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Credit Union Changes Promote Greater Choice in Financial Services

Hamilton – New business powers recommended by Ontario Finance Minister Charles Sousa will help give FirstOntario Credit Union members and potential members greater choice in banking services, said FirstOntario Chief Executive Officer Kelly McGiffin.

“Canada’s credit unions are consistently ranked best in customer service and the same was true in the Ipsos 2015 banking Awards,” McGiffin said.

“Today’s announcement modernizing the Credit Union and Caisse Populaire Act (CUCPA) will help level the playing field in financial services and mean more people in Ontario will be able to choose credit unions for their financial services’ needs.”

In an announcement at the FirstOntario Business Centre in Hamilton today the Minister of Finance made three short term recommendations aimed at increasing credit union access to capital. These recommendations include:

- Increasing deposit insurance limits for credit union members from \$100,000 to \$250,000;
- Allowing credit unions to own an expanded list of “non-margin” businesses, including insurance brokerages, to support capital growth;
- Promoting ways credit unions can have greater access to contracts and provide services to the municipality, university, school and hospital sector.

Minister Sousa also made a commitment to rewriting long outdated credit union legislation in Ontario to provide stronger consumer protection and modernization of credit union rules.

“Increased access to capital means FirstOntario will be able to expand their offering of services, loans for small and medium sized businesses, investments in the community and mortgages for families to purchase homes to name a few,” McGiffin said.

“That means more jobs, a strengthening of the local economy and greater access to financial services for FirstOntario communities including Hamilton and St. Catharines.”

The recommendations were derived from a Report written by Parliamentary Assistant to Minister Sousa, MPP Laura Albanese, York-South Weston. The year-long Review of the Credit Union and Caisses Populaire Act included province-wide public hearings, including Hamilton, and several one-on-one consultations with Ontario's credit unions and caisses populaires.

The review of the CUCPA was one of only three major pieces of legislation to receive province-wide public hearings by the Ontario Government during the same time frame. The other two pieces of legislation were the Ontario Retirement Pension Plan, a cornerstone of Premier Kathleen Wynne Government's 2014 Election platform, and the 2015 Ontario Budget.

"This clearly shows the importance the Ontario Government places on credit unions for the economic sustainability and growth of our province," McGiffin said.

"I thank Ms. Albanese, Minister Sousa and the Wynne Government for the openness to dialogue and consult with the credit union system and look forward to continuing to work with them to provide real alternatives for financial services in Ontario."

About FirstOntario Credit Union

In business since 1939, FirstOntario Credit Union has more than \$4 billion in funds under management, serves over 100,000 Members and offers a full suite of banking products including daily banking, mortgages, lines of credit, loans and investments. FirstOntario has 30 locations and a business centre, serving 14 communities across the Hamilton, Halton, Niagara, Haldimand/Norfolk, Brant, Norwich, and Oxford regions as well as free access at 2400 ATMs across Canada. Membership at FirstOntario is open to anyone. FirstOntario is a proud advocate of the communities we serve and supports many community organizations. FirstOntario also supports entrepreneurship through its 1Awards, which assists small businesses with plans for expansion through in-kind and cash sponsorship. For more information please visit www.FirstOntario.com.

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