

**Letter to the Vancouver Sun
May 31, 2010**

To the Editor:

Murray Dobbin tells quite a tale in his column, "Believe it or not, we did bail out our banks," (May 31, 2010), but his story is pure fiction.

Unlike other countries, not one bank in Canada went bankrupt or required a cent in taxpayer-funded bailouts. The government of Canada bought insured mortgages from the banks when the global credit markets seized up to ensure that credit continued to flow to consumers and Canadian businesses. The government will make a profit on these transactions and it should be noted that these mortgages were already insured by the CMHC and therefore, create no additional risk for the government.

CMHC's 2008 annual report explains it well: "We manage our mortgage insurance business at no cost to Canadian taxpayers, through sound business practices that ensure commercial viability without having to rely on the Government of Canada for support, even in less favourable economic times."

In terms of managing risk in the banking system, Mr. Dobbin overlooked the fact that the banks' prudential regulator, the Office of the Superintendent of Financial Institutions (OSFI), closely monitors the banks' lending portfolios to ensure that they are lending prudently and managing risk properly. Most recent statistics available show bank mortgages in arrears remain extremely low – 0.44 per cent of outstanding mortgages in February. This indicates that banks are not taking on excessive risks in their mortgage lending.

Not only are banks in Canada well managed and well regulated, they continue to lend to consumers and businesses, employ over 260,000 Canadians, paid \$7.5 billion in taxes last year and pay dividends to millions of Canadians.

Sincerely,

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