

# Payday Loan Business Bond Requirement

*Consumer Protection and Business Practices Act*

**Effective April 1, 2019**

<b><u>Surety Bond*</u></b>	<b><u>Amount</u></b>
1 Location .....	\$10,000
2 – 10 Locations .....	\$25,000
More than 10 Locations .....	\$50,000

- \* Commercial surety bonds satisfy the security requirements of public, legal and government entities and protect against financial risk. These bonds guarantee that the business or individual will comply with all required legal obligations. For a consumer, this means that commercial surety bonds protect against fraud, misrepresentation, and compensation of monetary loss. See sample wording for the surety bond on the reverse page.

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## PROVINCE OF NEWFOUNDLAND AND LABRADOR PAYDAY LOANS BUSINESS SAMPLE BOND

**KNOW ALL PEOPLE BY THESE PRESENTS**, that I/we \_\_\_\_\_  
(Hereinafter called the Principal), as Principal, and we, \_\_\_\_\_ (hereinafter  
called the Surety), as Surety, are held and firmly bound unto **Her Majesty The Queen in  
Right of the Province of Newfoundland and Labrador** (hereinafter called the Obligee)  
in the penal sum of \_\_\_\_\_ dollars of lawful money of Canada, to be paid  
unto the Obligee, her successors and assigns, for which payment well and truly to be  
made we jointly and severally bind ourselves, our executors, administrators, successors  
and assigns firmly by these presents.

**SEALED** with the respective seals of the Principal and of the Surety and dated the \_\_\_\_\_  
day of \_\_\_\_\_.

**NOW THE CONDITION** of the above obligation is such that if the said obligation does not  
by reason of any act, matter or thing at any time hereafter become or be forfeit under The  
Consumer Protection and Business Practices Act, then the said obligation shall be void  
but otherwise shall be and remain in full force and effect and shall be subject to forfeiture  
as provided by the said Act.

**PROVIDED** that if the said Principal or Surety at any time gives three calendar months'  
notice in writing to the Registrar under the said Act of intention to terminate the obligation  
hereby undertaken then this obligation shall cease and determine in respect only of any  
act, matter or thing taking place, arising or done subsequent to the date named in the  
notice of termination of the obligation hereby undertaken but shall remain in full force and  
effect in respect of all acts, matters and things taking place, arising or done from the date  
hereof to the date of such termination. Notice of any claim hereunder shall be made upon  
the Surety within two years following the date of termination as herein provided.

**SIGNED, SEALED AND DELIVERED** in the presence of

\_\_\_\_\_  
**WITNESS**

\_\_\_\_\_  
**PRINCIPAL**

\_\_\_\_\_  
**SURETY**