

Bank Act

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 31

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 1 at page 222 and substituting the following therefor:

"by subsection (6), the way in which the"

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 32

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 4 to 24 at page 222 and substituting the following therefor:

"(6)(a) A bank shall disclose to depositors the rate of interest and manner of calculation that reflect the annual rate of interest;

(b) for accounts where a depositor may have to give prior notice for the withdrawal of funds, earnings shall be given, on the basis of the rate disclosed, for exactly the number of days an amount has remained on deposit;

(c) where earnings are offered on deposits, a bank shall use a daily balance method of calculating interest earnings, however

(i) the minister may grant temporary exemptions to institutions operating on a manual accounting system where they may face serious problems in adapting to a calculation method based on the daily balance concept, and

(ii) this subsection shall not come into force until the day that is six months after the Banks and Banking Law Revision Act, 1980 is assented to;

(d) a bank shall credit a depositor's account or otherwise pay earnings as follows:

(i) for fixed term deposits, at the end of the term, exceeds one year, the rate disclosed shall reflect annual compounding.

(ii) for variable term deposits crediting shall be made once a year, and

(iii) a depositor shall be credited with earnings whenever an account is closed; and

(e) a bank shall disclose to depositors once each year the terms and conditions under which their deposits are held."

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motions will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): Accordingly motions Nos. 29, 31 and 32 negatived on division.

Motions Nos. 29, 31 and 32 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): Motions Nos. 33, 34 and 35 have been grouped for debate and will be voted on separately. Shall I dispense?

Some hon. Members: Dispense.

Mr. Lawrence: No, I would like to hear the amendments.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 33

That Bill C-6, an act to review the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 43 at page 222 the following:

"(2.1) Specific charges in connection with a loan or advance that are payable by the borrower shall include where applicable

(a) costs of administration, including any service, transaction or activity charge;

(b) loan fees, finder's fees, brokerage fees and similar charges;

(c) charges for an approval, investigation or credit report;

(d) charges for any guarantee or insurance to protect the bank against the borrower's default or other credit loss;

(e) charges for the insurance of the life or health of the borrower; and

(f) charges for the consolidation and refinancing of the lending transactions."

The Acting Speaker (Mr. Blaker): Is it the pleasure of some hon. members that I pursue the other amendments referred to in this group and read them?

Some hon. Members: No. Dispense!

Mr. Lawrence: Yes, read them, please. Take your time, too. We are going to be here until at least ten o'clock.

Mr. Knowles: On a point of order, Mr. Speaker, may I point out that motion No. 34 is more than two columns long. I think common sense would suggest that it could be put into *Hansard* as if it had been read.

Mr. Lawrence: No. I am sorry. We are not going to vote tonight.

The Acting Speaker (Mr. Blaker): There is usually unanimous consent to proceed in a certain fashion. That unanimous consent has been denied, and the Chair has no option but to proceed with the reading of the motions.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 34

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 44 to 46 at page 222 and lines 1 to 36 at page 223 and substituting the following therefor:

"(3) A bank shall not grant to a person a credit in respect of loans or advances repayable in Canada or make to a person a loan or advance repayable in Canada unless the cost of borrowing as calculated and expressed in accordance with subsection (4), in addition to all other terms of the loan or advance as defined in this act, or otherwise prescribed, has been disclosed by the bank to such person and his or her guarantors in the manner prescribed at or prior to the time when the credit is granted or the loan or advance is made.

(a) Except where a loan or advance is secured by a mortgage on real property, where the total of loans and advance and the cost of borrowing is