

Payday Lending and Financial Inclusion Task Force

Terms of Reference

Authority

Resolution of Council: Improving Municipal Oversight of Payday Lending Businesses (PUD2015-0096).

Mandate

The mandate of the Payday Lending and Financial Inclusion Task Force (the Task Force) is to:

1. work with appropriate governments, agencies and organizations to develop recommendations to protect the financially vulnerable from payday lending practices; and
2. to influence financial institutions to re-engage low-income earners with the ability to access short-term small loans, and financial counseling services and education.

The purpose of the Task Force is to recommend and advocate for policy and regulatory changes, as well as appropriate services, to provide safe, affordable alternatives to high-cost payday loans, and create pathways for people living on low incomes to permanently exit from the payday loan cycle.

Specific Responsibilities

Members are expected to participate in decision-making within the group and to be passionate about removing the barriers to banking faced by low-income Calgarians. Members are expected to contribute their senior-level knowledge and insight to provide sound recommendations on the design and delivery of safe, affordable products and services that reduce barriers to traditional banking, for those living on low incomes, as well as key policy and regulatory changes.

Specifically, members will be accountable for:

- attending bi-monthly meetings;
- providing oversight and input into the development of policy and service recommendations;
- publicly endorsing and communicating recommendations;
- bringing resources and knowledge to the advancement of the recommendations of the Task Force;
- Broker contacts and resources that will support the recommendations of the Task Force.

Reports To

The Task Force will report to the Standing Policy Committee on Community and Protective Services through Community & Neighbourhood Services, and will inform the leadership group of the Financial Empowerment Collaborative. The Task Force project staff will report to the Chair of the Task Force and be accountable to the Task Force.

Deliverables

The Task Force will provide a report on the current state of payday lending practices in Calgary including options for borrowers, number and location of lenders, existing regulations that govern payday lenders, history of the industry, and its growth and new developments in the industry, such as internet lending; and on barriers to accessing and providing banking and financial services for low-income clients from both the industry and client perspectives.

In addition, the Task Force will provide administration with recommendations and implementation plan on the following:

- policy and regulatory changes required at the federal, provincial and municipal level to increase the protection of financially vulnerable Calgarians from the negative effects of payday lending practices including recommendations on City policy positions for input to the upcoming provincial review of the Payday Loans Regulation (157/2009) of the Fair Trading Act.
- strategies to increase access to safe and affordable financial and credit services for low-income clients as well as the provision of financial counseling and education services for low-income Calgarians, geared at reducing debt, improving credit scores, increasing savings and building assets. This report may provide input to the ongoing development of the Financial Empowerment Collaborative's (FEC) implementation of the *Enough for All* strategy.
- shared objectives for individual financial institutions to work towards regarding increasing access to safe and affordable financial and credit services for low-income clients.
- strategies for ongoing advocacy.

Composition

The Task Force will be comprised of 12 to 14 members, to include senior representatives with decision-making authority from:

- The City of Calgary (1)
- The United Way of Calgary and Area (1)
- Financial Empowerment Collaborative (1)
- Vibrant Communities Calgary (1)
- Financial Services Industry (4-6)
- Canadian Payday Loan Association (1)
- Non-profit organizations (2)
- Persons with lived experience (1)

Appointment Method

The Task Force members will be appointed by The City of Calgary, Community & Neighbourhood Services. Selection will be based on the recommendations of a nominating committee to be comprised of representatives from The City of Calgary (Community & Neighbourhood Services) and the Financial Empowerment Collaborative, a multi sector collaborative committed to building the financial literacy and assets of Calgarians of which The City is a partner.

Resources

The Task Force will be supported by staff from The City of Calgary, Community & Neighbourhood Services.

Term and Length of Service

Task Force members will be appointed for a one year period (2015 July–2016 July).

Voting

All decisions of the Task Force will be discussed and agreed upon through consensus to the greatest extent possible.

Quorum

Quorum for meetings of the Task Force will be, at minimum, the majority of all members, fifty (50) per cent, plus one (1) member.

Chair

The Task Force will be chaired by The City of Calgary representative.

Meetings

The Task Force will meet bi-monthly as per an agreed schedule, as well as additional meetings as required. The City of Calgary will ensure that notice of meetings and minutes are disseminated in a timely manner.

Code of Conduct

Any issues deemed confidential must be declared; otherwise it is assumed that discussions of the Task Force are not confidential. Members of the Task Force agree to maintain confidentiality in the event that information of a personal and / or private nature is disclosed during meetings. Unless otherwise declared, members of the Task Force are free to publicly discuss and share the content of the Task Force meetings as long as there is no personal attribution of remarks.