
UPDATE – DEBT SETTLEMENT COMPANIES AND BILL 55 – THE STRONGER PROTECTION FOR ONTARIO CONSUMERS ACT

On November 27, 2013, Bill 55 – The Stronger Protection for Ontario Consumers Act passed Third Reading in a vote supported by all parties. OAIRP has been actively involved in the process leading up the passage of this Bill and provides an update of those activities below:

In our July 2013 bulletin, we reported that OAIRP had engaged Brown & Cohen Communications and Public Affairs Inc., a firm with specialties in government relations, to help OAIRP ensure that Bill 55 passed and that the views of OAIRP were considered in the process. The importance to OAIRP of Bill 55 was its purpose, namely to protect consumers, including addressing the business practices of debt settlement companies.

At that time, we reported that OAIRP had met with the Minister of Consumer Services, the PC Consumer Services Critic and the NDP Consumer Critic.

Since that time, OAIRP has met with at least nine key members of all three political parties to discuss the importance of Bill 55 and to, among other things, provide those MPP's with OAIRP's recommendations on how that legislation could be strengthened. At the Second Reading of the Bill, the Bill was referred to the Standing Committee on the Legislative Assembly – re: Bill 55, Stronger Protection for Ontario Consumers Act, 2013 (the "Committee").

On October 23, OAIRP Board member, Daniel Weisz, and on October 30, OAIRP Board member Jordan Rumanek, appeared before the Committee to make submissions to, and answer questions posed by, the Committee which was comprised of members from each of the Liberal, Progressive Conservative and New Democratic parties. Transcripts of the submissions (as well as the submissions from representatives of the credit counselling and debt management company industries) can be found at <http://bit.ly/JEhcrp>.

On November 6 and 20, OAIRP attended the “Clause by Clause” review of Bill 55 conducted by the Committee. On November 14, 2013, an interview of Mr. Rumanek was published in the Queen’s Park Briefing ([see attached](#)).

At the conclusion of the November 20th hearing, the Bill, with amendments recommended by the Committee, was referred back to the government. Third reading of Bill 55 occurred on November 27, and was passed in a vote that was supported by all parties. In order for Bill 55 to become law, the Bill must be proclaimed. For proclamation to occur, regulations to the legislation must be drafted. OAIRP has requested to be consulted to provide its views on the proposed regulations.

In order to ensure that OAIRP can provide its input on the regulations, OAIRP has requested a meeting with the Minister of Consumer Affairs to discuss OAIRP’s recommendations vis-à-vis the regulations, including OAIRP’s recommendation as to the fees that debt settlement companies be allowed to charge. In addition, OAIRP has had a preliminary discussion with a Senior Policy Advisor in the Consumer Policy and Liaison Branch of the Ministry of Consumer Services.

OAIRP is pleased that Bill 55 has passed third reading. The effect of the legislation is that debt settlement companies will be regulated by the Ministry of Consumer Services and that the charging of upfront fees will be prohibited. The legislation will come into force when the bill is proclaimed which is expected either July 1, 2014 at the earliest or more likely January 1, 2015. Those dates are traditionally the ones when the government brings proclamation forward.

OAIRP is continuing its efforts to have Bill 55 proclaimed as soon as possible. We will continue to provide updates to OAIRP members on the progression of Bill 55 and related

regulations. A current version of Bill 55 is posted on the website of the Ministry of Consumer Affairs at <http://bit.ly/JEfUfZ>.

If you have any questions on the matters discussed in this bulletin, please contact either of Daniel Weisz or Jordan Rumanek at:

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On behalf of the OAIRP Board, we would like to wish everyone a safe and happy holiday season and a great year in 2014.

Regards,
Allan

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