



Order under Section 78(6) Residential Tenancies Act, 2006

Citation: Jiang v Lalonde, 2026 ONLTB 42373

Date: 2026-06-01

File Number: LTB-L-013222-26

In the matter of: 778 CAPPAMORE DR
NEPEAN ON K2J6V6

Between: Yi Jiang Landlord

And

Husam Asha Tenants
Nancy Lalonde

Yi Jiang (the 'Landlord') applied for an order to terminate the tenancy and evict Husam Asha and Nancy Lalonde (the 'Tenants') because the Tenant failed to meet a condition specified in the order issued by the LTB on November 18, 2025 with respect to application LTB-L-075573-25.

A hearing was held by videoconference on May 26, 2026 to consider this application.

The Landlord, the Landlord's legal representative, Haiyan Zhang, and the Tenant, Nancy Lalonde, attended the hearing. The Tenant spoke with Melissa Bramson from the Ottawa Community Legal Clinic acting as Tenant Duty Counsel on the hearing date. In support of the Tenant, Melissa Bramson raised a preliminary issue with respect to the Landlords application and the assignment in bankruptcy of the Tenant, Nancy Lalonde, which occurred on January 12, 2026.

After ruling on the preliminary issue, Melissa Bramson, removed themselves from appearing to support the Tenant. Ultimately, after considering the application and submissions from both parties, the Landlord and Tenant requested the following order on consent, and I am satisfied that the parties understood the consequences of their joint submissions.

Determinations:

Preliminary Issue - Bankruptcy

1. At the onset of the hearing the Tenant raised a preliminary issue with respect to the ability of the Landlord to be able to file their L4 application with the LTB.

2. They submit that the underlying order (LTB-L-075573-25) which issued on November 18, 2025 which utilized section 78 of the *Residential Tenancies Act, 2006* (the 'Act') with conditions, is stayed by way of the Tenant, Nancy Lalonde's, assignment in bankruptcy dated January 12, 2026.
3. The Tenant submits that since the underlying order relates to money owed pre-bankruptcy, that the claim should be stayed in accordance with section 69.3 of the *Bankruptcy and Insolvency Act* (the 'BIA') and the Landlord should not be able to evict them based on arrears that were part of the bankruptcy. They further suggest that the conditions to pay the ongoing rent in full and on time are also stayed due the Tenants bankruptcy because the conditions only exist solely relating to the arrears which were assigned in the bankruptcy.
4. I disagree with the Tenant for the following reasons:
5. Firstly, I agree that the Landlords application is with respect a breach of a condition of the order issued on November 18, 2025. The Landlord's application, however, does not request compensation for pre-bankruptcy arrears or compensation. The condition that was breached was that the Tenants failed to pay the February 2026 rent on or by February 1, 2026. This is a condition in the order that relating to a period post-bankruptcy.
6. A landlord application where the remedy requested does not include the recovery of a monetary claim will not be stayed by section 69.3 of the BIA. **[See *BCIMC Realty Corporation v Fernandes*, 2021 CanLII 140640 (ON LTB)]**.
7. Similarly, section 69.3 of the BIA does not stay the enforcement of an order evicting a bankrupt tenant. **[See for example *Paterson v. City of Oshawa*, 2023 ONSC 2287 (CanLII) ('*Paterson*'), *Re Lafond*, 2023 ONSC 4065 (CanLII) and *Re Snaith*, 2025 ONSC 3413 (CanLII)]**.
8. Once a tenant becomes bankrupt, the ability to terminate the tenancy and evict the tenant based on rent owing as of the date when the bankruptcy starts is restricted – not extinguished. Section 84.2 of the BIA was first added to the BIA by Bill C-55 in 2009. This clause-by-clause analysis produced for Bill C-55 described the purpose of the section as follows:

The intention of the reform is to ensure that agreements in good standing be respected by all parties. Therefore, the individual bankrupt, who is attempting to obtain his or her "fresh start", will not be unreasonably evicted from their home, denied basic and essential services or denied other benefits to which they would otherwise be entitled.

...

*Subsection (2) stipulates that a landlord may not evict a bankrupt only because of a bankruptcy or there is an amount for past rent outstanding prior to the bankruptcy. The provision applies only in respect of individuals - permitting a landlord to evict an individual only because of a bankruptcy or past obligations would cause a serious hardship on the individual. **Balance in the relationship is restored, however, by requiring the bankrupt to pay rent on an on-going basis.** (emphasis added)*

9. The intention of section 84.2 of the BIA is to preserve residential tenancies, as long as the tenant continues to pay rent after the bankruptcy starts. In this instance, the tenancy will remain in place if ongoing rent is paid. [See ***Structures Métropolitaines (smi) Inc. v. Ryszard Pasternak*, 2014 CanLII 110518 (QC TAL) (unofficial translation)**].
10. To balance the interests of the landlord and the tenant, the BIA says that section 84.2 does not prohibit a landlord from recovering rent owing by a bankrupt tenant for a period after the bankruptcy started. This, in practical terms means that: (a) a bankrupt tenant must pay rent after becoming bankrupt; and (b) the LTB can terminate a tenancy based on the failure of the tenant to pay post-bankruptcy. [See *Paterson* above].
11. On an application under section 78 (an L4 application) the basis for the LTB making an order terminating the tenancy is the failure of the tenant to meet or satisfy a condition in a previous order made by the LTB as per subsection 78(1) of the Act. For that reason:
 - (a) The application is not stayed by section 69.3 of the BIA because the application is not a proceeding to recover a claim provable in bankruptcy. See *Peel Housing Corporation v. Siewnarine*, 2008 CanLII 31815 (ON SCDC)¹, and
 - (b) Section 84.2 of the BIA does not apply because the termination is not based only on the failure of the tenant to pay pre-bankruptcy rent².
12. The fact that section 84.2 of the BIA does not prohibit the LTB from making an order terminating a tenancy does not mean the LTB must terminate the tenancy. Where section 69.3 and section 84.2 of the BIA do not apply, which is the case on applications under subsection 78(3), the LTB will apply the RTA.
13. Where a landlord asks for an order that the tenant pay arrears or other compensation, section 69.3 of the BIA may apply to that application. For instance; the LTB is not able to make an order that the tenant pay any pre-bankruptcy amounts. The LTB is, however, able to order that the tenant pay post-bankruptcy amounts.

Brief account of the Landlords prior L4 Application under LTB-L-102360-25

14. The Landlord has previously filed an L4 application on December 4, 2025. They had requested both termination of the tenancy and an order that the Tenants pay rent arrears. On December 9, 2025 the LTB issued their order granting termination of the tenancy and an order for the arrears for the December 2025 rent that had not been paid. This was an ex parte order without a hearing being held. There is nothing incorrect about that order as it is clearly pre-bankruptcy.

¹ In *Peel*, the Divisional Court distinguished *Forestwood Co-operative Homes v Pritz*, [2002] OJ No 550 (Div Crt) on the basis that in *Forestwood* involved a claim for arrears that was tied to the request for a writ of possession—*Forestwood* was not decided under the RTA—whereas in *Peel* the landlord did not ask for an order that the tenant pay the arrears. The termination of a tenancy under section 78 is not based on the existence of arrears and the request by a landlord for pre-bankruptcy arrears can, in my view, be ‘severed’ from the request that the tenancy be terminated: the LTB can terminate the tenancy and make an order that the tenant pay post-bankruptcy arrears without violating section 69.3 or 84.2 of the BIA.

² In *Peel* the Court did not have to consider the application of section 84.2. Section 84.2 had not yet come into force.

15. On December 12, 2025 the Tenant filed a motion to set-aside the exparte order issued on December 9, 2025 citing that they were in the process of filing for bankruptcy.
16. The first hearing on the motion took place on January 12, 2026 and no documentation supporting the Tenant's assignment in bankruptcy had been submitted at the hearing.
17. After the hearing, when the Member was going to write their order, the Tenant, Nancy Lalonde, submitted documentation on January 12, 2026 that they had made an assignment in bankruptcy that day. On this basis, the matter was reconvened on February 6, 2026 to take further submissions regarding the Tenants motion considering the bankruptcy assignment.
18. Thereafter, on February 20, 2026, the LTB issued an order granting the Tenant's motion to set aside the exparte order and staying the arrears portion of the order issued on November 18, 2025. This is because the Landlord was requesting both termination of the tenancy for a period prior to the bankruptcy and arrears pre-bankruptcy.
19. The order at paragraph 10 of their determinations, in summary, correctly states that the Landlord may file an application for termination of the tenancy *only*, and not a request for arrears that are owing for a period prior to the Tenants assignment in bankruptcy.

The breach

20. The order provides that the Landlord can apply to the LTB under section 78 of the Act, without notice to the Tenants to terminate the tenancy and evict the Tenants if the Tenants do not meet certain conditions in the order.
21. I find that the Tenants did not meet the following condition specified in the order:
 1. The Tenant admittedly failed to pay the monthly rent in full and on the first day of February 2026 as they were required to do. They did not pay the February rent until February 28, 2026.
22. After the breach, the Tenant further failed to pay the March or April rent in full and on the first day of each month. Additionally, the Tenant had not fully paid the April rent, nor did they pay the May 2026 rent at all. Both parties agreed that the arrears owing to May 31, 2026 are \$3,992.00 in this regard.
23. The parties further agreed that the lawful monthly rent is \$2,998.00 and it is due on or by the first day of each month in accordance with the tenancy agreement.
24. The parties also agreed that the Landlord is also holding a last month's rent deposit of \$3,000.00 which was collected on January 1, 2025. The Landlord has not paid annual interest on this deposit as of the hearing date.
25. I am satisfied that the application was filed within 30 days of the breach. It was filed on February 11, 2026.
26. In order to resolve the dispute between the parties there was discussion at the hearing regarding new rent that had been due since the Tenant's assignment in bankruptcy. The

Tenant confirmed that their assignment included the rent owing for the period ending January 31, 2026. Meaning that the full rent for January is included in their assignment.

27. For the period of February 1, 2026 to May 31, 2026, the Tenant made payments totalling \$8,000.00 when they ought to have paid \$11,992.00. Accordingly, their balance is \$3,992.00.
28. The Tenant has since paid the February rent and the March rent late. They have been paying what they can afford to the Landlord since their assignment and since the other Tenant, left them holding the entire monthly rent amount when they left the country in September of 2025. Mostly they are making payments of \$500.00 approximately every two weeks when they receive money. They are making good faith efforts in an attempt to preserve their tenancy.
29. Additionally, the Tenant's daughter suffered a severe leg injury that requires additional surgeries and the Tenant has had to take time off work to care for them under the circumstances and is only currently receiving Employment Insurance benefits at half the amount they were receiving when they employed full-time. They submit that they will be off for 6 weeks to provide care to their daughter. The Tenant submits that their daughter has an appointment with their doctor on June 10, 2026 and at that time they will talk further about an additional surgery. This is also the date her cast is going to be removed. The Tenant submits that they intend on returning to full-time employment shortly thereafter depending on the needs of their child. When they are employed full-time, they do have the means to pay the lawful monthly rent as their income averages \$3,800.00 per month with overtime, sometimes even more.
30. In this regard, the Tenant proposed a plan whereby they could commit to paying back the post-bankruptcy rent arrears of \$3,992.00 and be able to start paying their rent in full- and on-time starting September 1, 2026. The Tenant submits that they receive pay on both the 15th of the month and the 28th of the month. In this regard, they submit that they can pay half the rent (\$1,499.00) plus \$101.00 towards the arrears on the 15th of the month, and then the balance of the rent, plus \$201.00 on the 28th day of the month for both June and July. In August, they can pay their full rent by August 15, 2026 if they don't have to pay towards the arrears, and then starting September 1, 2026 they can pay the full lawful monthly rent plus \$282.00 towards the arrears. They submit that they can have the arrears paid off in 12 months on this schedule.
31. In actual fact, this works out to 11 equal payments of \$282.00 and a final payment of \$286 on the 12th month.
32. Both parties agree that no arrears are due in August 2026 in order to support the Tenant in resuming paying the lawful monthly rent on the first of September 2026, however, additional payments may be made to reduce the overall debt at any time.
33. After the Landlord heard about the Tenants circumstances with their daughter and their financial and affordability struggles, the Landlord conceded to agree to the Tenant's proposal on the condition that the Landlord would be able to file under section 78 of the Act should the Tenants breach the payment agreement. The Tenant agreed and understood this ongoing requirement.

34. For greater clarity, if the Tenant comes to a zero balance on or before the end of any given month during the repayment period, then the underlying conditions pursuant to section 78 will no longer apply.
35. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of 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.

On consent, it is ordered that:

1. The tenancy between the Landlord and the Tenants continue on the condition that the Tenants pay to the Landlord **\$3,992.00** for arrears of rent for the period starting April 1, 2026 and ending May 31, 2026.
2. The Tenants shall pay to the Landlord the amount set out in paragraph 1 in accordance with the following schedule:
 - (a) **\$1,600.00** on or by **June 15, 2026** (half June rent \$1,499 plus \$101 arrears)
 - (b) **\$1,700.00** on or by **June 28, 2026** (balance of June rent \$1,499 plus \$201 arrears)
 - (c) **\$1,600.00** on or by **July 15, 2026** (half July rent \$1,499 plus \$101 arrears)
 - (d) **\$1,700.00** on or by **July 28, 2026** (balance of July rent \$1,499 plus \$201 arrears)
 - (e) \$282.00 on or by the first day of each month in addition to the lawful monthly rent starting September 1, 2026 and continuing thereafter up to and including to July 1, 2027; and
 - (f) \$286.00 on or by August 1, 2027.
3. The Tenants shall pay to the Landlord the lawful monthly rent of \$2,998.00 for August of 2026 on or by August 15, 2026.
4. The Tenants shall also pay to the Landlord new rent on time and in full as it comes due and owing on or by the first day of each corresponding month for the period September 1, 2026 to August 31, 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 Landlord pursuant to paragraph 1 of this order shall become immediately due and owing and the Landlord 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 May 31, 2026.

June 1, 2026
Date Issued

Terri van Huisstede
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

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