



October 1, 2020

Hon. Lisa Thompson  
Minister of Government and Consumer Services  
Ministry of Government and Consumer Services  
777 Bay Street, 5<sup>th</sup> Floor,  
Toronto, Ontario  
M5B 2H7

Dear Minister:

Re: The Payday Loan Companies Act 2008  
Amended via Bill 197 COVID-19 Economic Recovery Act, 2020

At our recent National Annual General Meeting, the Canadian Federation of University Women (CFUW) passed a Resolution urging all levels of government to cap the annual interest rates for short-term, relatively small loans which do not require collateral or background checks.

Researching these companies, we found that they are charging anywhere from thirty to sixty per cent interest, whereas credit cards and the chartered banks are charging from eighteen to twenty-one per cent. The public's knowledge about the risks and the true cost of these loans is scant. It is obscured by the lure of 'cheap borrowing' such as \$15.00 for \$100.00 while the initial fee can be \$45.00, exposing the questionable advertising.

The individual who lives from paycheque to paycheque, especially in this COVID economy, needs to know exactly what his/her loan is going to cost.

We strongly support your 2020 current changes to the Payday Loan Companies Act, 2008 especially the 2.5 per cent cap on interest for specific loan charges. We are also in agreement with the curtailment of advertising.

However, the public's knowledge about the risks and the true cost of these loans is scant and remains so. Our government has a moral responsibility to control and curtail the questionable and unethical business practices of Payday loan companies. They profit from desperate and financially insecure members of our society.

Does the Government have a plan to educate our financially insecure members of our society on the practices of these payday loan companies?

**CFUW ONTARIO COUNCIL**

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CFUW Ontario Council is a voluntary, self-funded, non-profit organization with 49 clubs across the province, which is affiliated with the national Canadian Federation of University Women. Our mandate is to promote education and life-long learning, to encourage the participation of members in their communities and to enhance the status of women and girls. Our main concerns include high quality public education, universal health care, a clean safe environment, the economic security of women as well as the prevention of violence against women.

Thank you,

Sandra Thomson  
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