



Press Release

Credit Union relied on Right Wing Websites with Hate Speech to illegally terminate Halal Home financing for hundreds of Muslim Clients in Canada

Requests for an independent investigation by retired Judge or to seek justice in court go unanswered despite two current Judges writing that Credit Union did not honour its contracts

Toronto, June 10, 2021 - Central 1 Credit Union “Credit Union” (the governing credit union of all credit unions in Canada) terminated its partnership illegally (contrary to Ontario *Partnership Act*) with UM Financial in 2011, forcing the company into receivership and leaving hundreds of Muslim clients with halal mortgages. The Credit Union then went on to show a callous disregard for any suggestion of Halal components to the mortgages, blocked all efforts to find buyers for the mortgage portfolio that would keep it halal, and made no attempt itself to find such buyers.

It is our belief that the Credit Union acted under pressure from right wing extremist groups who published a few months before notices of termination were delivered – <https://pointdebasculecanada.ca> “*Past sponsor of the Islamist RIS convention*” and <http://www.ghostofaflea.com/archives/014961.html> “*In case anyone reading this does business with the Credit Union Central of Ontario and is curious about where their money is going.*”

We understand that the Credit Union received these complaints and decided to exit its halal partnership due to these articles and other similar anti-Muslim complaints and sentiments they received. This action and the subsequent silence and treatment of Muslim clients and their concerns are examples of systemic Islamophobia within the credit union system.

A clear example of this is when an early plan to have Meridian Credit Union take the halal mortgages was curtailed because Meridian did not feel the Muslim community was a “good fit” for them (this was related to us by a former member of Meridian’s staff).

These concerns of discrimination were communicated in a 2011 lawsuit and also a complaint was filed in 2015 with the Human Rights Tribunal of Ontario quantifying no less than 73 incidents of discrimination. These allegations have all gone unchallenged and any attempts to have a court hear these complaints were objected to the Credit Union. In addition, several recent emails sent to the Credit Union’s management and Board of Directors asking for an independent investigation by retired Judges have gone unanswered. Six retired Judges have agreed and we supplied the names to the Credit Union but they have remained silent.

As a result of the Credit Union’s illegal actions, hundreds of Muslim homeowners who came to UM for halal home financing were forced into undesirable and sometimes abhorrent alternative arrangements including the Credit Union’s offer of 6.95% renewal rates to push them to leave. Some sold their homes and moved into smaller accommodations or rented to avoid a non-halal mortgage; some pulled together all their money and paid off their mortgages; others threw in the towel and went to conventional banks, and others remained with the Credit Union and continued (some to this day) with their now non-halal interest-bearing mortgage. The Credit Union also reduced the fees they paid, forcing homeowners to pay more after 2007. We estimate the Credit Union made close to \$20 million in profits by discriminating and taking advantage of Muslim Credit Union Members. They also failed to honour \$49 million funding commitment that resulted in many clients with deposits on homes to suffer losses. As Canadians, we wish to have our day in court to share our stories of grief that are constantly blocked.

Tarek Fatah, writing in the Toronto Sun, also penned numerous Islamophobic articles regarding halal financing and UM Financial and two particular recent articles are before the courts in a libel statement of claim against him.

In what we believe to be another case of Islamophobia the RCMP brought charges against Omar Kalair, CEO of UM, and Yusuf Panchbhaya, Chair of UM's Shariah Ethics Board almost immediately after a Tarek Fatah article. At that time Fatah sat on former Prime Minister Stephen Harper's Multicultural Council shared his article with many Conservative MPs at the time. Ironically RCMP asked both the Credit Union and the Receiver to file a complaint but they refused and no member of the public filed a complaint yet RCMP placed charges due to external pressure. Both men were acquitted of all charges in 2019 with the Judge, in a 68-page ruling, validating most of UM's claims over the years. Of particular note is the fact that the Judge upheld the halal components of the Credit Union/UM partnership and that the Credit Union purposely ignored them. This 7-year court case was funded by the government that cost taxpayers millions. This is an example of how Islamophobia has a cost associated that we all pay for.

Edward Prutschi, who was Kalair's defense lawyer (now a Judge), also wrote an article in the Toronto Sun <https://torontosun.com/opinion/columnists/prutschi-no-comeback-just-contracts-for-shariah-law-in-ontario>. He also stated that the Credit Union did not honour its contracts.

We feel that these are clear cases of Islamophobia and have formally request NCCM to include the discrimination of Muslim Credit Union Members in the National Action Summit approved by parliament (<https://www.nccm.ca/london/>). As NCCM will be adding other cases of systematic Islamophobia including CRA audits of Muslim charities, Quebec Bill 21, hate speech online, etc. we appeal to NCCM to include the Islamophobia actions by the Credit Union towards Muslim Credit Union Members. We have set up a website www.MuslimCreditUnionMembers.ca where many documents are posted.

The continued silence of the Credit Union, while discriminating against us as we suffered is something we are demanding answers to that can come out in an independent investigation. This is an example of privileged leaders in power allowing Islamophobia to prevail. We reach out to our fellow 6 million Credit Union members to stand up to this silence and sign the petitions of www.nccm.ca/london/ and www.MuslimCreditUnionMembers.ca in demanding an independent investigation or allow the courts.

The independent investigation would interview the management of the Credit Union that UM met:
WILLIAM CALDER, LINDA JEFFERY, STEPHEN ELLIS, VICKIE SACCO, SUZANNE FISHER, SANDRA BARROW, PETER COLLINS, JENS LOHMUELLER, ANDRÉ SCHROER, ART CHAMBERLAIN, DIRK HAACK, DON ROLFE, CHARLES MILNE, PETER UFFELMANN, DAN O'CONNOR

And the 16 member Board of Director during 2011:

DANIEL A. BURNS, JOHANNE CHARBONNEAU, FORREST DRINNAN, TERRY ENNS, SEAN JACKSON, SCOTT KENNEDY, DOUG LANG, EMMETT MCGRATH, J. PHILIP MOORE, PATRICE PRATT, TRACY REDIES, DAVE SITARAM, JACK SMIT, TAMARA VROOMAN, FRED WAGNER, JACK WHITTAKER

This letter is prepared by the following Muslim Credit Union Members and past UM homeowners:
Afraz, Farooq, Tahseen, Javed, Aslam we can be reached at info@MuslimCreditUnionMembers.ca

(Please share with others and the media. The media is welcome to contact us.)