Prosper Canada

SUBMISSION

Finance Canada Consultation

Cracking down on predatory lending faster by further lowering the Criminal Rate of Interest and increasing access to low-cost credit

January 5, 2024

Contact

Lisa Rae

Director, System Change

Prosper Canada

lisarae@prospercanada.org

Prosper Canada – Who we are

Prosper Canada is a national charity dedicated to expanding economic opportunity for Canadians living in poverty through program and policy innovation. As Canada's leading champion of financial empowerment, we work with government, business, and community partners to develop and promote financial policies, programs and resources that transform lives and foster the prosperity of all Canadians. **www.prospercanada.org**

Context

The Government of Canada is seeking feedback from Canadians actions that could be taken to improve, promote, and support access to low-cost, small-value credit by banks, and what these credit offerings should look like. Following the Budget 2023 announcement, the government is also seeking feedback on whether the criminal rate of interest should be further reduced and on additional revisions to the *Criminal Code*'s provincial or territorial-requested payday lending exemption.

Prosper Canada welcomes the government's attention to these critical issues and is pleased to share our perspective on the best means to crack down on predatory lending and provide safe and affordable alternate sources of small dollar credit for those who cannot access mainstream credit sources.

Our submission primarily addresses consultation questions 1-9 and 11-12.

1. A comprehensive ecosystem approach is needed to reduce predatory lending

Canadians are driven by a range of financial factors to access predatory, high-cost loans (e.g. payday loans, instalment loans, buy now pay later schemes), including:

- Chronic insufficiency of income to meet their basic recurring expenses[1]
- Temporary income/expense gaps due to unexpected expenses (e.g. an urgent car, appliance or home repair, uninsured medical costs) and/or income shocks (e.g., job loss, reduced work hours, monthly income volatility from non-standard work)[2]
- No credit history (e.g., newcomers) rendering them ineligible for mainstream credit[3]
- Impaired credit from prior/current debts.[4]

Contributing non-financial factors may also include:

- Low financial literacy making them more susceptible to enticing/deceptive advertising and less likely to shop around for the most cost-effective credit option[5]
- Lack of trust in mainstream financial institutions due to negative prior experiences[6]
- No mainstream financial institutions in their neighbourhood or community[7]
- The speed and convenience with which they can access predatory loans versus alternatives[8]
- Superior customer service of predatory lenders.[9]

These diverse drivers require a range of approaches to address the demand for small dollar credit, the current supply of predatory options, and the dearth of safer and more affordable alternatives. Some of these approaches fall well outside of the traditional sphere of financial consumer protection. However, if the government wishes to be effective in cracking down on predatory lending, it must take a comprehensive approach and make effective and innovative use of the full range of potential policy, regulatory and programmatic measures at its disposal, not just the traditional financial regulatory and education toolkit.

This includes acknowledging that debt at any interest rate will create a financial burden for some individuals that they cannot repay. For this group, policy makers need to look beyond credit regulation to improving incomes.

The advice and recommendations that follow encompass a broad scope of approaches, some of which will require an innovative mindset and sustained collaboration with partners from other sectors. This should not be a deterrent, however. For years, there has been growing concern over the spread of predatory lending in Canada, its devastating impact on vulnerable consumers caught in debt spirals, the inequity of low-income consumers paying the most for credit products, and the lack of safer and more affordable alternatives.[10] The current affordability crisis has only heightened these concerns and the urgent need for action.

2. Credit product features that can improve Canadians' financial positions

For the purposes of small dollar loans (e.g., under $3,000), the following features can help people with low/moderate incomes to improve their financial positions:

- Low or no interest on the loan
- Longer repayment periods (e.g. 6 months for a loan under $500, one year for loans up to $3,000) to allow for more manageable payments
- Faster repayment is permitted and encouraged and does not trigger any associated fees
- Applicants are screened to ensure ability to repay without hardship before approving the loan
- Applicants who are not approved for a loan are referred to free financial help services to explore other options – e.g. tax filing and benefit help to boost their incomes, debt help, financial counselling to help them develop/review their budgets, strengthen their money management, repair their credit, build emergency savings etc.
- Loans are accompanied by free financial education and/or counselling to set borrowers up for successful repayment and to help reduce future need for emergency loans.
- If the borrower has impaired credit, financial education and help to build a manageable budget and repayment plan should be a condition of receiving any loan.
- Borrowers can opt to have a portion of each payment deposited into a savings account that they can only access once the loan is fully repaid. This leaves the borrower with emergency savings they can use to help smooth future income-expense gaps and reduces the likelihood they will be forced to rely on high cost, high risk credit.

3. Protections from unreasonable credit product fees (including payday loans)

The following measures can help to protect Canadian consumers from unreasonable fees for credit products, including payday loans:

- Include all fees and charges in the calculation of the total cost of consumer loans and ensure this cost does not exceed the Criminal Rate of Interest.
- Remove the payday loan exemption from Criminal Rate of Interest provisions of the *Criminal Code* to create an even playing field that will encourage market competitors to compete on price, seek operational efficiencies, and base their price on cost and risk rather than simply charging the maximum rate allowable by law as payday lenders currently do and will likely continue to do under the $14/$100 cap set out in proposed new federal regulations.
- Prohibit rollovers and renewals that result in ongoing interest-only payments that extend interest payments into perpetuity without paying down the loan principal.
- By regulation, standardize concise, plain language, user-tested disclosure of key loan terms and APR (inclusive of all fees and charges) for all consumer loan products (see recommended Financial Facts labelling in Section #4 below).

- Create an online *Term Loan Comparison Tool*, similar to FCAC's [Credit Card Comparison Tool], to enable consumers to easily see what products are available to them, provide them with clear and consistent information on the relative cost of each product, and enable them to select the one that works best for them.
- Prohibit early repayment fees.
- Prohibit sale of related loan insurance to people whose primary income source is not paid employment and set standards for clear, concise, plain language disclosure of any requirements, conditions, limitations, exceptions that could render a purchaser of loan insurance ineligible for protection in the event of an income interruption/decrease.
- Implement Open Banking to enable financial institutions and fintech lenders to use non-traditional data sources to assess risk more accurately and offer credit-constrained consumers loans at a lower cost.
- Remove barriers and provide incentives for low-income and other financially vulnerable households to build emergency savings and reduce their reliance on high-cost, high-risk lenders. See the proposed Canada Saver's Credit as one option.

4. Predatory credit marketing techniques and related protection measures

Extended term loans (e.g. instalment loans, second hand car loans) are frequently aggressively marketed on the basis of low monthly payments, without clearly disclosing the actual dollar cost of the loan (total interest charges plus any fees). This often results in consumers paying far more in combined interest and fees than the original value of their purchase.

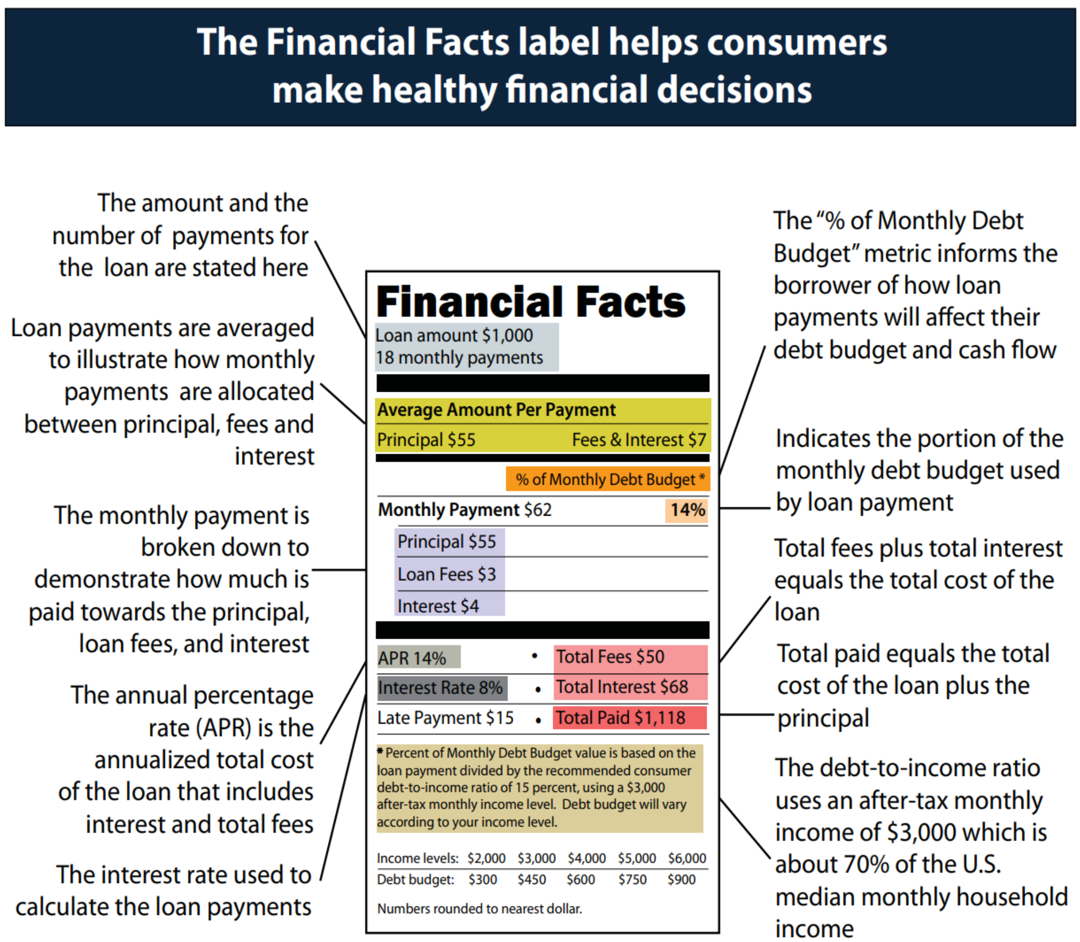
Consumers also find it extremely challenging to comparison shop for term loans because there is no requirement to present critical cost of borrowing information in a standardized way, and there are no product comparison tools available to enable them to quickly compare key information across multiple products.

To remove these barriers, the federal government should mandate a standardized disclosure template for all consumer term loans based on the Financial Facts Label[11] developed by the Mission Asset Fund in San Francisco (*Figure 1* below). The Financial Facts Label should be featured on the front page of loan contracts and in all advertising materials for federally regulated consumer term loans and provincial regulators should be encouraged to adopt the same standard for any consumer term loans they regulate.

The Financial Facts Label highlights important loan information in a clear, transparent, and easy to understand format so that borrowers can make healthy financial decisions. It enables consumers to quickly review critical loan attributes – APRs, interest rates, costs, etc. – while also comparing how loan payments will affect their budget and cash flow through the "% of Monthly Debt Budget" metric. The Mission Asset Fund introduced this metric to help borrowers quickly evaluate their ability to afford a loan by connecting income, debt, and cash flow in a single figure. Borrowers can also use this metric to compare different types of loans and determine which is most affordable and responsible for them to take.

Standardizing term loan information in this manner would overcome one of the biggest current difficulties for consumers which is their inability to quickly and easily compare the cost of different loan products on offer. If consumers had a quick and easy line of sight into the key cost of borrowing metrics for any term loan being offered, they would be empowered to choose wisely, rather than left at the mercy of manipulative marketing ploys.

Figure 1 Financial Facts Label for term loan products



FCAC currently hosts a highly effective Credit Card Comparison Tool on its website that enables consumers to compare and select credit cards that best meet their needs. Financial Facts Labels would provide FCAC with the information they need to expand their existing tool to include payday and instalment loans. This would enable consumers to compare products within and across product categories to select the best option for them. Currently, most consumers – and vulnerable consumers most of all – lack the time and capacity to parse through lengthy loan agreements to extract the critical information they need to determine the most affordable and suitable product for them. Government should be doing everything in its power to redress this information asymmetry and to give consumers the clear information and tools they need to effectively compare competing loan products and select the best product for them.

Comparison tools like FCAC's Credit Card Comparison Tool also encourage participating companies to price their products more competitively and to offer other features consumers value. This is important because payday lenders currently do not price their products competitively or in accordance with assessed risk of the borrower. Instead, they consistently charge all of their customers the maximum amount they are permitted by provincial law. This translates into unnecessarily high costs for low-income and vulnerable consumers who are the most likely to take out payday loans, and increases their risk of unmanageable debt.

Because relatively few Canadians regularly visit FCAC's website, however, FCAC should consider marketing its product comparison tools via other intermediary organizations. As an example, Prosper Canada's *Benefits Wayfinder* tool for low/modest-income users is available through our own website, but we have also trained over 800 other organizations from all sectors to use it and provided them with HTML code to add graphic buttons on their websites and commercial technology platforms (e.g. TurboTax and H&R Block). These measures attract hundreds of thousands of consumers to our tool annually.

5. How lenders can provide better information on total costs of credit products

See response to #4 above.

6. Barriers Canadian consumers face in accessing low-cost, small-value credit

- **Lack of safe and affordable small dollar credit products.** According to a recent ACORN Canada study,[12] there are few low cost or fair credit options for low- and moderate-income people and, for those that do exist, the number of people who can access them is very limited. Desjardins offers the only nationally available product but it is only available to individuals who hold a Desjardins chequing account and credit card. Some regional credit unions offer payday loan alternatives, but only to their members and in limited geographies. Some provinces and cities have rent banks that help low-income tenants who are behind on rent, but these do not provide credit/loans for other purposes.

- **Low awareness of better credit options than payday or instalment loans**. Eighty-seven per cent of ACORN Canada's survey respondents said that they were not aware of any medium or low interest credit options (annual interest less than 30%) or other sources of emergency funds for people with a low or moderate income who can't access credit from the major banks.[13]

- **Financial exclusion** – While 98% of Canadian adults are banked,[14] the proportion of low-income and vulnerable Canadians who have a bank account and a debit card is much lower.[15] 87% of Canadian adults also have a credit card, but the 13% who do not may have limited options when it comes to accessing safe and affordable small dollar credit.[16]

  Residents of rural, remote and Indigenous communities and low-income urban neighbourhoods may also lack local access to banks and credit unions that typically provide safer and more affordable credit products. The number of bank branches per 100,000 population in Canada has also been dropping steadily (from 24.6 per 100,000 adults in 2006 to fewer than 20 per 100,000 in 2019)[17] and bank and credit union branches and services are also not evenly distributed across regions. While generally common in urban and well-populated areas, they have vacated low-income neighbourhoods in some Canadian cities, creating "banking deserts" with fringe financial services, including payday and instalment lenders, filling the gap.[18] In First Nation communities, the median travel distance from band offices to the closest branch of a financial institution is about 25 kilometres.[19] However, 49 First Nation reserves are located over 100 kilometres from an ABM or financial institution branch and these areas have poor access to in-person financial services, as well as limited access to digital payments and electronic banking.[20]

  Members of vulnerable groups are also more likely to be underbanked, meaning they have a bank account, but still face barriers to using it and are more likely to rely on fringe financial services, such as payday lenders and cheque cashers.[21] Reasons why people are underbanked include cost and quality of banking services, limited financial literacy, and lack of trust in financial institutions.[22] These issues are especially common in vulnerable communities and for persons with disabilities who may also encounter accessibility barriers before or when signing up for financial services.[23] Fear of being garnished for outstanding debts[24] can also be a contributing factor.

- **Reluctance to approach their bank (if they have one).** Being denied in the past or poor prior experiences (particularly among Indigenous and other racialized groups) can discourage consumers from seeking safer and more affordable credit options from their bank or credit union. [25] Among ACORN Canada survey respondents, reasons given for not seeking help from their bank were:[26]

  - **46%** A previous rejection from the bank
  - **30%** Feeling judged when going to the bank

- **24%** Lack of trust in the bank or because it had withdrawn funds from their account without their knowledge
- **22%** Banks are unfriendly and make respondents nervous.

- **Lack of a credit history** renders some consumers (e.g., newcomers) ineligible for mainstream credit.[27]

- **Impaired credit** from prior/current debts[28] leads to denial of credit/loans. This problem is exacerbated by the fact that the types of loans low-income borrowers access are not reported to credit bureaus, except when the borrower cannot repay.

7. Barriers to banks and credit unions offerings low-cost, small-value credit

People who are not eligible for mainstream credit, but need access to affordable, small-dollar loans, are more likely to need hands on support to successfully apply and repay their loan – e.g., help with paperwork, screening to ensure ability to repay, help to build a robust budget and repayment plan, and financial coaching in the event they experience repayment challenges.

These wraparound supports are critical to enabling vulnerable and credit-impaired consumers to successfully access and repay small dollar loans but are administratively costly and diminish the ultimate rate of return for the provider. Banks can potentially reduce loan administration costs by automating the application process but, without providing the other supports, they would likely experience higher default rates.

Mainstream financial institutions are not currently set up to provide this type of product. To do it successfully would require a completely different approach to designing, marketing, and delivering the product, and supporting customers. This would require significant investment in systems, processes, training, etc.

There is also a regulatory tension. Financial institutions are required by regulators to maintain capital reserves and can, therefore, only lend out so much money. Certain types of lending draw down more heavily on this quota than others – i.e., if you are making riskier loans, you can make fewer of them. For credit unions, for example, low-cost small-dollar loans would be considered "community lending," which is perceived as higher risk and, therefore, draws down on their lending quota three times faster than commercial loans. Credit unions would, therefore, be reluctant to dedicate a significant portion of their lending capital to small dollar credit, because it would reduce their ability pursue more profitable types of lending and shrink their pool of lending capital at a higher rate.

For all of these reasons, banks and many credit unions do not see affordable, small dollar, term loans for consumers with no/poor credit histories as a viable commercial product. Given the large up-front investment required, high ongoing administrative costs, and low expected profitability, there is no commercial business case for mainstream financial institutions to deliver affordable, small-dollar, term loans at scale as part of their regular product line.

Some credit unions do, nonetheless, offer payday loan alternatives to their members to reduce dependency on predatory lenders. Vancity's Fair and Fast Loan is one example. According to Vancity, it is able to offer these loans by:[29]

- Taking into account its individual relationships with its members.
- Providing credit in alignment with members' needs and ability to repay.
- Offering a higher interest rate than its conventional loans.
- For applicants with insufficient credit history, Vancity will review alternative sources of establishing credit worthiness, such as paying bills on time.
- Closely monitoring the loans taken.

Servus Credit Union also offers a Fast Forward Small Loan.[30] Servus members can borrow $200-$2,500 at competitive rates with terms from 3 months to 2 years. Loans can be secured within an hour by appointment.

DUCA Impact Lab's Escalator Loan enables its members to pay off payday loans under favourable rates and terms, build their credit history, and escape the cycle of payday loan debt.

In other jurisdictions, there are examples of non-profits providing affordable small dollar credit. See, for example, Good Shepherd No Interest Loans in Australia. Loans cannot be used for cash, bills or debts, but eligible applicants can borrow up to $2,000 for essential goods and services including:

- Household items like appliances, whitegoods & furniture
- Car repairs & registration
- Medical, dental, wellbeing and life event expenses
- Technology like a phone or laptop
- Education expenses like fees or uniforms
- Employment expenses like licenses or equipment

They can borrow up to $3,000 for:

- Bond & rent in advance for a new rental property with a registered real estate agent (excluding private rentals)
- Rates
- Costs associated with a natural disaster.

Good Shepherd No Interest Loans are funded by the Government of Australia's Department of Social Services and are delivered in partnership with the National Australia

Bank (NAB). The NAB provides referral services to a number of external supports for customers in financial need. These include the Good Shepherd No Interest Loans, but also free financial counselling through a National Debt Helpline operated as a national non-profit and funded by the Government of Australia's Department of Social Services and the state governments of Victoria and New South Wales. NAB customers in distress also have access to free telephone counselling services offered by Telus Health.

In the U.S., federal regulatory guidance issued in 2020 has enabled more banks and credit unions to offer automated small-dollar loans to their customers as an alternative to payday loans.[31] Customers must have an existing account and transaction history at the bank or credit union issuing the loan, as their banking history is to determine their eligibility to repay. The automated process enables banks to process applications and administer loans at a low cost, improving access to credit for low-income consumers. Many of the largest U.S. banks now offer small installment loans at a significantly lower cost than a payday loan to customers who would not typically have qualified for credit on the basis of their credit score alone.[32]

8. What governments, financial institutions and non-profits can do to expand access to low-cost, small-value credit

The federal government can implement open banking to enable traditional financial institutions and fintechs to:

- Offer small dollar loans online to reduce administrative costs
- Securely access non-traditional data (e.g. rent and utility payment histories) with customer consent to assess applicant credit risk, thereby making affordable loans more broadly available.

The government could also work with financial sector and non-profit stakeholders to explore collaborative tri-sector models for affordable, small dollar loan products and their distribution to underserved populations.

These models would leverage the unique strengths of each sector.

For example, banks could provide capital for revolving loans funds to qualified, non-profit, small-dollar loan administrators that already provide financial help services to under-served groups. These non-profits would screen applicants for eligibility, administer loans, and provide related financial education and counselling services to promote successful repayment.

Banks could also provide formal referrals to safe small-dollar loan providers for credit applicants who are ineligible for their credit products, but likely eligible for a safe and affordable small-dollar loan provided through this alternate channel.

The federal government could provide loan loss guarantees to banks and credit unions to de-risk their participation, and potentially also absorb some or all of the interest costs to enable participating non-profits to offer loans at no or low interest rates to eligible borrowers.

The federal government would also establish eligibility criteria and parameters for an affordable, small dollar loan product or products, and fund eligible non-profits to administer the product(s), provide related financial education and counselling, and submit annual reporting.

The federal government might also work with the credit union sector on a parallel collaborative initiative to expand provision of affordable, small dollar credit by more credit unions, leveraging successful models that already exist.

Participating credit unions might also wish to partner with appropriate non-profit financial help providers to deliver financial education and counselling services to members who access these loans, or to deliver these services themselves.

This tri-sector approach is loosely based on the extraordinary success of micro-lending programs that are now widespread in the global south and provide access to billions of dollars of capital to countless micro-entrepreneurs annually. These programs are largely administered by non-profit economic development organizations aimed at reducing poverty, but draw on capital provided by commercial lenders. Funding from philanthropic and multilateral development agencies support participating non-profits to successfully promote their loans, screen applicants, and support borrowers to repay their loans successfully. While these loans are strictly for the purposes of supporting micro-businesses, there is no reason the same principles could not be applied for small consumer loans here in Canada.

To be successful, however, this approach requires either a single national non-profit that is equipped to administer the program nationally and provide all of the related financial education and counselling supports to participants, or a national network of regionally based non-profits that are qualified to fulfill these functions. Currently, neither of these exists, but we do have strong, regional, non-profit, financial help providers in some regions of Canada and Prosper Canada is advancing a 2024 Budget proposal outlining how the federal government can expand this network to achieve full national coverage.

We would encourage the government to opt for a national network of regional providers, as this would be more accessible to under-served populations, far better equipped to leverage regional partnerships for the purposes of connecting successfully with consumers in need, and offer consumers service through a mix of channels – in person, as well as phone and online – which is important when serving vulnerable consumers.

The federal government's Community Futures Network is another national network that could potentially administer affordable, small-dollar, consumer loans. As this network serves primarily rural communities, it could effectively complement more urban-based regional financial help providers and ensure equitable coverage across rural and urban communities. This would require expanding the mandate of Community Futures organizations to include a focus on access to safe and affordable consumer credit, and ensuring their capacity to provide related financial education and counselling supports.

Particular consideration should be given to how best to serve Indigenous borrowers. We would encourage the government to consult with AFOA Canada with respect to on-reserve First Nation communities and the National Association of Friendship Centres for urban Indigenous populations. Regional, non-profit, financial help providers are currently serving 20+ First Nation communities on a pilot basis, as well as urban Indigenous populations in a number of major cities. If this network were expanded and sustainably funded, service levels for Indigenous communities could be greatly expanded in partnership with Indigenous partner organizations.

9. Effective practices we can learn from

As noted above, micro-lending programs in the global south have been highly successful in reducing poverty by enlisting the unique capabilities of each sector to flow capital to people pursuing entrepreneurship as a route out of poverty. Financial institutions provide loan capital to non-profit intermediaries that are funded by multilateral organizations to screen and approve low-income and vulnerable applicants for loans, and provide them with the requisite financial education and support to pay them back successfully. Through these combined efforts, billions in capital are successfully mobilized each year with low default rates, a market rate of return to lenders, and successful outcomes for borrowers.

While the federal government is seeking to expand access to consumer credit for under-served populations – not business loans, the same principles can usefully be applied:

- **Financial institutions loan capital to intermediaries, not individuals directly**, to manage risk and reduce administrative costs sufficiently to make the venture profitable.

- **Governments enlist and fund intermediaries that already have a trusted relationship with under-served populations to administer affordable small-dollar loans** and support borrowers to be successful, helping them to build strong credit and graduate to mainstream credit products.

10. Recommended revision to the *Criminal Code*'s payday lending exemption

Payday loans are among the most costly and risky credit products for consumers and are aggressively targeted to low/modest-income consumers who are highly vulnerable to being caught in debt traps. According to a 2023 member survey by ACORN Canada, a national association of people with low incomes:[33]

- **70%** of respondents (N=623) are currently in debt
- More than half of respondents have had to borrow money in the past 12 months
- **30%** of respondents needed to borrow money very often or monthly
- Of those who had to borrow money:
    - **36%** used their credit card
    - **22%** borrowed from a payday or instalment lender
    - **18%** borrowed from a family member/friend
    - **17%** borrowed from the bank.

Among those who took out a high-cost loan (e.g., payday, instalment or other loan with annual interest rate over 30%) in the last 12 months and made all or most of their payments on time:

- **66%** were unable to buy basic necessities
- **48**% were unable to pay a different bill
- **40%** reduced amount of retirement savings
- **29%** skipped a needed medical appointment
- **26%** incurred overdraft fees.

Consequences reported by the respondents who took out a high-cost loan and could NOT make all or most of the loan payments on time included:

- **80%** stress, anxiety and depression
- **72%** getting in to even more debt
- **67%** adverse effect on the credit score
- **11%** having to file a consumer proposal/ bankruptcy.

It is clear that while payday and instalment loans may in some cases alleviate financial pressure, for most low-income users they are corrosive to their financial health and to their wellbeing more generally. Not surprisingly, according to the survey, approximately **60%** of respondents who took out a high cost loan were highly dissatisfied with it and very few people rated their experience as satisfactory or highly satisfactory.[34]

The solution is not to exempt payday loans from the Criminal Rate of Interest and to cap their costs at still stratospheric rates. **It is to subject them to the same rules** as other consumer credit products and to work with community and financial sector partners to create better alternatives that put them out of business.

Should the government opt to retain the current exemption, then we would recommend that it work in concert with provincial regulators to:

- **Limit the total number of payday loans any individual can hold** at a given time to one.
- **Maintain a registry of payday loans** to enable compliance and enforcement.
- **Require payday lenders to offer borrowers who cannot repay the option to convert their loan to an instalment loan** at an interest rate below the CRI and with a minimum repayment period of 6 months to make payments more manageable and prevent hardship.
- **Schedule a regulatory review of the exemption from the Criminal Rate of Interest** within 3 years, to assess whether it is still needed.

11. Improving enforcement of the criminal rate of interest

Relying on the police to enforce the Criminal Rate of Interest is not effective in most cases due to the many pressing competing priorities for their time and resources.

As a consequence, the federal government should enact legislation and/or regulations to enable FCAC to directly enforce the maximum interest rate through supervision and the levying of appropriate fines and penalties for violations and, if necessary, referral to the police for criminal charges. Fines and penalties should be significant enough to act as a deterrent (i.e. not be treated as simply another cost of doing business) and should escalate for repeat offenders and ultimately result in criminal charges for persistent offenders.

Legislation/regulation could provide for FCAC to delegate supervision and enforcement to provincial government consumer protection counterparts, where these have the capacity and desire to assume this responsibility, execute it to the standard established by FCAC, and report annually on enforcement measures taken.

NOTES

[1] Financial Consumer Agency of Canada. Payday Loans: Market Trends. Oct 2016.
[2] *Ibid*.
[3] Pyper, Wendy. Payday Loans. *Perspectives on labour and income*, Vol. 8, No. 4. Statistics Canada, April 2007.
[4] *Ibid*.
[5] Financial Consumer Agency of Canada, 2016.
[6] ACORN Canada. Fair Credit: Enhancing Access to low-cost, short-term credit options among low- and moderate-income consumers. 2023.
[7] See:

- Alexandra Sutton-Lalani, Sebastian Hernandez, John Miedema, Jiamin Dai and Badr Omrane. Redefining Financial Inclusion for a Digital Age: Implications for a Central Bank Digital Currency. Bank of Canada, Staff Discussion paper, Oct 5 2023.
- Jerry Buckland. Strengthening Banking in Inner-cities: Practices & Policies to Promote Financial Inclusion for Low-Income Canadians, p.10. Canadian Centre for Policy Alternatives, Ottawa. March 2008.
- Marilyn Brennan, B. McGregor & J. Buckland. The Changing Structure of Inner-city Retail Banking: Examining Bank Branch and Payday Loan Outlet Locations in Winnipeg, 1980-2009. April 2011.

[8] Financial Consumer Agency of Canada, 2016.
[9] *Ibid*.
[10] See:

- Megan Agnew, Megan Doherty Bea and Terri Friedline. Payday lenders and premature mortality. 2022.
- The Pew Charitable Trusts. Payday Loans Facts and the CFPBs Impact. 2016.

[11] José Quiñonez, Vivian Pacheco, and Eva Orbuch. Just the financial facts, please! A Secret Survey of Financial Services in San Francisco's Mission District. San Francisco: Mission Asset Fund, 2010.
[12] ACORN Canada, 2023.
[13] *Ibid*.
[14] Henry, C., M. Shimoda and J. Zhu. 2021 Methods-of-Payment Survey Report. Bank of Canada Staff Discussion Paper. Ottawa: Bank of Canada. 2022.
[15] Banjoko, M. 2021. Combating the Lack of Financial Inclusion in Canada—A Case for Open Banking. *Open Finance Network Canada* (blog). July 30.
[16] Henry, Shimoda and Zhu, 2023.
[17] Federal Reserve Bank of St. Louis, Number of Bank Branches for Canada. 2022.
[18] See:

- Jerry Buckland. Strengthening Banking in Inner-cities: Practices & Policies to Promote Financial Inclusion for Low-Income Canadians, p.10. Canadian Centre for Policy Alternatives, Ottawa. March 2008.
- Marilyn Brennan, B. McGregor & J. Buckland. The Changing Structure of Inner-city Retail Banking: Examining Bank Branch and Payday Loan Outlet Locations in Winnipeg, 1980-2009. April 2011.

[19] Chen, H., W. Engert, K. P. Huynh and D. O'Habib. An Exploration of First Nations Reserves and Access to Cash. Bank of Canada Staff Discussion Paper No. 2021-8. 2021.
[20] Chen, H., W. Engert, K. P. Huynh and D. O'Habib. Identifying Financially Remote First Nations Reserves. Bank of Canada Staff Discussion Paper No. 2022-11. 2022.
[21] Buckland, Jerry. Passing the Buck? Examining Canadian Banks Approaches to Financial Exclusion. University of Winnipeg Research and Working Paper #49. 2011.
[22] Sutton-Lalani *et al, 2023.*
[23] *Ibid*, pp.5-6.
[24] Feedback from Prosper Canada financial help pilots targeted to people with low incomes (760,000+ individuals served to date).
[25] McNicoll, S., Mulholland, E., Fair, A., Panesar, H., and Rae, L. Missing for Those Who Need It Most: Canada's financial help gap. Toronto: Prosper Canada; 2023.
[26] ACORN Canada, 2023.
[27] Pyper, Wendy. 2007.

[28] *Ibid*.
[29] Vancity, Fair and Fast Loan™ - Fact Sheet. 2016.
[30] Servus Credit Union. Fast Forward Small Loan.
[31] The Pew Charitable Trusts. Issue Brief. Affordable credit poised to save consumers billions. 2023.
[32] *Ibid*.
[33] ACORN Canada, 2023.
[34] *Ibid*.