



FOR IMMEDIATE RELEASE:

Federal government also ordered to deliver documents showing First Nations really were consulted about this economic initiative

Winnipeg, Man. (Aug. 30, 2010) – Ottawa has been ordered by the Federal Court to produce all documents relating to the development of a controversial program that threatens continued viability of Aboriginal financial institutions (AFIs), Tribal Wi-Chi-Way-Win Capital Corporation (TWCC) said today.

In addition, the federal government has been ordered by the Court to produce all documents related to any purported or alleged consultations with any First Nations Organizations.

The Court Order was made at a Federal Court hearing before a Prothonotary in Winnipeg on August 10 in connection with an application for judicial review made by TWCC, a Manitoba AFI, in January.

A Prothonotary is a judicial officer appointed under the *Federal Courts Act* to exercise judicial powers in case management issues.

Alan Park, Chief Executive Officer of TWCC, said the Order represents a major victory for TWCC and all 57 AFIs operating in First Nations, Métis and Inuit communities across Canada.

"We are particularly gratified that the Court is demanding the government produce documents that show Aboriginal organizations were consulted. We believe this is required under Section 35 of the *Constitution Act*".

Indian and Northern Affairs Canada (INAC) decided in 2008 to give loan guarantees to five selected non-Aboriginal banks and credit unions to stimulate lending to Aboriginal businesses in a program called the Loan Loss Reserve (LLR) Initiative.

AFIs were deemed to be ineligible for the LLR Initiative even though they have been writing business loans in Aboriginal communities for two decades.

TWCC is arguing in Federal Court that the LLR Initiative represents unfair competition because AFIs can't offer the same interest rates as their subsidized competitors. Continued existence of these one-sided subsidies will threaten the viability of all AFIs.

The AFI is also arguing that INAC ignored its constitutional obligations to consult Aboriginal groups before implementing the LLR Initiative.

Since their inception 20 years ago, AFIs have provided 35,000 loans to Aboriginal small business worth \$1.4 billion with a success rate of 58%. This compares to a success rate of 35% among mainstream lenders.

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