

Lending on the increase, bankers association says

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Banks won't loosen credit, Jan. 6

Once again the Star has withheld the facts from your readers and opted for the sensationalized story instead. Statistics clearly demonstrate that bank lending has been increasing not tightening.

Bank of Canada data shows that bank lending to businesses increased by 13.4 per cent in November of 2008 compared to a year earlier. During the same time period, bank lending to households grew by 12.1 per cent.

However, banks are only one source of financing for consumers and businesses in Canada. For example, banks represent only about half of the credit market for small and medium-sized businesses and provide about 72 per cent of total residential mortgages.

There are clear signs that some of the non-bank credit options are less available, but the facts show that banks continue to lend to the credit-worthy.

Our banks have tremendous interest in a healthy Canadian economy. Together with the government, we share that common goal and continue to co-operate to find solutions that are in the best interests of all Canadians.

Nancy Hughes Anthony, President and CEO, Canadian Bankers Association,

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