



ACORN Canada

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May 27, 2024

Dear members of the Standing Senate Committee on Banking, Commerce and the Economy,

ACORN Canada would like to make a written submission to the Standing Senate Committee on Banking, Commerce and the Economy for its pre-study of various sections of [Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024](#). More specifically, ACORN would like to make a submission related to Part 4, Division 33 which amends the Criminal Code to broaden the criminal interest rate offence to prohibit a person from offering to enter into an agreement or arrangement to receive interest at a criminal rate and from advertising an offer to enter into an agreement or arrangement that provides for the receipt of interest at a criminal rate. It also repeals the provision that requires the consent of the Attorney General prior to commencing proceedings related to the offence.

ACORN Canada is a national, community union of low- and moderate-income people with more than 177,000 members in 10 regions and 6 provinces across the country. ACORN members are often pushed to fringe lenders that charge exorbitant rates because of the failure of banks to provide fair credit to people who need it most.

ACORN supports the changes introduced in Budget 2024 as these will make prosecuting lenders offering interest rates at an illegal rate more accessible as:

- They create a new offence and shift the onus from the borrower to the law enforcement agencies in cases where lenders are offering credit at an illegal rate. Law enforcement agencies can take lenders to court proactively before the borrower enters into an agreement.
- They remove the requirement to obtain the Attorney General's consent to prosecute a lender.

However, while these changes will be helpful in challenging the lenders that ripping off low- and moderate-income borrowers, urgent measures are required to ensure that people have access to fair credit.

1. ACORN would like the federal government to lower the criminal interest rate of installment loans immediately. The federal government announced the lowering of the criminal interest rate of installment loans from 48% APR to 35% APR in the Budget Implementation Act 2023 but the regulations still need to come into effect.
 - The draft regulations to lower the interest rate from 48% APR to 35% APR should come into effect immediately.
 - ACORN would also like the federal government to lower the criminal interest rate of installment loans further to 20% plus Bank of Canada rate or 30% whichever is lower.
 - Maximum rate should include all associated lending costs: fines, fees, penalties, insurance, or any related cost.



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2. Alongside, the federal government should create a federally funded Fair Credit Benefit so that all low-income people have access to low-cost credit options in case of emergency.
3. Further, ACORN strongly supports lowering the Non-Sufficient Fund Fee from \$48-50 to \$10. This has been a long-standing demand of ACORN members and ACORN is encouraged to see the government move forward.

Thank you for considering our submission.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Marva Burnett', with a long, wavy line extending to the right.

Marva Burnett
President
ACORN Canada

For any questions/clarifications, please contact the ACORN Canada office.
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