business practices. As of July 1, 2015, debt settlement service providers will face limits to how much they can charge a debtor who comes to them for assistance. The new rules also:

- ban debt settlement companies from charging fees before a debtor begins making payments to a creditor
- require clear contracts
- provide a 10-day cooling-off period for any debt settlement services contract entered into on or after July 1, 2015
- permit licences of non-compliant companies to be revoked

Debtors should know their rights before they sign contracts, and they should not make payments until they get results.

In real estate transactions, new rules are being implemented to address the issue of "phantom bidding." As of July 1, 2015, real estate salespeople and brokers will not be allowed to indicate that an offer exists unless it is in writing. Records of offers will have to be kept for at least one year, allowing concerned buyers to ask the [Real Estate Council of Ontario](#) to verify the number of bids received on a property.

Protecting consumers by supporting a fair, safe and informed marketplace is part of the government's economic plan to build Ontario up. The four-part plan includes investing in people's talent and skills, making the largest investment in public infrastructure in the province's history, creating a dynamic and innovative environment where business thrives, and building a secure retirement savings plan.

### **QUOTES**

" Our government is putting a stop to abusive practices by some debt settlement companies occurring in Ontario's marketplace. Consumers who are already dealing with high debt and stress deserve stronger financial protections when it comes to debt settlement. As of July 1, Ontarians using debt settlement services will not pay until they see results, and will benefit from clear contracts that outline their rights and help protect them financially."

- David Orazietti

Minister of Government and Consumer Services

## QUICK FACTS

- There are currently 22 companies and 38 credit counselling providers offering debt settlement services in Ontario.
- The average consumer debt in Ontario is more than \$29,000 per person, according to 2014 statistics from TransUnion.
- According to Statista.com, the total number of resale housing units in Ontario is predicted to exceed 210,000 in 2015.

## LEARN MORE

- Get tips on [dealing with debt settlement companies](#)
- Learn more from the [experts](#) on handling debt
- Read the stories of [real consumer experiences with debt settlement companies](#)

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