

IN THE LOOP

“Losing your head in a crisis is a good way to become the crisis.” - C.J. Redwine



Spring Edition

Welcome to the third edition of our ‘In the Loop’ newsletter. Clearly 2020 isn’t going the way any of us would have expected so far, but we do hope that everyone’s family and friends are all healthy during this time as we all adjust to new daily routines. It has been eye opening to speak to many clients and friends, to see the different ways this pandemic has impacted their daily lives and financial well being.

We would like to extend an enormous thank you to any healthcare workers, first responders, essential workers and their families who might be reading this. We appreciate everything that you are doing for the rest of us during these times.

As always, we encourage any feedback, advice or questions you might have.

Income Tax: Deadline Change

You now have until **June 1, 2020** to file your income taxes and until **September 1, 2020** to pay any outstanding balances.

Do you have any uncashed cheques waiting for you?

As of May 2019, approximately 5 million Canadians had an estimated 7.6 million uncashed cheques with the CRA, dating back to 1998. The CRA has piloted a new uncashed cheque feature in [CRA My Account](#) to let taxpayers know if they have uncashed cheques waiting for them.

Mortgage Rates

March saw the Bank of Canada take swift action by slashing interest rates at the outbreak of the pandemic. This brought down most lenders prime interest rates from 3.95% to 2.45% reducing the existing interest rates on variable rate mortgages and lines of credit.



Despite that, we have seen banks increasing their fixed mortgage rates and drastically reducing the spreads offered on new variable rate mortgages. The rising cost of short-term funding used for variable rate mortgages explains the jump, as few people want to lend the big banks money at ultra low interest rates.

Please feel free to contact us for any mortgage or borrowing related questions that you might have at this time.

Market Update

It was a tumultuous quarter for equity markets globally in early 2020.

The beginning of the year saw the strength of 2019 continue, with markets hitting all time highs towards the end of February. However, from then onwards, things changed dramatically with the spread of the coronavirus triggering rapid market declines as economies around the world ground to a stop.

For a more detailed breakdown on market performance please [click here](#).

Where to go for support

The two major sources of financial assistance for Canadians are the Canadian Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS). These programs have been well publicized and are changing on an ongoing basis. Please follow the link below for the most up to date information:

- [Canadian Emergency Response Benefit \(CERB\)](#)

For those faced with an interruption in their regular income, we also wanted to highlight some of the other programs and options available to Ontarians and Canadians:

- Ontario support for families**—eligible parents will receive a one-time per child payment of \$200 for children aged 0–12 (see link for more details: [Get Support for Families](#))
- Property Taxes:** many municipalities have extended an interest free grace period for property taxes that are due at the beginning of May. Contact your municipality for more details
- Auto Insurance:** last week, the Insurance Bureau of Canada said a number of the organization's members had initiated plans to reduce customer premiums over the next 90 days to reflect the reduced risk from less driving. Contact your provider for more information.
- Mortgage deferrals:** if needed, you can reach out to your lender to ask for a deferral on payments up to 6 months. Interest is accumulated during this period and added to your mortgage balance, to be paid off from that point going forward. (note: this is not mortgage relief)
- Credit Card Interest Rate Decreases:** those facing financial issues and that are carrying credit card balances should contact their institution to enquire about reducing interest rates.

