

**Ministry of
Government and
Consumer Services**

**Ministère des Services
gouvernementaux et des Services aux
consommateurs**

Inspections and
Investigations Branch
56 Wellesley Street West
16th Floor
Toronto ON M7A 1C1
Tel.: 416 326-6203
Toll-free: 1 800 889-9768
Fax: 416 326-8665

Direction des
inspections et des enquêtes
56, rue Wellesley ouest
16^e étage
Toronto ON M7A 1C1
Tél. : 416 326-6203
Sans frais : 1 800 889-9768
Télééc. : 416 326-8665

August 2, 2018

**Re: Notice to Lenders and Loan Brokers Licensed under the Payday Loans Act, 2008,
regarding changes to Educational Materials**

The Payday Loans Act protects consumers through many measures, including disclosures to consumers. These disclosures include the mandatory display and provision of educational materials approved by the Registrar. Paragraph 1 of section 5 of Ontario Regulation 98/09 under the Payday Loans Act, 2008 (the Act) makes it a condition of licence that licensees (at each authorized office) display and provide educational materials that the Registrar approves and requires that the materials be visible to borrowers immediately upon entering the office. Please see Appendix A for the relevant provisions.

The English-language poster titled “How much will \$300 cost you for two weeks?” with the new cost of borrowing must be posted.

Please note the following requirements:

Display Requirement

You are required to display the updated poster-sized educational material at each office authorized by your licence so it is visible to borrowers immediately upon entering the office. Display the poster in the official language(s) that the borrowers are likely to use.

Requirement to Provide

You are required to provide the handout size copy of the educational material to each borrower. Each office must maintain sufficient copies to be able to provide a copy to all borrowers. Please note the definition of “borrower” under the Act includes not only a person who receives a payday loan but also one who indicates an interest in receiving a payday loan. Provide these handouts in the official language preferred by the borrower.

Remote Payday Loan Agreements

It is a condition of licence under paragraph 2 of section 5 of Regulation 98/09 that in respect of remote payday loan agreements (e.g., on the Internet), licensees are required to:

- communicate to the borrower, as soon as the borrower makes contact, that the educational material is available, and
- at the request of the borrower, immediately provide the educational material to the borrower.

You can order the educational materials from ServiceOntario via mail or download them, along with the handout version, at the Ministry of Government and Consumer Services website:

Ministry of Government and Consumer Services Website:

<https://www.ontario.ca/page/business-applications-licences-and-permits>

Refer to the section on payday loans.

ServiceOntario:

<https://www.publications.serviceontario.ca/pubont/servlet/ecom/>

Search with the term “payday” or by the following publication numbers:

026370 – English Poster

026371 – French Poster

Please note both the poster and handout sizes must be produced in the same colour as the copies provided. The size of the poster must be at least 2 feet by 3 feet and the handout must be at least 8 1/2 inches by 11 inches.

Should you have any questions please do not hesitate to contact my office.

Yours truly,



Shane Gallagher
Registrar, Payday Loans Act, 2008

APPENDIX A

Payday Loans Act, 2008

1. (1) In this Act,

“borrower” means a corporation, partnership, sole proprietor, association or other entity or individual that receives a payday loan or indicates an interest in receiving a payday loan

Ontario Regulation 98/09 under the Payday Loans Act, 2008

5. The following are conditions of a licence:

1. At each office authorized by the licence, the licensee shall display and provide educational materials about the payday lending industry, financial planning, the Act and the regulations that the Registrar approves and that are visible to borrowers immediately upon entering the office.
2. If the licensee is a lender that offers to make a remote payday loan agreement with a borrower or is a loan broker that offers to assist a borrower in obtaining a remote payday loan agreement, the licensee shall,
 - i. communicate to the borrower, as soon as the borrower makes contact with the licensee, that the educational materials described in paragraph 1 are available, and
 - ii. at the request of the borrower, immediately provide the educational materials to the borrower.