

Payday Loans Unit

Unité de la loi concernant les prêts sur salaire

Consumer Protection Branch
5775 Yonge Street, Suite 1500
Toronto ON M7A 2E5
Tel.: 416 326-1854
Toll-free: 1 800 889-9768
Fax: 416 326-8810

Direction de la protection du consommateur
5775, rue Yonge, bureau 1500
Toronto ON M7A 2E5
Tél. : 416 326-1854
Sans frais : 1 800 889-9768
Télé. : 416 326-8810

10 February 2010

Notice to Lenders and Brokers Licensed
Under the *Payday Loans Act, 2008*

A number of questions have been received respecting the proper appearance of the poster required under the *Payday Loans Act, 2008*. This notice provides some guidance for ensuring compliance with the requirements of section 14 of the regulations made under the *Act* and should be read in conjunction with that section.

Enclosed is an example of how a poster might appear if centre justified. (The regulations do not specify whether a poster is to be centre, right or left justified. However, it is suggested that the most pleasing appearance is achieved when the print is centre justified.) Note that the characters as they appear in the example are $\frac{1}{4}$ the required point size.

The following is a review of section 14 of regulation 98/09 made under the *Act*.

- The poster is to be a minimum of 61 centimetres in width by 76 centimetres in length or approximately 24" by 30".
 - **Note that this is the minimum size, lenders/brokers can use larger sizes of paper if desired.**
- The poster is to include the following:
 1. A heading setting out,
 - i. The words "Maximum Allowable Cost per \$100 Borrowed:"
 - **The heading is to be in a 144 point font.**
 - **While the actual font is not prescribed "Times New Roman" or "Arial" are most suitable.**
 - **If paper of the minimum width is used to print the poster, it is unlikely that the heading as prescribed will be able to be printed on one line. In that case it is permissible to divide the heading into two lines so that the first line ends with the word "cost" and the second line begins with the word "per".**
 - ii. The amount "\$21.00"
 - **Follows immediately below the heading, in 144 point font.**

2. A heading setting out,
 - i. The words “Our cost per \$100 borrowed:”
 - **Blank lines are not prescribed but for ease of understanding leaving two blank lines between “\$21.00” and this heading is suggested.**
 - **The heading is to be in a 72 point font**
 - ii. The total cost of borrowing per each \$100 advanced under the agreement
 - **This is the rate charged by the lender or broker displaying the poster.**
 - **Follows immediately below the heading, in 144 point font.**
 - **In the event the lender/broker offers a variety of rates, it is permissible to add a footnote to the poster, in 54 point font as follows: “We offer payday loans from \$ X per \$100 borrowed to \$ Y per \$100 borrowed. This is an example of a loan where our cost of borrowing is \$ Z per \$100 borrowed.” If this footnote is added to the poster then an asterisk should appear after the total cost of borrowing and before the footnote. In the footnote “X” is the lowest rate charged, “Y” the highest rate charged and “Z” the rate in the particular example.**
3. A subheading with the words “Example: Your \$300 loan for 14 days”
 - **The subheading is to be in 54 point font**
 - **Again, blank lines are not prescribed but for ease of understanding leaving two blank lines between “\$21.00” and this subheading is suggested.**
4. The following:
 - i. The words “Amount Advanced \$300.00”, and
 - ii. The words “Total Cost of Borrowing” followed by the total cost of borrowing per each \$300 advanced under the agreement.
 - **The regulation does not specify that the words required by paragraphs i and ii be on separate lines however that would seem to make sense.**
 - **Once again, blank lines are not prescribed but for ease of understanding leaving one blank line between the subheading and the first required set of words, and between the first and second set of required words, if the two sets do not appear on the same line, would add to the ease of reading.**
 - **Both sets of words are to be in 54 point font.**

5. A horizontal line extending across the width of the text on the poster immediately below the text described in paragraph 4.
 - **Note the line is to be immediately below the text, therefore no blank line can be left.**

6. The words “Total You Repay” followed by the total of \$300 plus the total cost of borrowing per each \$300 advanced under the agreement.
 - **It is suggested that a blank line be left between the horizontal line and this set of words for the ease of reading.**
 - **The set of words is to be in 54 point font.**

7. The words “This poster is required under the *Payday Loans Act, 2008*”
 - **It is suggested that a blank line be left between the horizontal line and this set of words for the ease of reading.**
 - **The set of words is to be in 36 point font.**
 - **The name of the act is required to be italicized.**

The regulations prohibit the inclusion of anything in the poster other than what is prescribed. This means no border, title, logo or company information. The one exception relates to lenders/brokers offering loans at more than one rate as described above.

If you have any questions, please do not hesitate to contact Shannon Jack, Registration and Compliance Officer. If you would like a word version of the poster, please email Ms. Jack at shannon.jack@ontario.ca.

Brian Pitkin, CD
Registrar

Example Payday Poster

- a. Minimum size of poster – 61 cm x 76 cm (approx. 24" x 30")
- b. This poster is created in Times New Roman
- c. The font size in this example is scaled to ¼ the size required by the regulations

Maximum Allowable Cost per \$100 Borrowed:¹ \$21.00

Our cost per \$100 borrowed:
\$21.00²

Example: Your \$300 loan for 14 days

Amount Advanced \$300.00

Total Cost of Borrowing \$63.00³

Total You Repay \$363.00

This poster is required under the *Payday Loans Act, 2008*

¹ The heading is to be in a 144 point font and while the actual font is not prescribed "Times New Roman" or "Arial" are most suitable.

² The rate charged by the lender or broker displaying the poster.

³ This is calculated using the rate charged by the lender or broker displaying the poster.