



## Household credit growth slowing: CIBC

<http://www.financialpost.com/Household+credit+growth+slowing+CIBC/3218527/story.html>

Despite worries about the rise of household debt in Canada, a CIBC World Markets report says the rate of growth has recently slowed down. Economist Benjamin Tal, the report's author, said it's a positive thing that the rate of household debt is slowing. He said the rate at which it grew during the recession and the early stages of the recovery were beyond what was healthy in the long term. "That's fine," he said of the previous growth in debt, which helped mitigate effects of the recession in Canada. "That's exactly what the Bank of Canada wanted to do.... The Bank of Canada cut interest rates during the recession to encourage you and me to go and spend, and that's how you get out of recession." But the pace of growth in consumer credit is now slowing, said Mr. Tal. The CIBC report said mortgages are expanding at a rate of 0.6% per month, the slowest since 2003.