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Hamilton

February 25, 2016

Hamilton City Council, at its meeting held on February 24, 2016, approved Item 6 of Planning Committee Report 16-003 which reads as follows:

**Moved by:** Councillor Matthew Green  
**Seconded by:** Councillor Judi Partridge

**6. Amendment to Business Licensing By-law 07-170 to License Payday Loans Businesses (PED16039) (City Wide) (Item 7.1)**

That City of Hamilton Business Licensing By-law 07-170 be amended in accordance with the draft By-law attached as Appendix "A" to Report PED16039, which has been prepared in a form satisfactory to the City Solicitor, by creating a license category for Payday Loans Businesses, subject to approval of the following:

- (a) That a \$750 Annual Licensing Fee for administration, materials, inspections and enforcement be approved and added to the User Fees and Charges By-law;
- (b) That an additional .25 FTE to enforce and administer the Payday Loans Businesses License be approved based on 100% cost recovery and with no additional impact to the tax levy.
- (c) That the Mayor correspond with the Honourable MPP David Oraziatti, Minister of Government and Consumer Services, formally requesting that the Province:
  - (i) make it a criminal offence to charge more than 30% interest per annum;
  - (ii) make loan flipping and excessive refinancing illegal and require a signature of the borrower for all changes to the terms of the loan;
  - (iii) institute interest and financing fee caps;
  - (iv) institute government mandated registrations for all loans and require all companies that provide loans and financing in Canada to register with the government;
  - (v) make it easier to report predatory lenders through a formal complaint process;
  - (vi) restrict how consumers can use payday loans through a transaction tracking system;
  - (vii) require payday lenders to take into account the borrower's ability to repay by limiting the amount lent to a portion of their net income;
  - (viii) lower the cost of defaulting on a loan by lowering the maximum default charge and by setting a total maximum monthly default costs;
  - (ix) apply debt collection rules to the purchasers of overdue debts; (currently Ontario's debt collection protection rules focus on collection agencies rather than the owners of debt; i.e. 3<sup>rd</sup> party collectors);
  - (x) that the Minister of Social Services, the Honourable Helena Jaczek, implement a livable social assistance rate and that restrictions be made on the usage of Ontario Works and Ontario Disability benefits for payday loans;
- (d) That copies of this resolution be sent to all municipalities in Ontario, the Association of Municipalities of Ontario (AMO), the Federation of Canadian Municipalities (FCM) and the Large Urban Mayors Caucus of Ontario.

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