

## **ACORN and CUPW take to the streets over predatory payday lenders**

**For Immediate Release**

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OTTAWA – The Canadian Union of Postal Workers (CUPW) and the Association of Community Organizations for Reform Now (ACORN) are taking to the streets in Halifax, Montreal, Ottawa, Toronto and Vancouver to call for postal banking as an alternative to predatory payday lenders.

Payday lenders have moved in and filled the void left by banks in many communities,” said ACORN Canada spokesperson Donna Borden. “They are filling real needs for small loans and cheque-cashing services, but at predatory rates. It’s loan sharking pure and simple.”

“They take most of your pay and then you owe again. It’s a vicious cycle,” said ACORN Canada member Tina Ford. “You’re always poorer in the end, but we have to survive somehow so that’s why I have to keep going back.”

Payday lenders charge anywhere from \$17 to \$25, depending on the province with the exception of Quebec, for every \$100 borrowed over a two-week period. Annually that’s an interest rate of 443% to 651% . Industry insiders say close to 2 million people in Canada use payday lenders each year.

“People need an alternative to payday lenders, somewhere they can go and not be gouged,” said Mike Palecek, National President of CUPW. “A postal bank could be that alternative.”

“Canada had a postal bank for over a hundred years and over 60 countries still do,” said Palecek. “Postal banking helps keep financial services accessible and postal service viable in many parts of the world, and could here too.”

CUPW and ACORN Canada are calling on the government review of Canada Post to recommend the addition of financial and banking services at Canada Post, or at a minimum, a task force to determine how to deliver new financial and banking services through our postal service.

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