

Press Release**Alterna Savings lowers interest rates for underserved and marginalized entrepreneurs*****Canadian leader in micro-finance expands Community Micro-Finance Program to Ottawa Region***

Toronto, February 27, 2013 – Alterna Savings has announced two important changes to its Community Micro-Finance Program that will increase the accessibility of business loans and banking services to current and prospective members. Effective immediately, Alterna is lowering the program’s interest rates and fees and expanding the program beyond the Greater Toronto Area to include the Ottawa region.

As one of the first financial institutions in Ontario to address social and economic exclusion for marginalized individuals and small businesses through micro-finance, for more than a decade Alterna has helped reduce poverty and build strong communities through job creation and reinvestment. Its **Community Micro-Finance Program** is designed to provide financing opportunities to underserved individuals who do not qualify for credit through financial institutions with more traditional lending practices for reasons that include, but are not limited to, low income, disability, no or poor credit history, and financial instability.

“Securing access to small loans and banking services can be a major roadblock for many entrepreneurs who want to start or grow a business,” explained Susan Henry, Manager of Corporate Social Responsibility at Alterna. “However, we believe that small businesses play a vital role in our economy, and as a result, we seek to provide otherwise unavailable financing to these individuals through our industry-leading Micro-Finance program so they in turn can create jobs in their communities.”

Alterna has introduced a new interest rate scale that provides program participants with the opportunity to qualify for rates as low as prime + 2%. The new interest rate scale will be an incentive for micro borrowers to maintain or improve their credit score to qualify for the lowest rates. As well, administrative fees for all new loans have been reduced to a low one-time fee, replacing the previous percentage based fee. It is Alterna’s vision that the reduced cost of borrowing will make it feasible for more Ontarians to participate in the program.

The program’s expansion to the Ottawa region also makes it possible for many more entrepreneurs to apply for loans. Alterna Savings has history, community relationships and multiple branches in the National Capital region. “Our goal is to make Alterna’s Micro-Finance program accessible to as many entrepreneurs as possible because it allows us to make a meaningful and measurable impact in Ontario communities,” continued Henry. “We have seen firsthand how micro-finance can change the lives of loan recipients and their communities and we take great pride in empowering these entrepreneurs to make their dreams a reality.”

In 2010, Alterna published the findings of a **study** conducted by the Carleton Centre for Community Innovation which looked into the social and economic impact of Alterna’s Micro-Finance Program. The study revealed a 50% reduction in program participant’s reliance on government income assistance, with the proportion of individuals on government assistance falling from 42% to 21% after participating in the program. Participants also reported an increase in income which in turn improved their quality of life through increased financial stability, the purchase of new assets (such as a home), and better nutrition for their families.

Alterna continues to work closely with the Carleton Centre for Community Innovation to strategically tailor its financial products and services to members' needs and ensure it continues to maximize its impact on communities across Ontario.

Alterna Savings' Community Micro-Finance Program

Alterna's Community Micro-Finance Program has been in existence since 2000, providing loans, ranging from \$1,000-\$15,000, to low-income entrepreneurs looking to start their own business. To date, this program has loaned over \$2 million dollars to more than 400 micro-borrowers. Alterna is one of the first financial institutions in Ontario to address social and economic exclusion for marginalized individuals through micro-finance. Over the past decade, Alterna has become a Canadian leader in micro-finance working diligently to reduce poverty while building communities, through job creation and reinvestment.

Alterna Savings & Credit Union Ltd.

Alterna Savings is a full-service, member-focused, and community-based credit union that operates in the National Capital Region and the Greater Toronto Area. Guided by a commitment to support the well-being of members, employees and communities, Alterna offers a broad range of financial products and services to over 100,000 members. Learn about the Alterna Savings difference at www.alterna.ca

For more information

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