

**Ministry of
Municipal Affairs**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-7000
Fax: 416 585-6470

**Ministère des
Affaires municipales**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-7000
Télééc. : 416 585-6470



**Ministry of Government and
Consumer Services**

Office of the Minister

6th Floor, Mowat Block
900 Bay Street
Toronto, ON M7A 1L2
Tel.: 416-212-2665
Fax: 416-326-1947

**Ministère des Services
gouvernementaux et des
Services aux
consommateurs**

Bureau du ministre

6^e étage, Edifice Mowat
900, rue Bay
Toronto, ON M7A 1L2
Tél. : 416 212-2665
Télééc.: 416 326-1947

MGCS3766MC-2017-797

December 15, 2017

Dear Heads of Municipal Councils:

We are pleased to provide an update on Bill 59, Putting Consumers First Act (Consumer Protection Statute Law Amendment), 2017. Bill 59 made amendments to the City of Toronto Act, 2006 and the Municipal Act, 2001. Upon proclamation, these amendments will allow local municipalities to regulate the location and number of payday loan establishments. We would like to inform you that the government has proclaimed these sections into force effective January 1, 2018.

During consultations to inform the development of Bill 59, the government heard from municipalities that there was interest in an expanded municipal authority to regulate payday lenders. As a government we have listened. We thank municipal leaders for your contributions to protecting consumers and your communities.

Additional regulatory changes to strengthen protection for consumers using payday loans and cheque-cashing services will come into force on July 1, 2018 and include the following:

- It will be mandatory for payday lenders to provide borrowers with an extended payment plan if borrowers take out three or more loans with the same lender within a 63-day period.
- Payday lenders can only lend up to 50 per cent of a borrower's net pay per loan.
- The cost of borrowing a payday loan must be disclosed as an annual percentage rate in advertisements and agreements.
- The maximum fee for cashing government-issued cheques will be capped at \$2 plus one per cent of the face value of the cheque, or \$10, whichever is less.
- It will be mandatory for cheque cashing service providers to provide a receipt when cashing government-issued cheques.

If you have any questions about the amendments, you may contact Ann Misetich, Manager of Consumer and Business Policy via email at Ann.Misetich@ontario.ca or by telephone at 416-326-8868.

Thank you for your continued support of strengthening financial protection for consumers in Ontario's communities. We look forward to continuing to work with you on this important initiative in the future.

Sincerely,



Tracy MacCharles
Minister of Government and Consumer Services



Bill Mauro
Minister of Municipal Affairs

c: Municipal Clerks/CAOs