



**Dr. Colin Carrie MP  
Oshawa**

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**Carrie testifies at Senate committee to explain Canada's new  
payday loans legislation, Bill C-26**

For immediate release.

**OTTAWA, 28 February 2007** – Dr. Colin Carrie, Member of Parliament for Oshawa and Parliamentary Secretary to the Minister of Industry, today appeared before the Senate Committee on Banking, Trade & Commerce to explain Bill C-26, *An Act to Amend the Criminal Code* (criminal interest rates). As the government's representative, Dr. Carrie has worked tirelessly with opposition parties to steer this legislation through the Standing Committee on Industry, Science & Technology and ultimately, the House of Commons.

"As more Canadians make use of payday lending, Canada's New Government is taking steps to ensure that the industry is properly regulated," said Dr. Carrie, "We are getting things done for families and taxpayers, by giving provinces and territories the tools they need to protect consumers and deal with questionable business practices."

Payday lending is a growing industry in Canada. Virtually non-existent until 1994, the payday lending industry is believed to have grown to more than 1,350 outlets nation-wide, which accounts for an estimated \$1.7 billion in lending annually. Currently, there are no federal or provincial regulations to set limits on the cost of borrowing in the payday loan industry. For many years, provinces, territories and consumer advocacy groups have raised concerns over incidents or questionable practices within the payday loan industry.

A payday loan is a very short-term loan, for a relatively small sum of money. Loans are often provided in cash, although a number of lenders provide money on a debit card. In order to qualify for a payday loan, the borrower must have a steady source of income, usually from employment, but also from pensions or other sources, and a bank account.

Canada's New Government successfully passed Bill C-26 through the House of Commons on February 6, 2007. Under this new legislation, payday lenders who operate in provinces or territories having measures in place to protect borrowers will be allowed to set limits on the cost of borrowing and regulate the business practices of payday lenders within their jurisdiction.

Dr. Carrie concluded, "Bill C-26 is designed to provide provinces and territories with the flexibility to regulate the payday lending industry in a manner that best addresses the realities of their respective jurisdictions."

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**FOR FURTHER INFORMATION**

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