

## BLG Defeats Class Action Authorization for Banking Clients

**Montréal, (August 9, 2019)** — Significant class action victory for BLG: Authorization was successfully defeated on behalf of firm clients Bank of Montreal, Bank of Nova Scotia, Scotia Mortgage Corporation and Tangerine Bank in a mortgage prepayment fee proposed class action in Québec. The Court found that mortgage prepayment fees based on interest rate differential (IRD) calculations that exceed three months' interest are not illegal and that banks aren't prevented from factoring mortgage rate rebates into the IRD calculation. The Court further decided that prepayment clauses are regulated by the *Bank Act* and the Financial Consumer Agency of Canada and that such clauses are not abusive, incomprehensible or disproportionate. [The official reasons and decision can be consulted here](#) and an unofficial BLG translation is available.

BLG's [Mathieu Lévesque](#), [Guy Pratte](#), [Patrick Plante](#) and Anaïs Bussières McNicoll acted for Bank of Montreal, and [Alexander De Zordo](#), [Karine Chênevert](#), [Jean Saint-Onge](#) and [Ève Gaudet](#) acted for ScotiaBank, Scotia Mortgage Corporation and Tangerine Bank in this groundbreaking win.

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