

June 30, 2009

File: 5080-01

Lower Mainland Local Government Association
#60 - 10551 Shellbridge Way
Richmond, BC
V6X 2W9

VIA FAX - 604-270-9116

Dear Sir/Madam:

Re: Termination of the Transportation Loan Program for Refugees

At the Regular Council – Public Hearing meeting of June 29, 2009, Council passed the following resolution:

"That Council submit the following proposed resolution to the Lower Mainland Local Government Association:

TERMINATION OF THE TRANSPORTATION LOAN PROGRAM FOR REFUGEES

WHEREAS Canada, as part of its national humanitarian program for Government Assisted Refugee (GAR) immigrants the only country worldwide that issues interest bearing loans to refugee immigrants to cover their pre-entry medical examination and transportation costs to resettle to Canada.

WHEREAS the burden of the transportation loans is having a detrimental impact on thousands of refugees and on Canadian society, undermining refugees' ability to integrate and to contribute to their full potential in their new homes.

THEREFORE BE IT RESOLVED that the Union of BC Municipalities urges the Government of Canada to immediately cancel all outstanding refugee transportation and pre-entry medical loan debt and to cease seeking repayment of the transportation and pre-entry medical costs for new Government Assisted Refugees coming to Canada."

AND:

That the City Clerk forward the "Termination of the Transportation Loan Program for Refugees" resolution to the Surrey's MPs and MLAs and the FCM."

..../2

In accordance with the above resolution, enclosed is a copy of resolution for your information.

Yours truly,

A handwritten signature in black ink, appearing to be 'C. Bonneville', with a long horizontal stroke extending to the right.

C. Bonneville
Deputy City Clerk

HD

cc: *Surrey's MPs and MLAs*
Federation of Canadian Municipalities

4. **Social Planning Advisory Committee - June 25, 2009**

Adrienne Montani, First Call Provincial Coordinator, provided a presentation on the Federal Government's Transportation Loan Program for Government Assisted Refugees.

File No. 5080-01

It was
Moved by Councillor Villeneuve
Seconded by Councillor Rasode
That Council submit the following proposed
resolution to the Lower Mainland Local Government Association:

"TERMINATION OF THE TRANSPORTATION LOAN PROGRAM FOR REFUGEES

WHEREAS Canada, as part of its national humanitarian program for Government Assisted Refugee (GAR) immigrants the only country worldwide that issues interest bearing loans to refugee immigrants to cover their pre-entry medical examination and transportation costs to resettle to Canada.

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THEREFORE BE IT RESOLVED that the Union of BC Municipalities urges the Government of Canada to immediately cancel all outstanding refugee transportation and pre-entry medical loan debt and to cease seeking repayment of the transportation and pre-entry medical costs for new Government Assisted Refugees coming to Canada."

RES.R09-1105

Carried

It was
Moved by Councillor Hunt
Seconded by Councillor Villeneuve
That the City Clerk forward the
"Termination of the Transportation Loan Program for Refugees" resolution to the Surrey's MPs and MLAs and the FCM.

RES.R09-1106

Carried

AT HOME IN SURREY?

THE HOUSING EXPERIENCES OF
REFUGEES IN SURREY, B.C.

FINAL REPORT

Prepared by:

Kathy Sherrell

and

Immigrant Services Society of BC

Prepared for the

City of Surrey

APRIL 2009



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Income Security: Government Transportation Loans

Upon arrival in Canada, GARs are asked to sign a government transportation loan document. This loan covers costs associated with transportation, medical costs and a service fee. GARs are expected to begin repaying within 12 months of landing in Canada; interest begins accruing after 3 years. Failure to repay loans precludes a GAR from sponsoring family members.

Nine of the twelve (9 of 12) Karen and 5 of the 12 Sudanese respondents are still repaying their Government transportation loans. Of those who are not repaying their loans, 2 Karens have been excused from repaying and 3 Sudanese respondents have already repaid their loans in full.¹³ Half of all respondents reported difficulties in repaying the loans.

Of note is the overwhelming concern of Karen and Sudanese respondents with the need to repay the loans as quickly as possible, regardless of the effect on the families' economic situation. Four of the Karens, for example, reported voluntarily increasing their monthly payments in order to pay off the loan faster. One respondent reported having already paid \$3800 of the families' \$7000 debt since their arrival in late 2006.

For many, the desire to repay loans as quickly as possible arises from a fear that they will not qualify for Canadian citizenship and/or travel documents if they are in default of their loans. As one participant noted, "It is a way of surviving. If you do not repay [your loans] it may affect your status, so you have to starve and pay".

While some have begun repayments early, and increased their monthly payments above and beyond the amount requested by the government, others have had to stop making payments when employment ends. Although concerned about the debts accruing interest, three Sudanese respondents were forced to stop paying their loans when employment ceased because

Case Study: When Na Zol and his family arrived in Canada, they arrived with a government transportation loan of \$5700. Neither he nor his wife has worked since their arrival in Canada. The respondent and his family pay \$800 per month for rent, an amount which accounts for over 75% of their monthly household income. Yet, in an attempt to repay their loan before the three year time limit and avoid incurring interest, the family tries to pay \$250 per month, well above the amount requested by the government. The decision to do so, however, leaves little money for food or other household expenses. Reflecting on the difficulties in paying the rent, loans and buying food, the respondent noted that "at least here the situation here is better than in the refugee camp."

¹³ One respondent is unsure if she will have to repay the loan at a later date.

MHSD benefits are insufficient to cover household expenses and loan repayments. “Even if it is a problem for me, they expect me to pay”. One respondent who has repaid the loan in full noted that “it was the most difficult loan I have ever experienced ... the government wants refugees to begin paying [the loan] back after one year, even though the money we make is very minimal”. They “bring people here to give a better life, but it is opposite. People put them in debt”. Concern with repaying loans as quickly as possible, and frequently within limited household budgets, places great stress on newly-arrived households, pushing some household members into depression.