

Payday Loan Agreement Checklist

Consumer Protection and Business Practices Act

Instructions

The following checklist identifies the required items that must be disclosed in the payday loan agreement made to a payday loan borrower. Applicants for a payday lender licence must submit copies of their standard payday loan agreement and a sample of that loan agreement for a \$300 loan for 14 days. The standard and the sample agreements must demonstrate that they both contain all the disclosure requirements set out in the legislation.

The checklist below cites the legislative authority for each disclosure requirement and briefly summarizes the nature of the requirement. A blank space has been provided for each requirement that the applicant should use to reference the requirement on the checklist to the corresponding provision in the loan agreement that meets the requirement.

You may use a numbering system to cross reference the requirements with the compliance item in your agreement. For example, Section 83.6(2)(a) of the *Consumer Protection and Business Practices Act* requires the loan agreement to name the lender. On the standard and sample agreements, you may place the number “1” over or opposite the location on the agreement where the lender’s name is disclosed. That same number should then be placed on this checklist opposite that requirement. In some instances, the reference number may appear more than once in your agreement document. Section 83.6(2)(n) requires the agreement to disclose each of the other charges that apply as well as the amount of each of those charges. In this instance the applicant may assign the number 2 to this requirement and write the number “2” more than once on the loan agreement to indicate the number of times this information is disclosed in the agreement.

Depending on the nature of your business model, not all disclosure requirements may be applicable. For example, if you do not use a credit card to advance funds to the borrower, the provisions relating to cash cards would not apply to your loans. Therefore, the applicant may simply write “N/A” in the space provided on the checklist to indicate this requirement is Not Applicable to the loan agreement offered by your business.

Note that this Compliance Checklist is only applicable to the payday loan agreement.

Access to Information and Protection of Privacy

Service NL collects personal information relating to payday loan businesses under the authority of the *Consumer Protection and Business Practices Act*. Personal information collected by the Government of Newfoundland and Labrador is protected under Section 40(1) of the *Access to Information and Protection of Privacy Act*, 2015. If you have any questions about the collection or use of this information, please contact the Consumer Affairs Division at telephone: 709-729-2600; toll free in Newfoundland and Labrador: 1-877-829-2608 or by email at consumeraffairs@gov.nl.ca.

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Legislative Reference	Applicant's Reference	Requirement
83.6(2)(a)		Legal name of incorporated business
83.6(2)(a)		Operating business name if different from legal business name
83.6(2)(b)		Business civic address
83.6(2)(b)		Business mailing address if different from civic address
83.6(2)(c)		Payday loan business license number
83.6(2)(c)		Payday loan business telephone number
83.6(2)(c)		Payday loan business facsimile number
83.6(2)(c)		Payday loan business email address
83.6(2)(d)		Borrower's name
83.6(2)(e)		Date of the agreement
83.6(2)(e)		Date of first and subsequent advances will be made to the borrower
83.6(2)(f)		Principal of the payday loan
83.6(2)(g)		Term of the payday loan
83.6(2)(h)		Amount of cash advance or amount of money transferred to the borrower
83.6(2)(i)		Amount of credit available on a cash card issued to the borrower
83.6(2)(j)		Expiry date of any cash card issued to the borrower
83.6(2)(k)		Total cost of borrowing
83.6(2)(k)		APR for the payday loan
83.6(2)(l)		Statement that interest applies only to the principal of the payday loan
83.6(2)(m)		The rate of interest
83.6(2)(m)		Statement of the total interest that is payable under the loan
83.6(2)(n)		Identification of other charges and the amount of each charge
83.6(2)(o)		Date on which each payment is due and the amount of each payment
83.6(2)(p)		Statement that the payday loan is a "high cost loan"
83.6(2)(q)		Statement that the supply of goods and services is separate and optional from the payday loan
83.6(2)(r)		Statement of the borrower's right to cancel under section 83.5; instructions on how to exercise the right to cancel and identification of the timelines in which to cancel
83.6(2)(s)		Statement of the remedies available to the borrower under section 83.10
83.6(2)(t)		Statement identifying that a third party service charge may apply for the use of a cash card issued
83.6(2)(u)		Agreement number of the payday loan