



Surrey Rent Bank

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What is a rent bank?

The Surrey Rent Bank (SRB) helps improve housing stability by providing financial assistance to people who are arrears on their rent due to an emergency or unforeseen event.



The rent bank lends money

- People apply to the rent bank for a loan to pay their rent.
- If approved, the rent is paid directly to the landlord.
- There is a plan for repayment that is 1.25% over the prime lending rate
- People have up to 2 years to repay the loan.
- Loans cannot exceed \$1600



Target group

- The rent bank helps people who are stabilized but are on low incomes as defined by low income cut offs (LICO).
- The rent bank does not conduct credit checks, however, they do check references with landlords.
- The best borrowers are connected to other support services
- They do not serve people who are chronically homeless.
- 60% of borrowers have children



The rent bank strives to increase financial literacy

- The rent bank requires that people receiving loans have a bank account.
- People are counselled to avoid expensive pay day loans that can keep the individual in debt.
- The rent bank has a financial literacy program but currently does not require borrowers to participate.
- Refers people to the BC Credit Counselling Society



Eligibility requirements

- Are nineteen years of age or older
- Have a bank account
- Have no un-discharged bankruptcies
- Have a sincere reason for any delinquency in loan payments
- Have (will have) a consistent source of income
- Are not able to access any other form of government financial assistance
- Have rental costs that do not exceed ongoing ability to pay the rent
- Currently reside or will reside in Surrey at the rental property for which the loan is issued



Application process

- People interested in applying for a loan are pre-screened to ensure that they meet eligibility requirements.
- If they meet eligibility, they complete a loan application form.
- Loans requests are reviewed and approved by committee.
- If approved, a cheque is made out directly to the landlord.



Paying back the loan

- People have up to 2 years to pay back the loan.
- Interest is charged and goes toward providing loans to other people in need.
- The Surrey Rent Bank has a pay back rate of 60-70%
- People can take out another loan if they have paid off the first loan, or significantly paid the first loan without missing payments



Results

- After 6 months of taking a loan the Surrey Rent Bank found that 100% of borrowers were still in homes.
- 75% of borrowers were still stable after one year.
- Landlords like the program. CMHC estimates that it costs a landlord \$6,000 for an eviction.



How is the Surrey Rent Bank funded?

- The SRB was started with a \$60,000 grant
- SRB receives grants from credit unions and other societies
- Money repaid by borrowers is channelled back into the loan stream.



Other information about rent banks

- Rent banks in Canada started in Ontario
- The Surrey Rent Bank is modeled on the Momentum Program in Calgary
- There are two other rent banks in BC, the Prince George Rent Bank and Fraser Valley Rent Assistance Project. A rent bank is currently being planned for Vancouver.