

# TECHNOLOGY REPORT

*78 per cent of Canadian businesses still use spreadsheets as primary source of analytics*

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- **FORECAST:** Welcome to the blockchain revolution
  - **FEATURE:** Introducing the Canadian Lenders Association

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# Introducing the Canadian Lenders Association

*A conversation with Founder and Chairman of the Board Karl Sigerist*

By Sarah O'Connor

**I**'ve been in FinTech, as its now coined, for most of my career," says Karl Sigerist, founder and chairman of the board of the newly minted Canadian Lenders Association. "I had the words 'finance' and 'technology' in my LinkedIn summary profile. I just never knew that if you shortened it to 'FinTech' the company would be worth more."

Sigerist is director, president and chief executive officer of Crelogix Credit Group Inc., a provider of point of sale installment credit financing considered Canada's largest FinTech company. "As an operator of various non-bank businesses over my career in various roles, the use of technology to enable a more frictionless, more effective customer experience and more efficient internal processes is, I think, just at the root of any business leader, not even limited to just finance," he observes.

Earlier this year Sigerist read an article in the *Financial Post* by Barbara Shecter posted online on March 31 and titled "Debate over regulating fintechs heats up in Canada and the U.S." In the article Bharat Masrani, chief executive of Toronto-Dominion Bank, calls for increased oversight of FinTech companies and is quoted as saying "the need has become even more evident. Security breaches—service interruptions—and solvency issues have plagued a number of FinTechs... That's why I believe it would be appropriate for policymakers to consider a regulatory environment that ensures the safety of



**"If you don't have a seat at the table you're more than likely to be on the menu."**

customer information and the integrity of our financial system."

That article and quotation "really was the impetus for me first reaching out to all my peers in the industry, forming a LinkedIn group and now forming what we are calling the Canadian Lenders Association," says Sigerist.

"My thesis is that Canadian technology lenders and organizations run the risk of being marginalized if we leave the advocacy for and the education of our business models to others. Crelogix is quietly in

the background enabling its business partners to become more successful, and so are many of my peers who are busy either helping small businesses or consumers get the lifestyle they want and business to

achieve their business goals by providing credit products to them.

"Many other forms of financial market participants, whether Canadian banks or the Payments Association or payday loans or mortgages or automobile and equipment finance, all have associations that represent their collective voice as an interest. Now, there was, prior to the global financial crisis a trade association for the consumer lenders but that industry association went away when those lenders went away."

Sigerist explains that following the global financial crisis there was a great deal of consolidation that changed the landscape of the industry. "Our particular niche, the consumer and small business space, was very scattered so we joined together: Crelogix, GoEasy, Dealnet, Thinking Capital and Lendified as the founding members, together with a lot of help from Blakes, a major law firm in the finance space, and McMillan LLP to form the association.

"I read once: if you don't have a seat at the table you're more than likely to be on the menu. The association is intended for professionals in the industry—for founders, executives and investors interested in the Canadian consumer/small business lending space.

"The members will include small business and consumer financiers, and that can also include public companies, private and cooperatively owned banks or finance companies. We have a number of common interests and we want to advocate, converse, collaborate and educate to move the small business and consumer lending industry forward in Canada."

In response to the article that inspired the founding of the Canadian Lenders Association and the quote from Masrani of TD, Sigerist says: "We believe that regulation should be a collaborative process between both the regulators and the parties directly impacted by the proposed regulation. Both government, borrowers and the industry should work together to promote lending that helps borrowers meet their financial needs through affordable credit and the extension of credit must be affordable for both the lender and the borrower."

Sigerist attributes the speed from which the organization has gone from idea to reality to the very nature of the industry the association serves: "We're entrepreneurs. Some of us have banking DNA in our blood when it comes to being prudential but we're also entrepreneurs. We get things done. The response [from the industry] has been amazingly positive.

"Credit is what attracts people to the Canadian dream in that we have a society that provides credit to you so that

you can buy a car, you can buy a house. There are other countries where that's not possible and its how we create an amazing society for all of us.

"I think that our law makers don't want to be the victim of unintended consequences. At the end of the day our

lawmakers are elected by all of us and they want nothing more than the best opportunity for all their constituents. However, in the absence of information there's a void and now you're left to decision making based on opinion rather than evidence."

## Fast facts about the Canadian Lenders Association

**Website:** [www.cla-apc.org](http://www.cla-apc.org)

**Mission statement:** The mission of the Canadian Lenders Association is to promote safe, ethical lending to responsible, informed borrowers and to improve and protect consumers' and small businesses' access to credit.

**Officers:** Chair Karl Sigerist of Crelogix, Vice-chair Kevin Clark of Lendified, Treasurer Steve Forte of Thinking Capital and Secretary Kip Daechsel of McMillan

The president's position is currently open.

**Board of directors:** Steve Goertz of GoEasy, Michael Hilmer of Dealnet, Jeff Mitelman of Thinking Capital, Kevin Clark of Lendified, Gary Fearnall of OnDeck Capital, Kip Daechsel of McMillan, Michael Burke of Blakes and Karl Sigerist of Crelogix

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