HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Mike Morrice
Member of Parliament
Kitchener Centre

The Honourable Dominic LeBlanc
Minister of Finance

February 25, 2025

RE: Finalize NSF fee regulations to protect low-income Canadians

Dear Minister LeBlanc,

I am writing to urge you to follow through on your government's commitment to protect Canadians from predatory fees being charged by Canada's most profitable banks.

Specifically, I join ACORN in calling for the federal government to approve the Department of Finance's proposed regulations on Non-Sufficient Funds (NSF) fees by March 7th, to ensure the changes are implemented before a potential spring election gets in the way of fulfilling this important commitment.

As NSF fees are charged when a transaction amount exceeds the balance of an account, they hit those already struggling the most to afford basic necessities – to the benefit of Canadian banks. Depending on the financial institution, these charges can be as high as $48 per transaction, regardless of how short of a payment someone falls.

As iterated in a Government of Canada press release from 2023, Canadians living paycheque to paycheque are disproportionately affected by NSF fees. Meanwhile, Canada's banks generated up to $7.73 billion in 'excess' retail banking profits in 2022, most of it from fees like NSF charges.

In November of 2024, the Department of Finance published proposed regulations around NSF fees. These regulations are still being considered, despite them initially being intended

for incorporation into Budget 2024. Now, with an election looming, the existing work done on NSF fees is at risk of being lost. To protect Canadians from predatory fees,
I call on you to approve NSF fee regulations by March 7th that at minimum:

- Lower the NSF fees from a maximum of $48 to a maximum of $10.
- Prohibit charging NSF fees to someone charged within the last 72 hours.
- Prohibit NSF fees on overdrawn amounts of less than $10.
- Require banks to alert consumers when their account falls below zero.
- Require banks to provide a grace period of at least 3 hours in which consumers can make a deposit or transfer funds into their account to avoid NSF fees.
- Require banks to disclose annually the number of NSF fees charged, the number of consumers impacted, and the total revenue generated from charging NSF fees.

NSF fees exploit working-class people for profit. Changes to regulations around these fees could save Canadians millions of dollars and help break the cycle of poverty for countless families.

As the Minister responsible for the budget, I continue to call on you to honour your government's commitment to improve the quality of life for Canadians with these meaningful measures. I thank you for your service to Canadians and request a meeting with you to discuss the above with you further.

Mike Morrice
MP for Kitchener Centre

CC:
Veronica Flear,
Lead Organizer – Waterloo Region ACORN

Judy Duncan,
Head Organizer – ACORN Canada