



## CREDIT UNION CENTRAL OF ONTARIO

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**FOR IMMEDIATE RELEASE**

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### **Finance Minister Sorbara Reaffirms McGuinty Government's Commitment to Update Credit Union Legislation: Asks Credit Unions to Expand Role in Ontario Economy**

**TORONTO**– Ontario Finance Minister Greg Sorbara today reaffirmed the McGuinty government's 2004 Budget commitment to update the Ontario Credit Unions and Caisses Populaires Act. Minister Sorbara made his comments during a keynote speech this morning to delegates at the 65<sup>th</sup> Annual General Meeting of Credit Union Central of Ontario (Central).

“Credit unions and caisses populaires are key financial service providers in communities across Ontario,” the Minister stated. “It is our hope that the amended Act will advance the regulatory environment for credit unions by updating and improving rules in areas like capital adequacy and liquidity. We want to help ensure that credit unions can expand their role in helping Ontario's economy grow.”

In the 2004 Ontario Budget, the government stated that outdated rules may be hampering the Ontario credit union and caisse populaire industry's ability to adapt to a changing marketplace. It also stated that Ontario's laws need to ensure an environment that enables credit unions to take advantage of strategies to strengthen their national presence, and to take into account changes made by other jurisdictions. In this context, the government said it would review the Ontario Credit Unions and Caisses Populaires Act with the intent to introduce amendments to this Act and others if necessary by the end of fiscal 2005-06.

Credit unions and caisses populaires are co-operative financial service organizations that are owned and democratically run by the people they serve -- their members (customers). Credit unions provide a wide range of products and services. Ontario's credit unions are community-based alternatives to banks, and are regulated by the provincial government.

There are more than 250 credit unions and caisses populaires in Ontario with a system asset size of over \$22 billion – an increase of \$1 billion over the previous year. Credit unions employ more than 6,000 people across the province, with over 80 per cent of jobs created outside the Greater Toronto Area (GTA). In over 40 Ontario communities, a credit union or caisse populaire is the only financial institution.

“We are very pleased with Minister Sorbara’s ongoing commitment to the credit union system,” said Central’s Board Chair, Scott Kennedy. “I urge the Minister to keep with the timeline outlined in last year’s Budget and put Ontario’s credit unions and caisses populaires, at least, on a level playing field with our counterparts in other Canadian jurisdictions.”

Credit Union Central of Ontario is a \$1.7 billion financial and trade services organization that represents 90 per cent of Ontario credit unions.

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