



Order under Section 69 Residential Tenancies Act, 2006

Citation: Lortie v Coveney, 2026 ONLTB 35592

Date: 2026-05-05

File Number: LTB-L-012064-26

In the matter of: 152 GEORGE ST
BELLEVILLE ON K8N3H2

Between: James Lortie
Meredith Lortie
Landlords

And

Jason Coveney
Pauline (Jackie) Coveney
Tenants

James Lortie and Meredith Lortie (the 'Landlords') applied for an order to terminate the tenancy and evict Jason Coveney and Pauline (Jackie) Coveney (the 'Tenants') because the Tenants did not pay the rent that the Tenants owe.

This application was heard by videoconference on April 28, 2026.

The Landlords and the first named Tenant attended the hearing.

The Tenant spoke with Tenant Duty Counsel.

Determinations:

Preliminary Issues:

1. The application is amended to add Meredith Lortie as Landlord party.

The Tenant Pauline Coveney

2. The Tenant Jason Coveney (JC) said that his spouse is currently not living in the rental unit due to a no-contact order. However, he is hopeful that once resolved, his spouse will return to the rental unit.
3. While JC said he does not have authorization to speak on behalf of Pauline Coveney (PC), she was aware of this hearing. He believed she may not have attended the hearing due to the no-contact order. I note, PC did not submit a request to reschedule, did not attend the

hearing to provide submissions and did not send someone to the hearing to represent her interests.

4. I note, the Board record confirm that the Landlords and JC were emailed copy of the Notice of Hearing on February 8, 2026 as per their consent. The Notice of Hearing was mailed to PC on March 24, 2026 and PC logged into the Tribunals Ontario Portal (TOP) on March 10, 2026 and consented to emails from the LTB.
5. Given the above, I was satisfied that PC was aware of the scheduled hearing and did not attend. The matter proceeded accordingly.
6. Additionally, I am satisfied that the parties entered into a joint tenancy agreement. PC and JC did not request to amend the tenancy agreement and therefore remain jointly and severally liable.

Impact of the Bankruptcy

7. At the hearing, JC said that he filed for bankruptcy in August 2025. The Landlords were unaware of this and JC provided no documentation prior to the hearing to support this claim. I stood the matter down and JC emailed to the Landlords and the LTB copy of the documents related to his bankruptcy.
8. The package provided by JC includes a letter dated August 14, 2025 from Hoyes, Michalos & Associates Inc, Licensed Insolvency Trustees and the Certificate of Appointment. An assignment in bankruptcy pursuant to s.49 of the *Bankruptcy and Insolvency Act* (BIA) was made on August 14, 2025.
9. Based on the above, I was satisfied that JC filed for an assignment in bankruptcy as per paragraph 8 above.
10. Section 69.3(1) of the BIA provides that upon a debtor filing for bankruptcy, all claims provable in bankruptcy are stayed.
11. Section 121(1) defines “claims provable in bankruptcy” as:

All debts and liabilities, present or future, to which the bankrupt is subject on the day on which the bankrupt becomes bankrupt or to which the bankrupt may become subject before the bankrupt’s discharge by reason of any obligation incurred before the day on which the bankrupt becomes bankrupt
12. For clarity, indebtedness or claims which arise after the date of bankruptcy (and claims which do not involve a monetary value) are not claims provable in bankruptcy and therefore are not stayed by s.69.3 of the BIA.
13. This means that the LTB can order a bankrupt Tenant to pay rent arrears arising after the date they filed for bankruptcy. The BIA does not prohibit the termination of leases for non-payment for rent due after the filing of the notice of intention.
14. The Landlords’ N4 Notice of Termination and L1 application relate to arrears of rent from September 1, 2025. This amount follows the Tenant’s assignment in bankruptcy of August

14, 2025. As per the Court decision in *Canadian Petcetera Limited Partnership v. 2876 R Holdings Ltd.*, 2010 BCCA 469 at para. 31, the Court determined that the BIA does not prohibit the termination of a lease for non-payment for rent which is due after the bankruptcy filing.

15. In the present case, I find the arrears owing for the period beginning September 1, 2025, after the date of bankruptcy, are not claims provable in bankruptcy and therefore are not stayed. The BIA does not prevent the Board from ordering payment of arrears for this period and/or terminating the tenancy due to arrears for this period. Accordingly, I proceeded to hear the application on that basis.

The Landlords' L1 Application

16. The Landlords served the Tenants with a valid Notice to End Tenancy Early for Non-payment of Rent (N4 Notice). The Tenants did not void the notice by paying the amount of rent arrears owing by the termination date in the N4 Notice or before the date the application was filed.
17. As of the hearing date, the Tenants were still in possession of the rental unit.
18. The lawful rent is \$1,852.47. It is due on the 1st day of each month.
19. Based on the Monthly rent, the daily rent/compensation is \$60.90. This amount is calculated as follows: $\$1,852.47 \times 12$, divided by 365 days.
20. The Tenants have paid \$4,000.00 to the Landlords since the application was filed.
21. The rent arrears owing to April 30, 2026 are \$5,106.76.
22. The Landlords incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.
23. The Tenant JC does not dispute the amount of arrears claimed.

Relief From Eviction

24. JC explained that he fell on hard times, is trying to manage alcoholism with support and is now back to his regular full time job, after been on short term leave. He has worked for the same employer for many years and has never been before the Board for arrears of rent.
25. At the hearing, I conducted a close examination of JC's financial circumstances. JC requests a payment plan and believes that once he returns to his normal employment pay schedule, he will be able to pay his rent on time and in full and make an arrears payment on the 15th of each month.
26. As JC has just returned to work, he said he has half of the rent owing for May 2026 and will seek financial support from family or friends to cover May rent. He is confident that he will be able to meet all of his financial obligations once his pay schedule resumes.
27. JC said that he has been a Tenant since 2018 and if PC does not return to the unit, he will be able to pay the rent and arrears. He said that if the Landlords' application is granted, he

will be homeless. His recent bankruptcy has negatively impacted his credit and finding a home will be challenging.

28. The Landlords opposed the payment plan but agreed to delay the eviction for six weeks. The Landlords claim financial hardship but did not provide any documentation to support this claim nor has the bank contacted the Landlords with concern over the standing of their mortgage.
29. The Landlords said they have filed an L2 application based on an N7 Notice of Termination. The parties understand the N7 Notice is not before me. For completeness, I note, the Board record contains an email directed to me on the date of the hearing. I did not receive the email nor was it raised during the hearing. As such, the contents of that email are not considered in this order.
30. Having considered the totality of factors that were disclosed at the hearing, I find that given the Tenant's financial circumstances, it is conceivable that he can meet his obligations to the Landlord. I also considered the length of tenancy and JC's current circumstances. He is making effort to improve his life; he is attempting to manage his addiction and has returned to work.
31. On the other hand, I have also considered the financial impact on the Landlords related to the arrears. I find it reasonable to allow the Tenants the opportunity to preserve the tenancy. Having considered the timing of this hearing and order and the fact that rent was due on May 1, 2026 and the uncertainty of payment, I will set out a payment schedule with consideration for May 2026. The Tenant will have until May 15, 2026 to pay the rent owing if not done so on the date it was due. Commencing June 2026, the rent will be due on time and in full and the payment plan will start. To limit the prejudice to the Landlords, all payments will be subject to a s.78 clause as explained at the hearing.
32. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the *Residential Tenancies Act, 2006* (the 'Act'), and find that it would not be unfair to grant relief from eviction subject to the conditions set out in this order pursuant to subsection 83(1)(a) and 204(1) of the Act.
33. This order contains all of the reasons for the decision within it. No further reasons shall be issued.

It is ordered that:

1. The Tenants shall pay to the Landlords \$5,292.76 for arrears of rent up to April 30, 2026 and costs.
2. The Tenants shall pay to the Landlords \$1,852.47 on or before May 15, 2026, less any rent paid to the Landlords for May 2026.
3. The Tenants shall pay to the Landlords the amount set out in paragraph 1 in accordance with the following schedule:

- a) \$600.00 on or before the 15th of each month commencing June 2026 to January 2027; for a total of eight months;
 - b) \$492.76 on or before February 15, 2027.
4. The Tenant shall also pay to the Landlord new rent on time and in full as it comes due and owing for the period June 2026 to February 2027, or until the arrears are paid in full, whichever date is earliest.
 5. If the Tenants fail to make any one of the payments in accordance with this order, the outstanding balance of any arrears of rent and costs to be paid by the Tenants to the Landlords pursuant to paragraph 1 of this order shall become immediately due and owing and the Landlords may, without notice to the Tenants, apply to the LTB within 30 days of the Tenants breach pursuant to section 78 of the Act for an order terminating the tenancy and evicting the Tenants and requiring that the Tenants pay any new arrears, NSF fees and related charges that became owing after April 30, 2026.

May 5, 2026
Date Issued

Dana Wren
Member, Landlord and Tenant Board

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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.