



Payday Loan Reform & Innovation Will Enable Low Income Calgarians to Get Ahead September 22, 2015

Calgary – Payday loans are an excessively expensive financial product that targets people living on low incomes. Payday loan businesses in Calgary regularly charge annual interest rates that top 600%, making it extremely challenging for borrowers to exit the cycle of debt. Momentum, a not-for-profit community economic development organization, has been working to reform the payday loan industry through government, financial institutions, and other organizations for nearly two years. Momentum’s work continues to gain traction, as evidenced by two events occurring this week in Calgary.

1. On Thursday, **September 24th**, Calgary Planning Commission will discuss a regulatory changes that would institute a minimum 400 metre separation between payday lenders. “Since payday lenders target people living on low incomes, this leads to them clustering in low income neighbourhoods. As a result, it can appear that a payday lender is the only or best option. Rarely is this really the case,” says Mike Brown, Public Policy Coordinator at Momentum. Of the 82 payday loan locations in Calgary, 69 are located in neighbourhoods with above average rates of poverty.

Momentum supports the by-law change and calls on the Calgary Planning Commission and City Council to do the same. Over 200 municipalities across the United States and Canada have passed regulations restricting payday lenders.

2. On Tuesday **September 22nd**, the Haskayne School of Business is launching a payday loan case competition with a goal to develop innovative and affordable alternatives to payday loans.

The Haskayne School of Business is hosting a panel of community leaders who will shed light on the issue, including Momentum Executive Director, Jeff Loomis. Panelists will provide competition participants, and the general public, with a cross-sector perspective of the issue.

Event Details:

What: Payday Lending Panel Discussion

Where: BMO Forum, Haskayne School of Business

When: September 22 – 5:00 pm to 6:30 pm

As prominent Calgary businessman Jim Gray puts it, “Payday lending is a social rip-off of the first order,” and the above events provide evidence that Calgary is ready for change.

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Momentum is a Community Economic Development organization. Our mission is to partner with people living on low incomes in order to increase prosperity, and inspire the development of local economies with opportunities for all. Our vision is that every person in Calgary can have a sustainable livelihood and contribute to their community