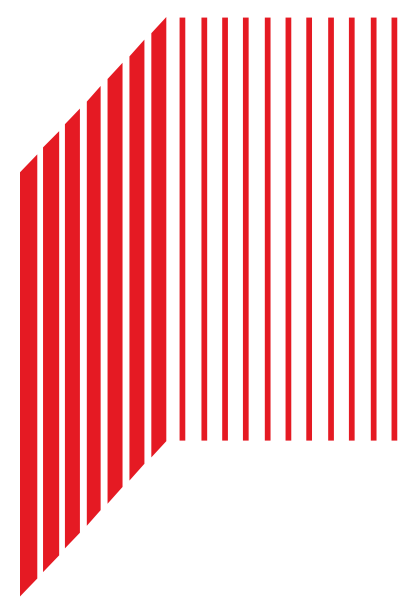


# Code of Best Business Practices



Canadian Payday  
Loan Association

Association canadienne  
des prêteurs sur salaire

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The Canadian Payday Loan Association (CPLA) represents members who provide payday loans and/or cheque cashing services to customers in Canada.

A payday loan is an unsecured short term loan to meet unexpected cash needs. Payday loans are for occasional use only and should not be used to cover continual shortfalls in a persons budgetary requirements. People who have ongoing problems meeting their financial obligations should be consulting credit counsellors. CPLA Members are committed to providing credit counselling references.

As a condition of membership, all Members of the CPLA must abide by the following Code of Best Business Practices and display this Code prominently in their places of business.

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## **No Rollovers**

A Member will not grant a customer an extension of an outstanding payday loan for a fee or advance a new payday loan to pay out their existing payday loan unless permitted by applicable legislation.

## **Multiple Loans**

A Member shall not grant multiple payday loans to a customer that in total exceed what the Member initially approved the customer to borrow.

## **Default and Post-Maturity Interest Charges**

A Member shall not charge a penalty fee and/or returned item fee that exceeds an amount set from time to time by the Association or such other amount that is permitted by applicable legislation. Interest on each \$100 of a payday loan in default will not exceed \$0.90 per week for the first thirteen weeks and \$0.50 per week thereafter or such lesser amount that is permitted by applicable legislation.

## **Collateral**

A Member may not take title to chattels or assets of a borrower as security for repayment of a payday loan.

## **Collection Practices**

A Member will collect past due accounts in a fair, lawful and professional manner. Members are prohibited from taking an assignment of wages. A member will not threaten criminal action or use other forms of intimidation or harassment to collect outstanding amounts.

## **Compliance**

A member shall comply fully with all laws and regulations applicable in the provinces and territories in which it operates.

## **Record Keeping**

A Member will keep and maintain records of financial transactions with their customers in accordance with standards established by the Association or applicable legislation.

## **Right to Rescind**

A customer shall have the right to rescind a payday loan at no cost on or before the close of the following business day or such longer period required by applicable legislation.

## **Privacy Protection**

Members are prohibited from using personal and confidential information for marketing or other purposes unrelated to the payday loan without the consent of the customer and will comply with all privacy laws.

## **Advertising Guidelines**

Members will respect the advertising guidelines as established by the Association and must also comply with all provincial laws governing advertising.

## **Disclosure to Customer**

A Member shall use plain language in their documentation, will disclose all the fees, costs and interest in a clear manner and will prominently indicate the high-cost nature of the payday loan on all loan documentation. The Loan Agreement shall clearly and prominently set out all the material terms of the transaction. A Member will provide every customer with a copy of their Loan Agreement.

## **Education and Awareness Campaigns**

Members shall prominently display the Code of Best Business Practices, the CPLA logo showing membership in the Association, credit counselling and educational brochures required by provincial legislation or the CPLA, and information on how customers can contact the Association with complaints or comments.

## **Member Non-Compliance**

The Association will ensure Members comply with all elements of the Code. A Member will report to the Association any violation of this Code by any other Member.

## **Responding to Consumer Complaints**

A Member must respond diligently to all complaints of their customers. If a customer is not satisfied with redress of their complaint they are invited to contact the Consumer Response and Resolution Bureau action line at 1-800-413-0147 or by email at [inquiry@cpla-acps.ca](mailto:inquiry@cpla-acps.ca). The CRRB will investigate and take any appropriate and necessary action to resolve customer complaints.

Visit the CPLA website at  
[www.cpla-acps.ca](http://www.cpla-acps.ca)