

PAYDAY LOANS REGULATIONS - FACT SHEET

The Payday Loans Regulations:

- set the fee for licensing a payday lender at \$2,000 per location in the province;
- provide that payday lenders remain subject to the requirements of *The Cost of Credit Disclosure Act, 2002*;
- require that every payday loan agreement include basic information concerning the cost of the loan, including the total cost of borrowing associated with the loan converted to an annual rate;
- requires that a copy of the payday loan agreement be provided to the borrower immediately upon entering into the agreement;
- requires contact information for Credit Counselling Canada to be disclosed along with the payday loan agreement;
- requires that payday lenders post signs displaying key information that are visible immediately upon entering the premises and from each place within the premises where a payday loan is negotiated;
- establishes the rate of 23% of the principal amount as the maximum total cost of borrowing;
- allows payday lenders to charge a maximum of 30% per annum on defaulted loans;
- allows payday lenders to charge a maximum fee of \$50 for a dishonoured cheque or pre-authorized debit that can be charged only once per payday loan agreement;
- restricts the size of the payday loan to 50% of borrowers' net pay or income during the term of the loan;
- prohibits payday lenders from entering into a rollover loan;
- prohibits payday lenders from requiring the principal balance to be repaid before the borrower's payday; and
- prohibits payday lenders from obtaining direct access to a borrower's bank account, except for the purpose of a specific pre-authorized debit.

There are currently 8 payday lenders operating more than 40 outlets across Saskatchewan, including in the following centres:

- Regina;
- Saskatoon;
- Prince Albert;
- North Battleford;
- Moose Jaw;
- Swift Current;
- Yorkton;
- Estevan;
- Weyburn; and
- Meadow Lake.