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Archived-Government of Canada Agrees to Extend the Canadian Lenders Assurance Facility to Caisse centrale Desjardins

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**Department of Finance Canada**

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The Honourable Jim Flaherty, Minister of Finance for Canada, and Monique Jérôme-Forget, Minister of Finance for Quebec, today reached an agreement to make Caisse centrale Desjardins eligible to participate in the Canadian Lenders Assurance Facility. Prior to this announcement, only federally regulated deposit-taking institutions were eligible to participate in the facility; this includes the credit union centrals of the majority of provinces. Caisse centrale Desjardins performs functions that are similar to those of credit union centrals.

The facility will be available to Caisse centrale Desjardins on the same commercial terms as other eligible institutions and under the responsibility of the Government of Canada. The Government of Quebec will assume responsibility for any potential losses incurred by the Government of Canada in respect of insurance on debt issued by Caisse centrale Desjardins.

"The Government of Canada created the Canadian Lenders Assurance Facility to ensure that federally regulated deposit-taking institutions can secure access to longer-term funds in the face of growing turbulence in global financial markets," said Minister Flaherty. "Minister Jérôme-Forget requested that Caisse centrale Desjardins be allowed to participate in the federal facility. I was pleased to be able to offer Caisse centrale Desjardins the opportunity to benefit from the AAA credit rating of the Government of Canada. This action by the Government of Canada avoids the risk of leaving Caisse centrale Desjardins at a competitive disadvantage relative to other Canadian financial institutions. I would be pleased to take similar action upon the request of other provinces whose credit union centrals are not federally regulated."

"I appreciate that the federal government has extended the Canadian Lenders Assurance Facility to cover Desjardins," said Minister Jérôme-Forget. "This will ensure that it can continue to compete in raising funds in wholesale markets to lend to Quebec consumers, households and businesses and speaks to the tangible benefits that can be realized when governments work together with a common purpose to support the Canadian financial sector."

More information on the Canadian Lenders Assurance Facility is available in the news release and associated backgrounder posted on October 23 on the Department of Finance Canada website (www.fin.gc.ca).

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