

Document:	C11 Pre-Filed Evidence	Page No.:	1
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	Financial Information		

PREAMBLE TO IR (IF ANY):

C11 states that "costs have increased over the past years."

QUESTION:

Please confirm that C11 makes this statement in reference to costs to payday lenders.

Please advise as to any changes C11 has seen to its operating costs since 2010, and the nature of those changes.

RATIONALE FOR QUESTION:

To clarify C11's position regarding financial conditions in the payday lending industry.

RESPONSE:

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Our response is found on additional page to this page titled C11 Pre-Filed Evidence Page 1-1 Financial Information

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-1 Financial Information

These figures have been broken out of the financial statements and reflect direct costs to the Thompson MB office. These figures do not include wages, capital expenditures, repairs & maintenance, snow removal or any other seasonal expense or expenses involved in community support as other business do in smaller centers such as Thompson

Expenses	Additional References	Year 2010	Year 2013	Year 2015
Rent		35,901.74	37,337.04	41,830.52
Telephone & Fax		4,069.84	4,168.01	5,058.30
Utilities		8,186.04	8,570.25	9,469.81
WCB		258.37	256.69	241.34
Shredding & Disposal		1,151.93	1,254.87	1,039.00
Licences & Fees		6,794.38	6,719.80	6,757.66
Bank Charges	Note 1	3,586.97	3,781.66	4,487.82
Debit Terminal Fees	Note 2	1,219.92	1,315.27	1,375.66
Bank NSF Fees	Note 3	2,177.50	2,578.75	2,385.00
Insurance		1,090.38	1,275.67	1,495.04
Courier & Postage		408.76	743.26	802.45
Accounting Fees		1,163.75	1,064.69	1,601.25
Property Tax		691.46	772.15	884.53
Office Supplies		5,852.81	5,608.78	6,624.46
Security Costs		425.60	427.50	425.86
Internet Services		1,998.71	1,654.15	1,510.71
Cash Card Disbursements	Note 4	25,928.00	29,990.00	36,012.00
		100,906.16	107,518.54	122,001.41
Expense increases over 2010			6.55%	
Expense increases over 2010				20.91%

Note 1: Bank fees include account transaction fees, e-mail transfer fees, Electronic Funds Transfer (EFT), EFT debit transactions occur when clients request we electronically debit their bank account for what they owe

Note 2: Debit terminal fees are charged by the terminal providers to allow clients to use their bank card to pay their loans by Interact

Note 3: Return payments by client default; either NSF, stop payment or account closed

Note 4: Banks and credit unions **have been lowering** the amount of cash an ATM user can withdraw at one time. In recent years many banks have lowered their withdrawal from \$1,000 down to \$500 per ATM withdrawal. If a client takes out a loan for over \$500.00 then a cash card needs to have enough fees added to the cash card to allow for two ATM withdrawals. Thompson serves many villages and communities where there are no banks or credit unions and therefore borrowers need to use privately owned ATM machines. Since privately owned ATM machine owners have these machines as income generating machines, the ATM withdrawal fees can be much higher than bank and credit union ATM machines. Also privately owned ATM machines often restrict the amount to \$300.00 maximum per withdrawal. Adding the requirement to add more ATM user fees on to a cash card.

Document:	C11 Pre-Filed Evidence	Page No.:	1
Topic:	Payday Lending Industry		
Subtopic:	Regulation		
Issue:	Rate		

PREAMBLE TO IR (IF ANY):

C11 states: "We recommend that if consideration is made to drop the lending rate to 15% than an increase from the existing 5% be made for a second loan or a loan required before the mandatory 7 day period at a rate that is realistic with the risks undertaken by the lenders."

QUESTION:

- a) Please discuss the merits of this recommendations and its impact on operation and consumers.
- b) What is the recommended level of the rate for the second loan to compensate for the risk undertaken?

RATIONALE FOR QUESTION:

To assess the merits of the proposal to change the cost of credit.

RESPONSE: Response is found on page 2 of this page titled C11 Pre-field Evidence
 Page 1-2 Regulation / Rate

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

- A) "Merits of this recommendation" first we have to be realistic to the way people are. If one lender cannot fill the needs of a consumer, the consumer has many other choices to where they can go to fulfill their money needs. In other words, if one payday loan company cannot and will not give a second loan within the mandatory 7 day period at 5% then a consumer will do the following;
- i) The borrower for their second loan will go to another licensed pay day loan lender, or the borrower will go to an on-line company which is not licensed and which will not follow regulations for their second loan
 - ii) If the borrower has to borrow a second loan from a different lender, that lender can lend the borrower an amount of up to 30% of the borrower's net pay since it is the "first loan" from that borrower.
 - iii) If the borrower goes on-line for their second loan and this on-line company is not licensed than the on-line lender can and will lend at any rate and at any ratio of the borrowers take home pay
 - iv) The impact and protection for the borrower is that the first lender can keep the borrower at the regulated take home pay ratio with their first and second loan
 - v) The risk to the borrower if they are forced to go to other lenders for their second loan is a very real possibility that the borrower will become over-extended and will struggle with their financial commitments
 - vi) The benefit to the borrower with working with one lender, should trouble arise with re-payment, the lender and borrower will have a better chance to work out a re-payment plan which may be more difficult to do when there may be more than one lender involved
- b) "What is the recommended level", as with all things there has to be a balance reached. If the rate is dropped to 15% than the lender has to recover from a drop of income from 17% down to 15%
- i) If the rate is decreased to 15% then the second loan rate should also be at 15%
 - ii) The rational is that with a loss of 2% in the first rate the 2nd rate needs to be bumped up to adjust to the loss of income
 - iii) The 2nd rational is that the consumer will be better protected if working with one lender and since the 2nd loan is as risky if not at greater risk than the first loan than the rate for the 2nd loan has to justify the risk taken by the lender

Document:	C11 Pre-Filed Evidence	Page No.:	3
Topic:	Payday Lending Industry		
Subtopic:	Regulation		
Issue:	Rate		

PREAMBLE TO IR (IF ANY):

C11 states that reducing the maximum allowable rate to 15% will have very little effect for consumers and will erode the financial stability of lenders.

QUESTION:

Please explain or elaborate on this statement as it relates to:

- a) The effect on consumers; and
- b) The effect on lenders.

RATIONALE FOR QUESTION:

To clarify C11's position on the maximum allowable rate.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-3 Regulation / 2% Rate

**RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:**

A rate change of 2% from 17% down to 15%.

- a) The effect on consumers, based on a \$300.00 loan, the cost to the consumer is as follows;
 - i) \$300.00 loan at 17% = \$51.00
 - ii) \$300.00 loan at 15% = \$45.00
 - iii) This represents a saving for the consumer of \$6.00 for the use of the loan for the period of time they have it out. There are many, many consumers who may take 1, 3 or even sometimes 6 loans in a 1 year period which if you add the impact of 6 loans at \$6.00 per loan is a saving of \$36.00 on an income based anywhere from \$36,000.00 to \$185,000.00 per year which is equivalent to a half tank of gas in a 12 month period
 - iv) On the other end of the spectrum, if a consumer borrows twice a month for 12 months at a savings of \$6.00 per \$300.00 loan, the saving to the client would be \$144.00 on an annual basis. Again based on an income of \$36,000 to \$185,000 and that is equivalent to 2 or 3 tanks of gas in a 12 month period
 - v) Consumers are more interested in meeting their mortgage payments, car payments, rent or essential living needs. If surveyed, consumers would rather spend the \$36 to \$144 than default on a mortgage payment, car payment, rent or skip on essential living needs.

- b) The effect on lenders, based on an annual Gross income of \$500,000 with a 2% drop in rate represents a loss of Gross annual income of \$10,000 There are not many small independently owned companies that can afford a loss of revenue to that extent especially given that expenses continually rise by 3rd parties such as landlords and banks as outlined in our "Account Information" page.

Document:	C11 Pre-Filed Evidence	Page No.:	2
Topic:	Payday Lending Industry		
Subtopic:	Regulation		
Issue:	Cash Card and Cost of Credit Issue		

PREAMBLE TO IR (IF ANY):

"We request that regulations be reviewed and allowances be made to exempt cash card fees from the cost of credit for cases when a client requests their loan on a cash card with the understanding of the fees involved or refuses any other means of receiving their loan other than on a cash card, again with the understanding of the fees involved."

QUESTION:

- a) Please explain the impact of exempting cash card fee from the cost of credit on operations and discuss the merits of this proposal.
- b) What portion of the current business is done on cash cards versus cash?

RATIONALE FOR QUESTION:

To assess the merits of the proposal to change the cost of credit.

RESPONSE:

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Response is found on page 2 of this page titled C11 Pre-field Evidence Page 1-4 Cash Card Cost of Credit

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-4 Cash Card and Cost of Credit

- a) "impact of cash card fee from the cost of credit" 3rd party card load cost is \$3.25 made up by \$0.75 by Interact and \$2.50 by the card provider company, than there is a \$3.00 fee charged by banks or credit unions when using their ATM machines. Banks & credit unions allow a maximum of \$400.00 to be withdrawn at any one time.
In summary, the cost to load a cash card is as follows:
\$400.00 and under is \$6.25
\$420.00 and up to \$800.00 is \$9.25 (allows for 2 cash withdrawals @ \$3.00 each)
\$820.00 and up to \$1,200.00 is \$12.25 (allows for 3 cash withdrawals @ \$3.00 each)
With privately owned ATM owners, the cost is more than \$3.00 per withdrawal; cost will vary from owner to owner. The maximum amount allowed to be withdrawn at any one time on privately owned ATM machines is \$200.00
"merits"
- i) for borrowers, the borrower can take the cash off of the card at a time and at a place where it is safe and convenient for the borrower
- ii) for borrowers who are leaving a lender's property after making a loan, are leaving with confidence that they will not be targeted for theft and personal harm
- iii) Thompson serves the central and northern Manitoba communities where sending cash is not possible, using cash cards for their loans make receiving a loan possible as privately owned ATM machines are located in all small communities
- iv) Borrowers in Thompson and central and northern communities may not have access to Internet to receive a "e-mail money transfer" but with a cash card the borrower can always receive their loan and get their cash at a local ATM machine
- b) "What portion of the current business is done on cash cards versus cash" In Thompson MB where the population is approximately 15,000 people. There are no "Brinks" or other cash delivery service systems in Thompson, we would need to carry large sums of cash from the bank to bring to our office to lend out. Carrying large sums of cash from the bank to our premises on a daily basis for lending would be extremely dangerous, leaving us vulnerable to theft, harm and possibly worse. For these reasons, "safety" for lenders and borrowers alike, cash is not used. The method that our clients want to receive their loans and the methods we prefer to use are;
- i) 90% of the loans are loaded on to cash cards
- ii) 10% of the loans are sent by e-mail money transfers (Note 1)

Note 1: E-mail money transfers have limited use.

- 1) A majority of borrowers do not have on-line banking which is required for e-mail money transfers
- 2) Many small communities throughout central and northern Manitoba do not have access to Internet service to receive e-mail money transfers
- 3) E-mail money transfers needs to be deposited in to the borrower's bank account and many borrowers who are experiencing problems with their bank do not want their loan to be transferred in to their bank account
- 4) As lenders, Interact / Bank companies have limitation to the amount of money transfers that can be sent thru Interact, the limits are \$3,000.00 per day, maximum of \$10,000 per week, maximum of \$30,000 in 30 days. On some days, with these restrictions it is difficult to service the needs of borrowers with e-mail money transfers.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:	Viability		
Issue:	Rate of Return		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please discuss your understanding of what would represent a fair rate of return for operating a payday loan enterprise.
- b) Please discuss the risks faced by the lender in entering into payday loans and provide what would be considered a fair risk premium to be considered for rate of return on equity.
- c) Please discuss whether a weighted average cost of capital should be based on a notional capital structure and if so what structure would you suggest be utilized?
- d) Please list the financial risks which you believe your company is exposed to in relation to payday loans.
- e) Please quantify each risk, if not in absolute numbers, as a ratio to your total operating expenses.

RATIONALE FOR QUESTION:

To understand C11's position on this issue.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-5 Rate of Return

C11 Pre-Filed Evidence Page 1-5 Viability

- a) A fair rate of return for operating a payday loan enterprise should be the same for operating any other enterprises be it retail, industrial and so on. A reasonable and sustainable return expected is normally 15% of Gross income.
- b) The pay day loan industry in Manitoba does not reach 15% of Gross income. Factors contributing to a lessor than desired return are due to a number of factors; 1) pay day loans are not secured loans therefore the risk factor of receiving payment back are high. 2) Court actions for collecting small amounts are prohibitive in cost making collecting a delinquent loan a financial loss. 3) Since pay day loans are not secured loans, consumers who are not as honest as they should be will sometimes default on their loans by either making stop payments or closing their bank account shortly after taking out a loan. In cases of stop payments or consumers avoiding to pay, there are no incentives or provisions in the Pay Day Loan Act to collect on these delinquent accounts. 4) Theft are losses that all business suffer and struggle with however these losses are absorbed in their goods being sold. In the pay day loan business, stop payments, closed accounts and deliberate acts of non-payment of money borrowed is also theft, but as in other industries, our losses cannot be past-on by the services we provide.
- c) Is a national average necessary, we will leave others to debate this topic. What we think is more of an issue are the regulations restricting lending within a 7 day period and what is considered in the "Cost of Credit"
- d) Our financial risks are all un-licensed and un-regulated lenders who over extend consumers, use in-appropriate and ruthless means of collecting. These companies ruin borrowers who in the past were loyal and faithful clients but are no longer qualifying for loans because they are over-extended by lenders who are not providing personal and attentive service
- e) We do not know the risks to our business by un-licensed lenders. The reason for this is that borrowers will use our services and then stop using us or use us less frequently. Borrowers will not tell us why they have used on-line lenders. On line lenders may be more expensive to use, but there are no or few restrictions as to how much a borrower can borrow.

Document:	C11 Pre-Filed Evidence	Page No.:	1
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	Internet Payday Lending		

PREAMBLE TO IR (IF ANY):

C11 references increased access to and services offered by online and unlicensed lenders.

QUESTION:

Comment, with reference to any statistics or data collected by C11, on any effect that the increase in internet payday lending has had on C11 generally, or on its business model.

RATIONALE FOR QUESTION:

To understand the current impact of internet payday lending on the industry.

RESPONSE:



Response is found on page 2 of this page titled C11 Pre-field Evidence Page 1-6 Internet Payday Lending

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-6 Internet Payday Lending

We are a small payday loan company with just the one northern office therefore it is hard to know the impact un-licensed payday lenders are having on the licensed pay day loan industry in Manitoba. We can tell you that we see more and more evidence of loans being made by un-licensed on-line lenders. We know this by seeing the names of un-licensed lenders and their debit amounts on the bank statements that borrowers bring us when they want a new loan from us. We know the trend to un-licensed and on-line lenders is growing but we cannot measure what the impact is. This is due to the nature of our business, clients come and go, we do not know if they stop borrowing because they no longer need to borrow or if they stop borrowing because they are using another lender. We see debit amounts made by on-line lenders, we cannot see by the debit amount what the amount borrowed was nor what the rate charged was.

For the purpose of showing the Board Members the known on-line and un-licensed lenders, we are including with this paper, copies of bank statements showing the on-line companies being used and their debit amounts. For this purpose we are showing you a cross sample of the names of on-line companies and the debit amounts that were made. For the protection and privacy of the owners of these bank statements, we have removed their names and reference to their bank account numbers.

There are 6 bank statements included with this page showing on-line lenders. As mentioned this a cross section of un-licensed lenders only, there are many more copies we could have sent you however we found no purpose to do so.



Account Activity

You can view your Account Activity for a specific account, or for all accounts, for a given period. You can also download the transactions in a number of popular formats. Click on Help for further information.

Transaction history via the Account Activity search is limited. Account history may be viewed via archived electronic statements if the E-Statements link appears under the Accounts tab.

If you are still unable to obtain the account history needed, please feel free to contact your branch for further assistance.

Member Name [REDACTED]

Login ID [REDACTED]

Account Name [REDACTED]

Current Balance \$4.28

Current Interest Rate 0.000%

50 most recent transactions in the last 15 days

March 22, 2016

Chequing 101

Date	Description	Debits	Credits	Balance
18-Mar-2016	ATM Maintenance Charge	\$4.85		\$4.28
18-Mar-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	\$302.75		\$9.13
18-Mar-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	\$282.75		\$311.88
18-Mar-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	\$50.66		\$594.63
18-Mar-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	\$42.75		\$645.29
18-Mar-2016	External Withdrawal Miscellaneous Payments LoanExpress.ca	\$387.27		\$688.04
18-Mar-2016	External Deposit Child Tax Benefit CANADA 721286396854		\$894.07	\$1,075.31
18-Mar-2016	External Deposit Federal Payment CANADA 342039242581		\$180.00	\$181.24
17-Mar-2016	ATM Maintenance Charge	\$0.35		\$1.24
17-Mar-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	\$4.00		\$1.59
16-Mar-2016	ATM Maintenance Charge	\$3.35		\$5.59
16-Mar-2016		\$182.75		\$8.94

see triple checks

[Handwritten circle around the External Withdrawal transaction]

Not 17/10

Mar 14, 2016	ROGERSWL 1TIME _V	200.00		\$1,088.76
Mar 14, 2016	TD ATM W/D 005930	80.00		\$1,288.76
Mar 14, 2016	THOMPSON GAS BA	74.86		\$1,368.76
Mar 11, 2016	Financelt LOAN	371.85		\$1,443.62
Mar 11, 2016	SANTA MARIA PIZ	38.23		\$1,815.47
Mar 11, 2016	33400 MACS CONV _F	10.26		\$1,853.70
Mar 11, 2016	MCDONALD'S #206 _F	9.35		\$1,863.96
Mar 11, 2016	Pre-authorized Transfer to TD EVERY DAY SAVINGS ACCOUNT 6323670	50.00		\$1,873.31
Mar 11, 2016	Loan payment to *128509101	398.49		\$1,923.31
Mar 11, 2016	VALE PAY		2,300.99	\$2,321.80
Mar 10, 2016	Simply Save to TD EVERY DAY SAVINGS ACCOUNT 62526323670	5.00		\$20.81
Mar 09, 2016	GOOGLE *epsxe _V	3.33		\$25.81
Mar 07, 2016	WAL-MART #3102	15.84		\$29.14
Mar 07, 2016	Transfer from TD EVERY DAY SAVINGS ACCOUNT 6323670 RU022		20.00	\$44.98
Mar 07, 2016	Simply Save to TD EVERY DAY SAVINGS ACCOUNT 62526323670	5.00		\$24.98
Mar 07, 2016	33400 MACS CONV _F	25.24		\$29.98
Mar 07, 2016	33400 MACS CONV _F	12.70		\$55.22
Mar 07, 2016	MCDONALD'S #206 _F	11.60		\$67.92
Mar 07, 2016	GIANT TIGER #40 _F	11.74		\$79.52
Mar 07, 2016	TD ATM W/D 003284	40.00		\$91.26
Mar 07, 2016	33400 MACS CONV _F	8.45		\$131.26

Net 179.00

Total : \$2,097.49 \$2,320.99

Select Download Format

Download

All transactions to the close of the previous BUSINESS day will be downloaded. View suggested versions of the software downloads.

Mar 08, 2016	IDP PURCHASE - 1385 -CROSS LAKE #176	-\$22.99	
Mar 08, 2016	IDP PURCHASE - 5209 -CROSS LAKE #176	-\$20.41	
Mar 08, 2016	IDP PURCHASE - 0809 -CROSS LAKE #176	-\$20.37	
Mar 08, 2016	IDP PURCHASE - 3832 -CROSS LAKE #176	-\$12.24	
Mar 08, 2016	IDP PURCHASE - 0295 -CROSS LAKE #176	-\$7.09	
Mar 07, 2016	TERM LOAN -LOAN PMT	-\$473.86	\$344.69
Mar 07, 2016	PTB WD --- WD383074	-\$400.00	
Mar 07, 2016	PTB WD --- WD382451	-\$200.00	
Mar 07, 2016	PTB WD --- WD383360	-\$200.00	
Mar 07, 2016	BR TO BR - 6377		\$1 900.00
Mar 07, 2016	IDP PURCHASE - 9900 -CROSS LAKE #176	-\$166.78	
Mar 07, 2016	IDP PURCHASE - 1216 -CROSS LAKE #176	-\$83.48	
Mar 07, 2016	IDP PURCHASE - 9012 -CROSS LAKE MERC	-\$60.01	
Mar 07, 2016	IDP PURCHASE - 8938 -CROSS LAKE MERC	-\$25.59	
Mar 07, 2016	IDP PURCHASE - 7188 -CROSS LAKE #176	-\$16.64	
Mar 07, 2016	IDP PURCHASE - 0838 -CROSS LAKE #176	-\$16.58	
Mar 04, 2016	PTB WD --- WD381932	-\$80.00	\$87.63
Mar 04, 2016	PTB WD --- WD381886	-\$20.00	

Net 17%

8

Mar 10, 2016	WWW PAYMENT - 5827	-\$60.00	
Mar 10, 2016	WWW PAYMENT - 3493	-\$60.00	
Mar 10, 2016	WWW PAYMENT - 5902	-\$40.00	
Mar 10, 2016	WWW PAYMENT - 5559	-\$40.00	
Mar 10, 2016	MISC PAYMENT -Capital Cash	-\$190.72	
Mar 10, 2016	MISC PAYMENT -Diamond Finance	-\$47.07	
Mar 10, 2016	MISC PAYMENT -Capital Cash	-\$16.38	
Mar 10, 2016	PTB WD --- WD385057	-\$1,000.00	
Mar 10, 2016	PTB WD --- WD384941	-\$60.00	
Mar 10, 2016	PAYROLL DEPOSIT -NIKAN		\$1,884.05
Mar 10, 2016	IDP PURCHASE - 3319 -CROSS LAKE #176	-\$11.59	
Mar 10, 2016	IDP PURCHASE - 3612 -CROSS LAKE #176	-\$5.21	
Mar 10, 2016	IDP PURCHASE - 7200 -CROSS LAKE #176	-\$4.52	
Mar 10, 2016	INTERAC E-TRF- 4281		\$100.00
Mar 10, 2016	WWW3RD PTY DEP-3853		\$60.00
Mar 08, 2016	WWW TRANSFER - 7952	-\$4.14	\$0.00
Mar 08, 2016	PTB WD --- WD384000	-\$40.00	
Mar 08, 2016	WWW3RD PTY DEP-0150		\$40.00

*multiple
business
x*

multiple loans

10

Mar 14, 2016	IDP PURCHASE	-\$69.31	
Mar 14, 2016	IDP PURCHASE	-\$248.56	
Mar 14, 2016	IDP PURCHASE	-\$15.53	
Mar 14, 2016	IDP PURCHASE	-\$54.15	
Mar 14, 2016	WWW3RD PTY DEP		\$60.00
Mar 11, 2016	WWW PAYMENT - 8255	-\$100.00	\$306.34
Mar 11, 2016	MISC PAYMENT -easyfinancial	-\$283.61	
Mar 11, 2016	IDP PURCHASE - 4305 -SHOPPERS DRUG M	-\$86.92	
Mar 11, 2016	IDP PURCHASE - 6909 -MISTASINEEK GAS	-\$62.00	
Mar 11, 2016	IDP PURCHASE - 7595 -CROSS LAKE #176	-\$29.43	
Mar 11, 2016	IDP PURCHASE - 9164 -MCDONALD'S #206	-\$11.70	
Mar 10, 2016	INTERAC E-TRF- 8619	-\$1,170.00	\$880.00
Mar 10, 2016	LOAN -310-LOAN	-\$468.00	
Mar 10, 2016	RENT/LEASE -MDG FINANCE	-\$88.14	
Mar 10, 2016	RENT/LEASE -MDG FINANCE	-\$40.04	
Mar 10, 2016	RENT/LEASE -MDG FINANCE	-\$38.31	
Mar 10, 2016	CASH WITHDRAWAL	-\$80.00	
Mar 10, 2016	PTB WD --- WD384985	-\$140.00	
Mar 10, 2016	PAYROLL DEPOSIT -CROSS LAKE EDUC		\$1,602.80

*multiple
finance
seeking relief
from
Socact
COP 8/11*

1/17

Highlight

1/9

Date	Description	Debits	Credits	Balance
	RIVERMBCA			
16-Feb-2016	ATM Maintenance Charge	-\$2.20		\$694.09
18-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$41.02		\$698.29
16-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$53.80		\$737.31
16-Feb-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	-\$142.50		\$791.11
16-Feb-2016	External Deposit Payroll Deposit Amos Okemow Memorial Education 580		\$1,065.44	\$933.61
15-Feb-2016	Insufficient Funds Charge	-\$5.00		-\$131.83
15-Feb-2016	External Withdrawal Miscellaneous Payments Diamond Financial Services	-\$127.56		-\$126.83
09-Feb-2016	Descriptive Withdrawal cash to Jennifer	-\$666.35		\$0.73
09-Feb-2016	Descriptive Deposit AOMEA		\$709.37	\$667.08
05-Feb-2016	External Withdrawal (Rejected) Miscellaneous Payments LoanExpress.ca		\$83.39	-\$42.29
05-Feb-2016	Returned Item Charge	-\$45.00		-\$125.68
05-Feb-2016	External Withdrawal Miscellaneous Payments LoanExpress.ca	-\$83.39		-\$80.68
03-Feb-2016	ATM Maintenance Charge	-\$4.05		\$2.71
03-Feb-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	-\$82.50		\$6.76
03-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$18.39		\$89.26
03-Feb-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	-\$62.50		\$107.65
03-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$87.00		\$170.15
03-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$32.98		\$257.15
02-Feb-2016	ATM Maintenance Charge	-\$2.20		\$290.13
02-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$20.48		\$292.33
02-Feb-2016	ATM Withdrawal NCR 300 GODS RIVERGODS RIVERMBCA	-\$42.50		\$312.81
02-Feb-2016	Point Of Sale Withdrawal GODS RIVER #300GODS RIVERMBCA	-\$24.22		\$355.31

Multiple

21

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	Operations		

PREAMBLE TO IR (IF ANY):**QUESTION:**

Please provide:

- a) Information as to the application process for a loan with C11, including documentation required from applicant;
- b) A copy of the loan application used by C11; and
- c) Any brochures or term sheets, or any other documentation provided to applicants/customers.

RATIONALE FOR QUESTION:

To inform the Board of the application process employed by C11.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-7 Operations

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RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-7 Operations

- a) Application process, we require a current bank statements showing the past 30 days of transactions, we require a government issued picture ID, proof of S.I.N. number (Note 1), proof of current address, copies of past 2 paystubs
- b) We are including a copy of our loan agreement which is 4 pages (Note 2) (Note 3)
- c) When a loan agreement is completed, a copy of the signed loan agreement is given to the borrower immediately after signing the loan agreement

Note 1: Proof of S.I.N. is to identify the borrower from another borrower how may have the same name or in the event there has been a change of name

Note 2: You had a Privacy question on your page 1-18. Page 3A of our loan agreement addresses the loan policy issue.

Note 3: We have removed the borrower's name from our loan documents sent to you to protect the privacy of our client.

2133

C1: All Financing & Loans
A Division of C11 Holdings Ltd
73B Thompson Drive, Thompson, MB R4N 0C3
Phone 204-778-7571; Toll Free: 1-877-778-7879; Fax: 204-778-7578

Loan Disclosure Statement - Page 1

This is a high cost loan.

General Delivery
York Landing, MB
r0b2b0
204-341-2105 (Home)

License #:	39280	Principal Amount:	\$300.00
Date of agreement and initial advance:	March 25, 2016	Total Cost of Credit:	\$55.00
Time of agreement:	March 25, 2016 2:18 PM	Cash Card Purchase:	-
Time of initial advance:	March 25, 2016 2:18 PM	Cash Card Load Fee:	\$0.75
Term of Loan:	7 days	Cash Card DCBank:	\$2.50
Annual Percentage Rate:	517.03%	ATM Withdrawal Fees:	-
Payment Due Date:	Friday, April 1, 2016	Cash Card ATM Machine Fees:	\$3.00
		Email Money Transfer Fee:	-
		Total Cost of Credit:	\$55.00
		Total Amount Due:	\$355.00

Borrower's Signature: 

If you have any questions or concerns about payday loans, cancellation rights or collection practices, contact the Consumer Protection Office at (204) 945-3800, or toll free at 1-800-782-0067

If you feel you could benefit from debt counselling, contact the Consumer Protection Office at (204) 945-3800 or toll free at 1-800-782-0067 for information.

The Consumer Protection Act provides that the Consumer Protection Office may review and verify the information, including personal information, in this loan agreement for the purposes of ensuring compliance with the Act, the regulations and the terms and conditions of the payday lender's licence. The Consumer Protection Office may contact you directly to verify the information. It will not use your information for other purposes without your consent or unless permitted to do so by law.

C11 A1 Financing & Loans
A Division of C11 Holdings Ltd.
73B Timmins Drive, Thompson, MB R6N 0C3
Phone: 204-778-7571, Toll Free: 1-877-778-7879, Fax: 204-778-7571

Loan Disclosure Statement - Page 2S

Default: If your loan defaults you will be charged a late penalty fee of 2.5% monthly until your loan has been re-paid. In addition to the late penalty fee you will be charged a one-time fee of \$5.75 for your dishonoured payment by your financial institution.

Cancellation: You have the right to cancel this loan within 48 hours after receiving the initial advance or the cash card.

Optional Services: If any optional services are provided by C11 A1 Financing & Loans, you are entitled to cancel those services in accordance with section 23 of the Act.

Insurance: If C11 A1 Financing & Loans requires you to obtain insurance as a condition of this loan, you have the right to obtain the insurance from any insurer authorized by law to provide it in accordance with section 21 of The Consumer Protection Act.

Personal Investigations: If you choose to consent to a "personal investigation", as defined in The Personal Investigation Act, your consent must be given in writing, including by electronic means, but not orally.

Pre-paying: As a borrower, you are entitled to prepay the outstanding balance at any time prior to the due date without penalty and you are entitled to make partial payments without additional charge or penalty on or before the scheduled payment due date.

Borrower's Signature



Notice of Cancellation - Page 3S

Notice of Cancellation

I, _____, am using this form to provide notice that I am cancelling my loan within 48 hours of receiving the initial advance.

Date: _____ Time: _____

Name: _____ Signature: _____

Cancellation Receipt

C11 A1 Financing & Loans acknowledges that _____ has returned the initial advance of \$ _____ within 48 hours and has cancelled the payday loan.

Employee Name: _____ Employee Signature: _____

C11 A1 Financing & Loans
A Division of C11 Holdings Ltd.
738 Thompson Drive, Thompson, MB R3N 0C3
Phone: 204-778-7571; Toll Free: 1-877-778-7879; Fax: 204-778-7578

Loan Disclosure Statement - Page 3A

Cancelling your Loan: You have the right to cancel your loan within 48 hours from the time you received your initial advance excluding Sundays and other Holidays. If you use this cancellation option you will not be eligible for a new loan for a cooling off period of 3 days from the cancellation date and time. Your cancelled loan payment may be via cash, certified cheque or money order. You may use the Notice of Cancellation form to cancel your loan. Your return of the full payment of the initial advance as well as your Notice of Cancellation must be received by C11 A1 Financing & Loans within the required 48 hours, oral notice is not acceptable.

Paying You Your Advance: C11 A1 Financing & Loans reserves the right to pay your advance to you with a method of payment that is most economical to use. Your advance will be paid to you on the same business day as your loan is made.

Cash Cards Terms & Conditions: If a cash card is used:

- i. The principal amount available on your cash card is \$300.00
- ii. The expire date of your cash card is Thursday, December 31, 2015.
- iii. Card load fees and bank fees will be added by C11 A1 Financing & Loans on to your cash card in order to make the full amount of your advance available to you.
- iv. Withdraw the full advance amount at one time, if you fail to do so, there will be card load fees and bank fees applied by each service provider to the balance remaining on your card.
- v. Your DCBank Card has the following fees: Card load fee of \$0.75, ATM transaction fee of \$2.50 per withdrawal, Point of Sale transactions fee of \$1.75, Declined transactions \$2.50, Cancelled Point card balance transfer fee \$10.70, Replacement card fee of \$6.00, Debitman account fee \$10.70 (charged after 60 days of inactivity).
- vi. ATM withdrawal fees: bank ATM machines from \$2.00 and up, private ATM machines from \$3.00 and up.
- vii. Additional charges: \$0.00.
- viii. Total due on date: \$351.00 (loan) from page 1 plus \$0.00 (additional charges) for a revised total due on date of \$351.00

*PRIVACY
POLICY*

Privacy Policy: Your personal information that you have provided to us is for the purpose of providing and administering your payday loan. If after 2 years your personal information is no longer required, your personal and loan files will be permanently destroyed by a bonded shredding company. Within these 2 years, by law your personal and loan files must be made available to the Consumer Protection Office for the purpose of enforcing The Consumer Protection Act. We will not use your information for the purpose of offering you other goods or services.

Manitoba Regulations: (147)(2) If C11 A1 Financing & Loans charges, requires or accepts more than 17% of the principal amount of your payday loan, or charges for or permits any other person to charge, require or accept payment that results in the total cost of credit being greater than 17% of the principal amount of the loan then you are not liable for any amount charged as a cost of credit for the payday loan. (152)(2) If C11 A1 Financing & Loans charges, requires or accepts more than 17% of the principal amount of a replacement loan or the extension or renewal of your payday loan then you are not liable for any amount charged as a cost of credit for your payday loan. (153)(2) If C11 A1 Financing & Loans charges you more than 2.5% monthly and \$5.75, a one-time fee, on your defaulted loan or any other person to charge more, you are not liable for any monthly fee of over 2.5% and one-time fee of \$5.75. (154)(2) If C11 A1 Financing & Loans offers, arranges or provides you with a loan when your loan is outstanding on an existing loan, then you are not liable for cost of credit on the loan given to you when you had an outstanding amount on your existing loan.

Borrower's Signature: X [Redacted Signature]

CI: AI Financing & Loans
 A Division of CI: Holdings Ltd
 73B Thompson Drive, Thompson, MB R8N 0C3
 Phone: 204-778-7571; Toll Free: 1-877-778-7879; Fax: 204-778-7578

Payer's Pad Agreement - Page 4

Pre-Authorized Debit / Terms and Conditions

1. In this agreement, "I", "me" and "my" refers to each account holder who signs this Payer's Pad Agreement
2. In this agreement, the use of the word "account" refers to my personal bank account held at my Financial Institution
3. I agree to honour and be bound to the terms and conditions of this Pre-Authorized Debit (PAD) Agreement for the duration of the life of the loan undertaken
4. I authorize the Payee and any successor of the Payee to draw in paper, electronic or other form for the purpose of my payment to the debt I owe the Payee from my account on my PAD submitted to the Payee and retained on file by the Payee for such debts owing
5. I authorize my Financial Institution to honour and pay such debits
6. This Agreement and my authorization are provided for the benefit of the Payee and my Financial Institution and are provided in consideration of my Financial Institution agreeing to process payment on my account for my debt owing to the Payee and in accordance to the rules of the Canadian Payments Association
7. I agree that any direction I may provide to draw on my Pre-Authorized Debit (PAD) in accordance with this Agreement shall be binding on me
8. I may revoke or cancel this Agreement at any time subject to written notice being provided by me to the Payee at least ten (10) business days prior to the next due date of my payment. I understand that I may obtain a sample cancellation form or information on my right to cancel a PAD Agreement at any financial institution or at www.cdmpay.ca
9. This Agreement applies to the method of payment and I agree that revoking or cancelling of this Agreement does not terminate my financial obligations existing between me and the Payee
10. I agree that my Financial Institution is not required to verify the amount, frequency and fulfillment of my financial obligations to the Payee in accordance to the use of this PAD Agreement
11. I agree that delivery of this Agreement to the Payee constitutes delivery by me to my Financial Institution. I agree that the Payee may deliver this Agreement to my Financial Institution and I agree to the disclosure of any personal information which may be contained in this Agreement
12. I certify that all my information provided with respect to my account is accurate and current. I agree to inform the Payee in writing of any changes to my account information provided in this Agreement. I agree to provide in writing to the payee of any changes to my account at least ten (10) business days prior to the next due date of my payment to the Payee. In the event of any such change, this Agreement shall continue in respect of any account to be used for my PAD
13. I agree to comply with the rules of the Canadian Payments Association or any other rules or regulations which may affect the payment of my obligations to the Payee in respect to my debt
14. I understand that I have recourse rights if any debit does not comply with this Agreement. I have the right to receive reimbursement of bank fees resulting from non-authorized use of this Agreement outside of the debt that I owe to the Payee. I understand that I may obtain information on my rights by contacting any financial institution or by viewing the Canadian Payments Association website at www.cdmpay.ca
15. I understand and agree to the terms and conditions of this Payer's Pad Agreement

Signature of Payer: 

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	Operations		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please file financial statements for the current year with the Board on a confidential basis in order to facilitate such a review.
- b) Does your company have segmented financial statements, isolating the payday loan side of its operation? If so, please provide, either generally or in confidence. If not, please indicate the percentage of revenue earned from payday loans.
- c) Please provide your views on the Board using confidential filings in making its determination.

RATIONALE FOR QUESTION:

To understand the profitability of payday lending operations.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-8 Operations

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-8 Operations

- A & B) Our parent Company has assets, investments and other interests. Our Thompson Manitoba office is one asset of many; we do not have separate statements breaking out just the Thompson office.
- c) The Board, in our view should seek advice by independent accounting firms as to the profitability of the pay day loan industry. Profitability is driven by volume, small independent companies cannot have large volumes when operating in smaller centers. Nor can profitability be compared between small independent companies against larger national companies who have brand recognition, who can spread expenses over many locations, who can maximize efficiency of staff between multiple locations. Small independent companies with one location must absorb all costs in one location, must retain staff in one location whether in peak times or in low volume times.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:	Operations		
Issue:	Repeat Borrowing		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please advise on a percentage basis, the proportion of C11 customers that are repeat borrowers versus one-time borrowers.
- b) Please advise, with respect to repeat borrowers, the average number of loans taken out per customer in a 12 month period.

RATIONALE FOR QUESTION:

To assess frequency of or reliance on repeat borrowing in the industry.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-9 Repeat Borrowing

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-9, Repeat Borrowing

- a) We do not have charts showing in per cent the number of first time borrowers and showing in percent the number of repeat borrowers. Nor do we have charts showing in a per cent basis the average size loan borrowed by first time borrowers nor do we have in charts in a percent basis the average size loan of repeat borrowers.
- b) As mentioned in the above paragraph we do not have graphs showing in per cent the number of clients who are 1 time borrowers verses the number of clients who borrow multiple times. We can tell you from personal knowledge that we have very few borrowers who borrow each and every pay period and in each and every month of the year.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:	Operations		
Issue:	Bad Debt		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please provide your bad debt expense experience as a ratio of total operating expenses, segmented for the payday loans side of your business for the last five years.
- b) What should be considered in the determination of bad debt expense.
- c) Please outline any steps taken to ensure that debt expense is minimized and the effectiveness of those steps.

RATIONALE FOR QUESTION:

To understand bad debt expense experience for payday lending.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-10 Bad Debt

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-10 Bad Debt

- a) Borrowers who default; default meaning they cannot pay on time, who place stop payments, who refuse to pay or who close their bank accounts, account for approximately 37% of total operating costs, out of the 37% who default, payment arrangements can be made with approximately 20% of defaulted borrowers leaving 17% as bad debts of total operating expenses
- b) Bad debts are determined by the amount the borrower has borrowed (principal) plus the \$17.00 per \$100 fee. Bank charges are not included in bad debt equations. Reasons that the loan is not collectable are either the borrower has skipped town and cannot be located or found or the borrower simply refuses to pay by not working within a repayment plan.
- c) We do all that we can to review bank statements provided to us by the loan applicant. In our review of bank statements we assess the income and expenses shown on their bank statements to determine risks associated with their loan request. We request the start date the loan applicant has been working for their employer to establish their job stability. Under Privacy Rules we cannot contact the employer to confirm the validity of the loan applicant's start date and must take the loan applicant at face value. With their bank statement showing their income, we then determine if the applicant qualifies to borrow at 30% of their net pay or if the applicant should be lent a lesser amount depending on the risks we determine exists on their bank statements. If loan applicants have stop payments or other signals of troubled accounts we may refuse doing a loan altogether or we may go ahead with a much smaller loan if the loan applicant can explain with reasonable assurance the reasons for stop payments or troubling signals on their bank statements.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	C11 Operations		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please provide the number of payday loans issued by C11 in the period from 2013 to 2015.
- b) Please provide the average size of the loan issued.

RATIONALE FOR QUESTION:

To inform the Board as to the frequency and type of the transactions taking place in the region served by C11.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-11 C11 Operations

*

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-11 C11 Operations

- a) Research of files in storage would have to be made to provide a number of loans made. To accomplish this is a tall order to provide the number of loans in a 3 year period given that staff and time is limited in a small office. I regret to say this is not possible to provide in the near foreseeable future
- b) The average size loan is \$300.00

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:	Fees		
Issue:	C11 Operations		

PREAMBLE TO IR (IF ANY):

QUESTION:

- a) Please complete the following table showing your complete fee structure including a detailed description of how the fee is calculated:

	Required (yes or no)	Rate or amount
Fees for initial sign up		
Interest rate charged (annualized)		
Fees for acquiring and loading debit cards		
Fees for acquiring and loading credit cards	X	
Transaction fees for debit cards		
Transaction fees for credit cards		
Insurance fees		
Fees on loan extension (rollover)		
Interest rate on loan extension (rollover)		
Cheque cashing fees		
Other Fees, (Please list)		

Response is found on page 2 of this page titled C11 Pre-field Evidence Page 1-12 C11 Operations

- b) If C11 or affiliates operate payday lending businesses in other jurisdictions, please provide a list comparing the fees and charges, levied in those jurisdictions, and explain any differences with those charged in Manitoba.

RATIONALE FOR QUESTION:

To inform the Board as to the fees and costs associated with payday lending.

RESPONSE:

FOUND ON PAGE 1-12 OPERATIONS

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-12 C11 Operations

- a) We do not find your questions are clear to answer as you do not specify if you are referring to fees charged to the borrower or fees absorbed by the lender. We will attempt to answer your questions to what we think you are asking.
- i) Fees for initial sign up, there are no fees absorbed or charged
 - ii) 17% per \$100.00 borrowed
 - iii) Fees for acquiring and loading debit cards, fees are absorbed by the lender, costs were outlined on page 1-4
 - iv) Fees for acquiring and loading credit cards, fees are absorbed by the lender, costs were outlined on page 1-4
 - v) Transaction fees for debit cards, fees are absorbed by the lender, costs were outlined on page 1-4
 - vi) Transaction fees for credit cards, fees are absorbed by the lender, costs were outlined on page 1-4
 - vii) Insurance fees, there are no insurance fees, we do not offer insurance on loans
 - viii) Fees on loan extensions (rollover), we do not offer rollover and therefore fees do not come in to play
 - ix) Interest rate on loan extension (rollover), we do not offer rollover and therefore interest rate on loans do not come in to play
 - x) Cheque cashing fees, we do not offer cheque cashing therefore cheque cashing fees do not come in to play
 - xi) Other fees, there are no other fees that we charge
- Important to note: debit cards and credit cards are all cash cards, and costs are the same for both.
- b) We cannot tell you of comparisons from this jurisdiction to other jurisdictions. The Canadian Payday Loan Association would be better equipped to answer this question for you.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:			
Issue:	C11 Operations		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please advise as to the corporate structure of C11, and file an organization chart including ownership and identify parent/ affiliate relationships, if any.
- b) Please provide a list of affiliated companies and a description of the nature of their operations and indicate the type and nature of any intercompany transactions.
- c) Please outline any formal business arrangements with other entities involved in the issuance of a payday loan. For example, in a brokerage arrangement, which company acts as broker, who issues the loan, who is responsible for bad debts and collection, etc.

RATIONALE FOR QUESTION:

To understand the operating structure of organizations providing payday loans in Manitoba.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-13 Operations

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-13 C11 Operations

- a) Corporate structure is of no value to the Board in their review of payday lending in Manitoba
- b) Again corporate structure and affiliated companies has no bearing to the Board in their review of pay day lending in Manitoba
- c) We have no formal or informal business arrangements with other entities of any kind or nature.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Industry		
Subtopic:	C11 Operations		
Issue:	Alternatives to Payday Loans		

PREAMBLE TO IR (IF ANY):**QUESTION:**

Does C11 offer any alternatives to payday loans to consumers?

- a) If so, please advise as to what those alternatives are.
- b) If not, please advise as to what, if any, position C11 takes with respect to alternative lending products.

RATIONALE FOR QUESTION:

To understand industry perspective on alternative lending products.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-14 Alternatives to Payday Loans

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-14 Alternatives to Payday Loans

- a) At one time and before 2009, we offered un-secured larger loans which were loans under \$2,500.00 with low interest of 12% annual interest and with easy monthly payments. We learnt from this short trial that this was a fast way of losing money. Almost every larger loan we made failed and we quickly withdrew from this type of lending and do not have plans to ever go back in to it again.
- b) As mentioned, we tried the larger loan industry and failed miserably at it. We have and will recommend clients needing first and 2nd mortgages to mortgage companies on a referral basis. Over many years of having this, no referrals have ever been successful as the few borrowers that have come to us did not have the equity or credit rating required by mortgage companies.

Document:	C11 Pre-Filed Evidence	Page No.:	1
Topic:	Payday Lending Consumers		
Subtopic:			
Issue:	Use of Payday Loans		

PREAMBLE TO IR (IF ANY):

C11 states that there is an increased need for payday loans.

QUESTION:

- a) Please indicate what percentage of C11's business is representative of repeat business from the same customer vs. one time transactions.
- b) Please indicate the number of payday loans transacted by a year for the last three years, the average loan size and number of transactions.
- c) Please provide the number of repeat loans to first time payday loans.

RATIONALE FOR QUESTION:

To understand changes in the payday lending industry

RESPONSE:

Response is found on page 2 of this page
 titled C11 Pre-field Evidence Page 1-15 Use of Payday Loans

**RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:**

C11 Pre-filed Evidence Page 1-15 Use of Payday Loans

A), b) & c) of this page were already covered and explained on your page 1-9 and page 1-11

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Consumers		
Subtopic:			
Issue:	Rollover Loans		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Please indicate whether C11 takes part in rollover loans. If so, indicate the number of such loans entered into in Manitoba for the last five years, and the interest rate and associated fees earned related to those loans.
- b) Please comment on the suggestion that a consumer goes to another lender to get the loan to repay the first lender, with reference to C11's views on this practice and how to deal with it.

RATIONALE FOR QUESTION:

To understand changes in the payday lending industry.

RESPONSE:

*Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-16 Rollover Loans*

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-16 Rollover Loans

- a) Our answer to this question was addressed and explained on your page 1-12
- b) We do not have knowledge of any consumer borrowing from one lender to pay a first lender.
This may or may not happen; we have not experienced this in our office in Thompson MB.

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Consumers		
Subtopic:			
Issue:	Complaints		

PREAMBLE TO IR (IF ANY):**QUESTION:**

Does C11 have a complaints process in place for its customers? If so, please advise as to:

- a) Whether C11 has received any complaints in the period from 2013 to date;
- b) The nature of the complaint(s); and
- c) What action was taken as a result.

RATIONALE FOR QUESTION:

To understand any recent consumer issues in the industry.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-17 Complaints

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-Filed Evidence Page 1-17 Complaints

- a) We have not received 1 complaint prior to 2013 or since 2013
- b) As explained in a) we have not received 1 complaint so there has not been any concern to address
- c) We are very service oriented therefore if we do receive a complaint in the future the nature of the complaint will be rectified immediately

Document:	C11 Pre-Filed Evidence	Page No.:	
Topic:	Payday Lending Consumers		
Subtopic:			
Issue:	Privacy		

PREAMBLE TO IR (IF ANY):**QUESTION:**

- a) Does C11 have any privacy policies in place with respect to customer information? If so, please produce.
- b) Does C11 provide to customers any documents regarding its privacy policy (if any)? If so, please produce.

RATIONALE FOR QUESTION:

To inform the Board as to what information is provided to consumers.

RESPONSE:

Response is found on page 2 of this page
titled C11 Pre-field Evidence Page 1-18 Privacy

*

RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:

C11 Pre-filed Evidence Page 1-18 Privacy

- a) Our privacy policy is stated in the loan documents you requested on page 1-7
- b) Again our privacy policy is in our loan documents; our customers receive a copy of their signed loan documents which includes a copy of our privacy policy. The customer receives their copy of their signed documents at the time their loans are signed and completed.