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Wednesday 4 June 2008

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Mercredi 4 juin 2008

**Standing Committee on
General Government**

Payday Loans Act, 2008

**Comité permanent des
affaires gouvernementales**

Loi de 2008 concernant
les prêts sur salaire

Chair: Linda Jeffrey
Clerk: Trevor Day

Présidente : Linda Jeffrey
Greffier : Trevor Day

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Wednesday 4 June 2008

Mercredi 4 juin 2008

The committee met at 1605 in committee room 1.

PAYDAY LOANS ACT, 2008

**LOI DE 2008 CONCERNANT
LES PRÊTS SUR SALAIRE**

Consideration of Bill 48, An Act to regulate payday loans and to make consequential amendments to other Acts / Projet de loi 48, Loi visant à réglementer les prêts sur salaire et à apporter des modifications corrélatives à d'autres lois.

The Chair (Mrs. Linda Jeffrey): This is the Standing Committee on General Government. We're here to continue clause-by-clause consideration of Bill 48, An Act to regulate payday loans and to make consequential amendments to other Acts.

As you'll recall, committee, we were at section 10 and we're here, at this point, to consider it. Is there any further debate on section 10? Seeing none, all in favour? All opposed? That's carried.

Ms. Cheri DiNovo: Sorry, we're voting on section 10?

The Chair (Mrs. Linda Jeffrey): Section 10.

Ms. Cheri DiNovo: The whole section?

The Chair (Mrs. Linda Jeffrey): Yes, the whole section.

Sections 11 through 25 have no amendments at all. Is there any debate on those sections? Seeing none, all those in favour of those sections? All those opposed? That's carried.

Section 26: Ms. DiNovo, you have the amendment.

Ms. Cheri DiNovo: I move that section 26 of the bill be amended by adding the following subsections:

"Cost of borrowing

"(3) A lender under a payday loan agreement shall ensure that every advertisement, circular, pamphlet or material published by any means relating to the agreement sets out the cost of borrowing under the agreement, expressed in terms of the annual percentage rate.

"Duty of loan broker

"(4) No loan broker shall facilitate a contravention of subsection (3)."

In other words, transparency and accountability.

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo, we'll be fine this time, but just for the future, so we have accuracy, can you say the number before the statement?

Ms. Cheri DiNovo: Sure.

The Chair (Mrs. Linda Jeffrey): Any further discussion on this motion? Seeing none, all those in favour of the motion? All those opposed? That's lost.

Shall section 26 carry? All those in favour? All those opposed? That's carried.

Section 27, government motion. Mr. Sousa.

Mr. Charles Sousa: I move that subsection 27(2) of the bill be amended by striking out "false or deceptive information" and substituting "false, misleading or deceptive information."

The Chair (Mrs. Linda Jeffrey): Any debate on that?

Mr. Charles Sousa: We support this. Elsewhere in the bill where false or deceptive materials or statements are referred to, they are described as "false, misleading or deceptive," so subsection 27(2) is amended to add the missing word "deceptive" in order to be consistent. It's just a matter of maintaining consistency in the bill.

The Chair (Mrs. Linda Jeffrey): Any further discussion?

Ms. Cheri DiNovo: First of all, I wanted to give some explanation to the committee. I've decided, along with my colleagues in the New Democratic Party and my stakeholders who are myriad and stand up for victims' rights, that I will not be filibustering. This is why: I had a conversation with the Honourable Mr. McMeekin and was given a number of assurances by him. I was first of all given an assurance that by the time the House sits again in October, we will have regulations in place in this bill. I've also been given assurances that he hopes—and this is not only him, but also his parliamentary assistant—to do better than what has been brought forward in Manitoba. I've also received assurances from those legal experts who are currently involved on victims' behalf in the court system that the bill, as it's written, once passed, will not deter lawsuits against payday lenders under the Criminal Code until the regulations come into play. That gives me some assurance. Certainly, I've also been given assurance by Mr. McMeekin that there will be consumer advocates who sit on the expert committee. I just want to make sure that that goes in the record, just so we all know what assurances have been given. I'm quite happy, therefore, to continue to debate this bill.

Subsequent to this particular government motion amendment, I'm certainly going to support it.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, shall the motion carry? All those in favour? All those opposed? That's carried.

Shall section 27, as amended, carry? All those in favour? All those opposed? That's carried.

Section 28, Ms. MacLeod.

Ms. Lisa MacLeod: I move that subsection 28(1) of the bill be struck out.

The rationale: As you'll recall, Chris Robinson, during his deputation to the committee, suggested that 28(1) prevents loan brokers from charging a broker fee but suggested that this rule is not necessary and simply makes the operation of a loan broker inefficient. Legislation and regulation that captures the loan broker's fee as part of the maximum fees allowed is sufficient to protect consumers, according to him. I thought the rationale was well explained and put it forward here today.

1610

The Chair (Mrs. Linda Jeffrey): Any further debate on that issue? Mr. Sousa, did you want to speak?

Mr. Charles Sousa: Striking out subsection 28.1 of the bill would result in less consumer protection, in our opinion. It is not unusual for loan brokers to provide an advance to the borrower and immediately demand their brokerage fee from the borrower.

The arrangement between the loan broker and the lender is a business-to-business matter. Allowing it to impact the borrower may provide potential loopholes to licensees. So brokers and lenders can exchange fees, but we don't want it passed on to the consumer directly, so we won't be supporting it as such.

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo.

Ms. Cheri DiNovo: Yes, we unfortunately will not be supporting this either. We think that a middleman is not necessary. It just adds another layer of confusion and another cost to the marginalized victim.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, shall the motion carry? All those in favour? All those opposed? That's lost.

Ms. MacLeod, you have the next motion.

Ms. Lisa MacLeod: I'll withdraw this, Madam Speaker.

The Chair (Mrs. Linda Jeffrey): Okay, thank you.

Shall section 28 carry? All those in favour? All those opposed? That's carried.

Section 29, Ms. DiNovo.

Ms. Cheri DiNovo: This is number 12, for subsection 29(1).

I move that subsection 29(1) of the bill be struck out and the following substituted:

"Requirements for agreements

"(1) A lender under a payday loan agreement shall ensure that the agreement is in writing, the term of the agreement is at least 62 days and the agreement meets the prescribed requirements, if any, and shall deliver a copy of the agreement to the borrower no later than upon entering into the agreement."

The Chair (Mrs. Linda Jeffrey): Any discussion?

Mr. Charles Sousa: Yes, we won't be supporting it. Consumer protection statutes generally do not regulate the substantive terms of a contract. At this point, the principle of the freedom to contract is honoured. By

establishing it, we're concerned about having just one term, because 62 days then is the maximum allowable for a payday loan.

The Chair (Mrs. Linda Jeffrey): Further debate?

Ms. Cheri DiNovo: We're hoping for the minimum of 62 days, the reason being that the two-week cycle that normally is a practice of payday lending just keeps people on the treadmill of debt. So that's the reason for giving an extended cycle, just for the record.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, shall the motion carry? All those in favour? All those opposed? That's lost.

Shall section 29 carry? All those in favour? All those opposed? That's carried.

Sections 30 and 31 have no amendments. Shall they carry? All in favour? All opposed? That's carried.

Section 32, Ms. DiNovo.

Ms. Cheri DiNovo: Yes, number 13, subsection 32(2).

I move that subsection 32(2) of the bill be struck out and the following substituted:

"Duty of lender

"... The lender under a payday loan agreement—

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo, can you read the numbers before—

Ms. Cheri DiNovo: Sure.

"Duty of lender

"(2) The lender under a payday loan agreement shall ensure that the annual percentage rate under the agreement does not exceed,

"(a) 25 per cent if, at the time of entering into the agreement,

"(i) the borrower is receiving assistance under the Ontario Disability Support Program Act, 1997, or the Ontario Works Act, 1997, or

"(ii) the advance exceeds 30 per cent of the last payment of salary received by the borrower, net of the following deductions:

"A. Income tax.

"B. Canada pension plan.

"C. Employment insurance.

"D. Union dues.

"E. All other deductions that are prescribed; or

"(b) 35 per cent in all ... cases."

The Chair (Mrs. Linda Jeffrey): Any discussion?

Ms. Cheri DiNovo: Yes, again, this is the hard cap that we've been asking for in the New Democratic Party, and certainly our stakeholders have been asking for. It also speaks to those who are on government cheques and the necessity for those on government cheques to be given a reasonable rate of interest—even 25% is pretty generous—so that they don't get into this treadmill of debt.

So, that is why this provision—and 35% as a hard cap generally we feel is more than adequate for reasonable profit and certainly more than most credit card companies would charge. Of course, also it's in keeping with my own bill, which calls for a 35% cap.

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo, just for clarity, could you read the last words under (b) again—you missed one word—so that we have it clear in Hansard?

Ms. Cheri DiNovo: This is for the motion?

The Chair (Mrs. Linda Jeffrey): Yes.

Ms. Cheri DiNovo: “(b) 35 per cent in all other cases.”

The Chair (Mrs. Linda Jeffrey): Thank you. Mr. Sousa.

Mr. Charles Sousa: I do appreciate the concerns being put forward by the member opposite. We appreciate the concerns that have been raised over the last couple of days and certainly throughout the number of months that we’ve had these discussions.

The maximum total-cost-of-borrowing advisory board has been established—or will be established—in order to recommend to the minister an appropriate upper limit of what the total cost of borrowing should be for a payday loan agreement in Ontario. This recommendation would then be considered through setting of that limit in the regulation. There is an option through the bill that enables us to then establish different rates for different forms of cheques, and we did look and consider some of those instruments for those most vulnerable. But at this point, we wouldn’t be making the amendment because of the impact that it would then have on our bill before it goes to the panel.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, shall the motion carry? All those in favour? All those opposed? That’s lost.

Shall section 32 carry? All those in favour? All those opposed? That’s carried.

Section 33, Ms. DiNovo.

Ms. Cheri DiNovo: I move that subsection 33(1) of the bill be struck out and the following substituted:

“No default charges

“(1) A lender shall not impose default charges against a borrower under a payday loan agreement and the borrower is not liable to pay default charges under a payday loan agreement.”

Just to make mention here, Manitoba has a pure cap of \$20 for default charges, just to give it some context.

The Chair (Mrs. Linda Jeffrey): Any further debate on this issue?

Mr. Charles Sousa: I read this one with interest as well. The default charges that can be imposed on a borrower have already been considerably restricted. Only reasonable charges in respect of the legal costs of collection and reasonable charges in respect of a dishonoured cheque are permitted. If the charges imposed are not reasonable, the lender may be prosecuted as is defined.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All of those opposed? That’s lost.

Shall section 33 carry? All those in favour? All those opposed? That’s carried.

Section 34 has no amendments. Shall it carry? All those in favour? All those opposed? That’s carried.

Section 35, Mr. Sousa.

Mr. Charles Sousa: I move that subsection 35(1) of the bill be struck out and the following substituted:

“No concurrent or replacement payday loan agreements

“(1) The lender under a payday loan agreement shall not enter into a new payday loan agreement with the borrower before,

“(a) at least seven days have passed since the borrower has paid the full outstanding balance under the first agreement; or

“(b) the borrower has provided to the lender proof that the borrower has paid the full outstanding balance under the first agreement.”

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo.

Ms. Cheri DiNovo: We will not be supporting this. We definitely support the seven-day cooling-off period. We feel that this is a total nod to the payday lending industry itself at the expense of the victims of payday lending. So again, we need a cooling-off period for those, and simply proof that you’ve paid off a loan shouldn’t make it accessible to you again within seven days.

The Chair (Mrs. Linda Jeffrey): Ms. MacLeod.

Ms. Lisa MacLeod: The official opposition will also not be supporting this amendment. We echo the same concerns as the New Democrats. I think that the seven-day cooling-off period was probably more structured towards supporting consumer protection than this amendment. So we will not be supporting this amendment.

The Chair (Mrs. Linda Jeffrey): Any further debate? Mr. Sousa.

1620

Mr. Charles Sousa: We’re trying to ensure that borrowers and those in need have access to credit at their discretion. Borrowers who have demonstrated financial responsibility should not be denied access to credit, is our thinking. Therefore, subsection 35(1) now allows a lender to provide another payday loan in less than seven days if the borrower provides the lender with proof that full payment has been made under the first agreement. What constitutes sufficient proof will be dealt with in regulation.

As noted, we do not want to prohibit access to credit and we are not allowing back-to-back or rollovers. We’re still trying to ensure that those who in fact may have paid off their loans earlier than the prescribed time wouldn’t then be penalized from accessing credit on the next payday.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All those opposed? That’s carried.

The next government motion, Mr. Sousa.

Mr. Charles Sousa: I move that subsection 35(3) of the bill be struck out and the following substituted:

“Same loan broker, different lenders

“(3) No loan broker shall facilitate the making of more than one payday loan agreement between the same borrower and different lenders unless,

“(a) at least seven days have passed since the borrower has paid the full outstanding balance under the first agreement; or

“(b) the borrower has provided to the loan broker proof that the borrower has paid the full outstanding balance under the first agreement.”

The Chair (Mrs. Linda Jeffrey): Any debate?

Ms. Cheri DiNovo: Again, we believe that victims of payday lenders need cooling-off periods—substantially a continuation of the other motion that we just voted down. So we will not be supporting this.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, all those in favour of the motion? All those opposed? That’s carried

Shall section 35, as amended, carry? All those in favour? All those opposed? That’s carried.

Sections 36 through 43 have no amendments. Shall they carry? All in favour? All those opposed? That’s carried.

A government motion, Mr. Sousa.

Mr. Charles Sousa: I move that section 44 of the bill be amended by adding the following subsection:

“Non-licensed lender

“(4) Subsections (1), (2) and (3) apply, with necessary modifications, to the case where a lender who is not licensed enters into a payday loan agreement with a borrower and receives a payment from the borrower to which the lender is not entitled under subsection 6(3) and that the borrower is not liable to make under that subsection, as if the lender were a licensee mentioned in subsection (1).”

The Chair (Mrs. Linda Jeffrey): Any debate?

Ms. Cheri DiNovo: This motion is somewhat blackly humorous since we already have an illegal activity going on and the government’s not regulating them. So now we’re saying, “There’s something even more illegal. We’ll go after them.” I find it difficult to really comprehend that the government’s going to enforce this if they don’t enforce the Criminal Code. We’re going to support it, but, again, I have my doubts.

The Chair (Mrs. Linda Jeffrey): Any further debate?

Mr. Charles Sousa: Again, we just wanted to ensure that some people in business shouldn’t be in business. When an unlicensed lender provides a payday loan to a borrower, the borrower does not have to pay the cost of borrowing. This new subsection empowers the borrower to demand a refund of the cost of borrowing paid to an unlicensed lender. That’s the reason we’re putting it forward.

The Chair (Mrs. Linda Jeffrey): Ms. MacLeod, did you want to speak?

Ms. Lisa MacLeod: Yes. The official opposition will be supporting this amendment. I think the big issue is—obviously we know that there is a niche market in payday loans and that we do have fringe payday loan companies that are not part of some of the more reputable firms. So I think this is a necessary amendment and we will be supporting it.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All those opposed? That’s carried.

Shall section 44, as amended, carry? All those in favour? All those opposed? That’s carried.

Committee, there are no amendments to sections 45 through 65. Shall they carry? All in favour? All opposed? That’s carried.

A new section, Ms. DiNovo.

Ms. Cheri DiNovo: I move that the bill be amended by adding the following section:

“Registrar’s annual report

“65.1(1) Within 60 days after the end of each calendar year that ends after parts II and V come into force, the registrar shall prepare a report setting out,

“(a) the number of licenses that the registrar has issued to lenders and loan brokers by the end of the year, whether or not on the direction of the tribunal;

“(b) the number of licenses that the registrar has issued to lenders and loan brokers by the end of the year on the direction of the tribunal;

“(c) the number of licences, during the year, that the registrar has suspended or revoked or on which the registrar has imposed conditions, showing a breakdown of the number of suspensions, revocations and licences on which the registrar imposed conditions;

“(d) the number of licences that the registrar has cancelled during the year under section 16;

“(e) the number of complaints that the registrar has received during the year under section 46 and the nature of the complaints without revealing any personal information as defined in the Freedom of Information and Protection of Privacy Act; and

“(f) the number of orders that the registrar has made under section 53.”

This is about a reporting requirement. It’s about transparency.

The Chair (Mrs. Linda Jeffrey): Ms. DiNovo, you have another page.

Ms. Cheri DiNovo: Oh, sorry. Thank you, Madam Chair.

“Submission to minister

“(2) The registrar shall submit the report to the minister promptly after the expiration of the time period mentioned in subsection (1) for preparing the report.

“Tabling

“(3) The minister shall,

“(a) submit the report to the Lieutenant Governor in Council;

“(b) lay the report before the assembly if it is in session; and

“(c) deposit the report with the Clerk of the assembly if the assembly is not in session.”

Again, as I said, it’s about transparency and reporting requirements.

The Chair (Mrs. Linda Jeffrey): Thank you. Ms. MacLeod?

Ms. Lisa MacLeod: The official opposition won’t be supporting this New Democrat motion because we believe there needs to be transparency and accountability

in the entire process. We support their efforts in bringing this forward. I have two resolutions later on which also deal with accountability and transparency, which I hope the government and my colleague in the NDP will support.

The Chair (Mrs. Linda Jeffrey): Any further discussion?

Mr. Charles Sousa: We won't be supporting it the way it's read. Subsection 63(3) of the bill requires the registrar to make available to the public the names of licensees and other information about licences that is required by regulation. All of the information set out in clauses (a), (b), (c), (d) and (f) can be made available to the public by way of subsection 63(3).

Complaints about the licensees can be made public by way of regulation under the Consumer Protection Act, 2002, and this information would appear on the "consumer beware" list which is available on the ministry's website. So this is seen as much more broad and some of the amendments are seen as limiting disclosure. The regulation would then be more comprehensive.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, shall section 65.1 carry? All those in favour? All those opposed? That's lost.

Section 66 has no amendments to it. Shall section 66 carry? All those in favour? All those opposed? That's carried.

Section 67, Ms. MacLeod.

Ms. Lisa MacLeod: I move that clause 67(a) of the bill be struck out and the following substituted:

"(a) to promote the education of persons respecting the rights and obligations of persons and entities under this act and respecting financial planning, where the education is done through the use of publications, training, a high school fiscal literacy awareness campaign, advertising and similar initiatives, including by making grants and transfer payments; and"

It goes on from there. It's not very different from what is already prescribed there but, Madam Chair, as you're aware, and as my colleagues are aware, one of my major concerns with this legislation is fiscal literacy throughout the province of Ontario regardless of income. I think we need to start earlier with kids in our high schools. I thought this was probably the easiest way to put this forward so it didn't really interrupt the integrity of the bill. As many of you recall, this issue came up time and again through deputants. I'd urge my colleagues to support what I think is a minor amendment, but I do think it is what is required in this legislation.

The Chair (Mrs. Linda Jeffrey): Any further debate?

Ms. Cheri DiNovo: Unfortunately, the New Democratic Party and myself will not be supporting this amendment, but we do think that the funds that are set up in this education fund should go to those who are dealing on the ground with the consumer, not to the payday lending association or any offshoot of them or the banking industry. We think it should go to a group like ACORN or the United Way, who have the ability to administer the fund and deliver the education. Unfortun-

ately, we don't think it should go to the educational system per se. They have their own funding and their own money to deal with this. This shouldn't come out of the pockets of the consumer.

1630

The Chair (Mrs. Linda Jeffrey): Further debate?

Mr. Charles Sousa: I read with interest—and we've had these discussions prior, during debates, in respect to the education, but we do want to maintain some flexibility and allow that creativity. To leave it to the education board may be problematic. The corporation will, in accordance with the provisions of the bill, promote education and financial planning on a broad basis, hopefully in an effective manner. What we don't want to do is tie their hands. The corporation, through its volunteers, would then make these applications and try to lever some of this with their organizations.

I agree that the funds should not be redirected to payday lenders. This is meant to be strictly within the corporation and for the benefit of the consumers within the community. I would hesitate to mix it with the education at this point because of the dilemma and the degree of complexity it would undertake at this point.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, shall the motion carry? All those in favour? All those opposed? That's lost.

Shall section 67 carry? All those in favour? All those opposed? That's carried.

Section 68 has no amendments. Shall it carry? All those in favour? All those opposed? That's carried.

Section 69.

Ms. Lisa MacLeod: I move that subsections 69(2) and (3) of the bill be struck out and the following substituted:

"Hearing required

"(2) The minister shall hold a hearing or afford the corporation an opportunity for a hearing before making a regulation under subsection (1)."

This is about transparency and accountability. I think that public disclosure is important.

The Chair (Mrs. Linda Jeffrey): Further debate?

Ms. Cheri DiNovo: We'll be supporting this motion in the New Democratic Party, and I will be supporting it. Again, it's about transparency and accountability. We think, first and foremost, it should be to the public, not to the payday lending association.

Mr. Charles Sousa: We won't be supporting this. The corporation makes an annual report and has to give the minister any other information and reports he requires. The minister, we feel, must be free to take necessary action in respect of an entity entrusted with the monies of the education fund. The minister is not prohibited from holding a hearing, mind you, if he feels that it is advisable to do so. That is, if something does go wrong, we would like the ability to act quickly, and, as I said, the discretion is there to hold a hearing and it is meant to be public.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, all those in favour of the motion? All those opposed? That's lost.

Shall section 69 carry? All those in favour? All those opposed? That's carried.

Sections 70 through 73 have no motions. Shall they carry? All those opposed? Carried.

We're at section 74.

Ms. Lisa MacLeod: I move that subsection 74(4) be struck out.

I remember a certain Auditor General's report that went leaking into the press last year, and I think we need safeguards so that the minister can move forward and that we can highlight where things go wrong.

Ms. Cheri DiNovo: We will be supporting this. This would prevent the corporation from giving the minister the report before it is tabled with the Legislature. Again, it's about transparency and the public's right to know before the minister, the bureaucrats or the payday lending association.

The Chair (Mrs. Linda Jeffrey): Mr. Sousa.

Mr. Charles Sousa: Thank you. We agree it's a good idea. We'll be supporting it as well.

Ms. Lisa MacLeod: Woo-hoo!

Ms. Cheri DiNovo: Hallelujah!

Ms. Lisa MacLeod: Did you catch that in Hansard?

Mr. Charles Sousa: The corporation should not give a copy of its annual report to any person before the minister receives the report and either submits it to the Lieutenant Governor in Council or lays it before the assembly.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, shall the motion carry? That's unanimous; that's great. That carries.

Shall section 74, as amended, carry? All those in favour? All those opposed? That's carried.

Interjections.

The Chair (Mrs. Linda Jeffrey): Committee, I know you're having a good time, but we have a little bit of business left.

Sections 75 and 76 have no amendments. Shall they carry? All in favour? All opposed? Those are carried.

Section 77.

Mr. Charles Sousa: I move that the English version of paragraph 19 of section 77 of the bill be amended by striking out "making" and substituting "entering into."

This is a technical amendment. The language of the bill is that payday loans are made and payday loan agreements are entered into. We just need to be consistent on this point.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All those opposed? That's carried.

Mr. Sousa.

Mr. Charles Sousa: I move that paragraph 20 of section 77 of the bill be amended by striking out "described in paragraph 19" and substituting "that contravenes the regulations made under paragraph 19".

Again, it's a technical amendment. Paragraph 19 prohibits certain types of payday loan agreements and paragraph 20 is a related regulation-making power that deals with rights, obligations and remedies. This related

regulation power now deals only with payday loan agreements that do not comply with paragraph 19.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All those opposed? That's carried.

Mr. Sousa.

Mr. Charles Sousa: I move that section 77 of the bill be amended by adding the following paragraph:

"23.1 specifying what constitutes sufficient proof for the purposes of clauses 35(1)(b) and 35(3)(b) or authorizing the registrar to specify what constitutes sufficient proof for the purposes of those clauses in the circumstances that the registrar specifies with respect to the particular borrower involved;"

The new regulation-making powers related to section 35 of the bill allow another loan to be made in less than the seven days if the lender or loan broker is provided with proof that full payment was made under the first payday loan agreement. We support this because the power allows for the specification of what will and will not be sufficient proof of payment of the first agreement.

It's a technical amendment and what we're trying to do is determine what does constitute sufficient proof.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, all those in favour of the motion? All those opposed? That's carried.

Ms. DiNovo.

Ms. Cheri DiNovo: I move that section 77 of the bill be amended by adding the following paragraph:

"26.1 specifying the languages in which a licensee is required to use in,

"i. any advertisement, circular, pamphlet or material published by any means relating to a payday loan made by the licensee or payday agreement entered into by the licensee, or

"ii. providing information or statements that the licensee is required under this act to provide a borrower;"

This allows the minister to determine the languages of payday loan advertisements. In some areas, as we all know, English and French are second or third languages. Payday lenders should have to provide information suited to languages that are actually spoken in their area.

The Chair (Mrs. Linda Jeffrey): Further debate?

Mr. Charles Sousa: I appreciate the intent and I'm hoping that, through the education fund and other services that are being provided, multiple languages will be used. It's certainly good, competitive practice for the respective lenders to do so and it should be at their disposal, as well as the education program. However, we don't support it because there are only two official languages in Canada and we cannot make an exception to this specific industry.

The Chair (Mrs. Linda Jeffrey): Any further debate? Seeing none, all those in favour of the motion? All those opposed? That's lost.

Shall section 77, as amended, carry? All those in favour? All those opposed? That's carried.

Sections 78 through 80, inclusive, have no amendments. Shall they carry? All in favour? All opposed? That's carried.

Section 81, Ms. DiNovo.

Ms. Cheri DiNovo: I move that section 81 of the bill be struck out and the following substituted:

“Commencement

“81. This act comes into force on the 60th day after the day it receives royal assent.”

Basically, this forces the government to act faster on the expert panel and regulations. So we're giving them two months.

Ms. Lisa MacLeod: I concur with my colleague from the third party. I think in an instance like this, we actually need a predictable date that we can not only let the payday lender companies know about, but also that consumers know when to expect this to come into force. I think that's the most respectful thing to do. So I will be supporting this resolution, as will the official opposition.

1640

The Chair (Mrs. Linda Jeffrey): Any further debate?

Mr. Charles Sousa: The bill cannot come into effect until the regulations are drafted, and that has to take a bit more time. There's a substantial body of regulations to be drafted. We also want to get the recommendations from the expert panel that need to be completed. While we would like to expedite matters as quickly as possible, we want to make certain that we do it right, and it may take a bit longer than the 60 days.

The Chair (Mrs. Linda Jeffrey): Further debate? Seeing none, all those in favour of the motion? All those opposed? That's lost.

Shall section 81 carry? All those in favour? All those opposed? Carried.

Shall section 82 carry? All those in favour? All those opposed? Carried.

Shall the title of the bill carry? All those in favour? Carried.

Shall Bill 48, as amended, carry? All those in favour? All those opposed? Carried

Shall I report the bill, as amended, to the House? All those in favour? All those opposed? Carried.

SUBCOMMITTEE REPORT

The Chair (Mrs. Linda Jeffrey): Thank you, committee. Please don't run away. Because you've been so good, I'm going to let you have a look at the report of the subcommittee which met this afternoon. I apologize for having to pass that responsibility on to another member to resolve for me. I appreciate it. I was tied up. The report of the subcommittee is here for your perusal.

If you wouldn't mind reading it into the record, that would be very helpful. Ms. Mitchell.

Mrs. Carol Mitchell: Your subcommittee met on Wednesday, June 4, 2008, to consider the method of

proceeding on Bill 69, An Act to protect children from second-hand tobacco smoke in motor vehicles by amending the Smoke-Free Ontario Act, and recommends the following:

1. That the committee meet in Toronto on Monday, June 9, 2008, for the purpose of holding public hearings.

2. That the committee clerk, with the authorization of the Chair, post information regarding public hearings on the Ontario parliamentary channel and the Legislative Assembly website.

3. That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 4 p.m. on Friday, June 6, 2008.

4. That groups and individuals be offered 15 minutes for their presentation. This time is to include questions from the committee. To be scheduled on a first come, first served basis.

5. That teleconferencing be made available to those individuals who cannot present in person.

6. That the research officer provide the committee with a summary of presentations prior to the commencement of clause-by-clause.

7. That the Minister of Health Promotion be invited to appear before the committee to make a presentation of up to 15 minutes, followed by 5 minutes for each caucus to make a statement or ask questions.

8. That the deadline for written submissions be 12 noon on Wednesday, June 11, 2008.

9. That for administrative purposes, proposed amendments be filed with the committee clerk by 5 p.m. on Tuesday, June 10, 2008.

10. That the committee meet for the purpose of clause-by-clause consideration of the bill on Wednesday, June 11, 2008.

11. That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mrs. Linda Jeffrey): Any debate? Any questions? Seeing none, all those in favour of the subcommittee report? Opposed? Carried.

Mr. Bill Mauro: May I ask a question?

The Chair (Mrs. Linda Jeffrey): Yes, Mr. Mauro.

Mr. Bill Mauro: Point one, “That the committee meet in Toronto on Monday, June 9, 2008”—do we have a time set for that meeting?

The Chair (Mrs. Linda Jeffrey): It's 2 o'clock on Monday. It's from 2 to 6.

Mr. Bill Mauro: Thank you.

The Chair (Mrs. Linda Jeffrey): Any further questions? Seeing none, committee, you've done a great job. You're adjourned.

The committee adjourned at 1645.

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