



April 10, 2018

Councillor Palacio, Chair, and Respected Members
Municipal Licensing and Standards Committee

Via email to lsc@toronto.ca

Re: LS24.3 – Interim Regulations for Payday Loan Establishments and Consultation Plan

I would like to start by thanking the staff at Municipal Licensing and Standards for their continuing work in updating the regulations on payday loan establishments in the City of Toronto. As an organization that is committed to fighting local poverty, we remain concerned with the negative impacts of payday loans and other financial services outside of the traditional banking and credit union sector.

As you may be aware, it was United Way's ground-breaking research in 2007, *Losing Ground*, which helped to spur much needed changes to consumer protection legislation in Ontario. Our research revealed that the number of low-income families in Toronto was growing at a faster rate than in other cities in Canada. It also revealed that this growth was being accompanied by a rapid expansion of quick-fix money solutions targeting low-income neighbourhoods across the city. While these services are an important tool to relieve financial pressures on the households who use them, unless governments act, these households will continue to be trapped in a long-term and vicious cycle of debt, repeat borrowing and poverty with no hope of a brighter, more stable future for them and their families.

United Way also participated in the Government of Ontario's consultation on this issue two years ago and we are pleased to see the City take action. The interim steps contained in this staff report are critically important to protecting Toronto's most vulnerable residents, while a more detailed analysis and report is generated. We look forward to contributing to that process and ask the committee to approve this item.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michelynn Laflèche".

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