

To: Chief Executive Officers / General Managers, B.C. Authorised Credit Unions

**BUSINESS PRACTICES AND CONSUMER PROTECTION ACT MORTGAGE DISCHARGE
REQUIREMENTS APPLICABLE TO CREDIT GRANTORS**

3 January 2024

In July 2023, Consumer Protection BC completed a series of inspections at banks and credit unions operating in B.C. The inspections focused on credit grantors' compliance with sec. 72 of the [Business Practices and Consumer Protection Act](#) ("BPCPA"), more specifically:

- Sec. 72(2)(a) that obliges credit grantors such as credit unions to provide borrowers of a mortgage loan with a discharge document within 30 days, if the amount due under the loan has been repaid to the credit grantor;
- Sec. 72(2)(b) that obliges credit grantors to provide borrowers of a revolving mortgage loan with a discharge document within 30 days, if amount due under the loan has been repaid to the credit grantor; and
- Sec. 72(3) of the BPCPA and sec. 16 of the [Disclosure of the Cost of Consumer Credit Regulation](#) set out that credit grantors may not charge or accept more than \$75 for or in relation to the provision of a mortgage discharge.

Consumer Protection BC inspections concluded that select banks and credit unions under its examination did not provide consumers with discharge documents within 30 days of a mortgage loan being paid in full. Consumer Protection BC also concluded that there is broad non-compliance in the B.C. marketplace with sec. 72 of the BPCPA.

Consumer Protection BC has signed a series of voluntary Undertakings with the identified banks and credit unions engaged in the non-compliance. The details of these executed Undertakings can be found on Consumer Protection BC's website, [Recent enforcement actions - Consumer Protection BC](#).

BCFSA would like to remind all B.C. credit unions of their responsibility to conduct business in a manner compliant with all legislated requirements applicable to their financial institution.

If you have any questions or concerns, please contact CUandTrusts@bcfsa.ca.