



NewsRelease

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PROVINCE INTRODUCES PROPOSED AMENDMENTS TO PAYDAY LOAN PROVISIONS OF CONSUMER PROTECTION ACT

A bill which proposes amending the Consumer Protection Act to revise the role of the Public Utilities Board in establishing the maximum cost of credit for payday loans was introduced today by Finance Minister Greg Selinger.

“The changes to the act will help protect consumers from exorbitant rates and questionable business practices,” said Selinger. “The amendments will ensure the full regulation of the payday loan industry proceeds in a timely manner.”

The minister noted Manitoba’s Court of Appeal recently granted a lender leave to appeal the Public Utilities Board order setting maximum loan rates.

The bill would:

- Rescind the Public Utilities Board order that set maximum rates on payday loans.
- Allow maximum loan rates to be set out in a regulation.
- Change the role of the Public Utilities Board from its current mandate as a rate-setting body to one of an advisory body in relation to payday loans. In the future, the board would continue to conduct public consultations and would make recommendations to government respecting the maximum rates that could be charged for payday loans.
- Allow the board to make recommendations on other matters respecting the regulation of the payday loan industry such as provisions relating to business practices and enforcement.
- Create a financial literacy fund to help ensure that borrowers have information to help them make sound financial decisions.
- Allow for the licensing and regulation of Internet payday lenders.

Additional measures related to business practices and enforcement respecting payday loans are also proposed by the bill.

Information on the payday loan legislation is available from the Manitoba Consumers’ Bureau. The bureau can be reached at consumersbureau@gov.mb.ca or by calling 945-4062 in Winnipeg or 1-800-782-0067 (toll-free) from elsewhere in Manitoba.