



FINANCIAL AND CONSUMER SERVICES COMMISSION
RULE CRS-003 *Credit Repair Agreements and Prohibited Representations*

PART 1
PRELIMINARY MATTERS

Definitions

1. (1) In this Rule:

“Act” means the *Credit Reporting Services Act*.

“supplier” means a person who is in the business of selling, leasing or trading in goods or services or is otherwise in the business of supplying goods or services and includes an agent of the supplier and a person who holds themselves out to be a supplier or an agent of the supplier.

“trade-in allowance” means the greater of,

- (a) the price or value of the consumer’s goods or services as set out in a trade-in arrangement, and
- (b) the market value of the consumer’s goods or services when taken in trade under a trade-in arrangement.

“trade-in arrangement” means an arrangement under which a consumer agrees to sell their own goods or services to the supplier and the supplier accepts the goods or services as all or part of the consideration for supplying goods or services.

(2) The definitions contained in the Act apply to this Rule, unless the terms in question are defined in this Rule.

PART 2
CONSUMER RIGHTS

Credit Repair Agreements

2. (1) Pursuant to section 21 of the Act, a credit repairer must include the following terms and information in the credit repair agreement:

- (a) the name of the consumer;
- (b) the name of the credit repairer and, if different, the name under which the credit repairer carries on business;

- (c) the telephone number of the credit repairer, the address of the premises from which the credit repairer conducts business, and information respecting other ways, if any, in which the credit repairer can be contacted by the consumer, such as the fax number and e-mail address of the credit repairer;
 - (d) the names of,
 - (i) the person, if any, who solicited the consumer in connection with the agreement;
 - (ii) the person, if any, who negotiated the agreement with the consumer; and
 - (iii) the person who concluded the agreement with the consumer;
 - (e) an itemized list of the services and goods that the credit repairer is to supply to the consumer, that fairly and accurately describes each service and good;
 - (f) as applicable, the date or dates on which delivery, commencement of performance, ongoing performance and completion of performance are to occur;
 - (g) the date by which the credit repairer is to cause a material improvement to the credit report, credit information, file, personal information, credit record, credit history or credit rating of the consumer;
 - (h) the total amount payable by the consumer to the credit repairer and the terms and methods of payment;
 - (i) the portion, expressed in dollars and cents, of the total amount payable that is attributable to each service or good to be supplied under the agreement;
 - (j) the statement set out in subsection (2)
 - (i) which shall be in at least 10 point type, except for the heading which shall be in at least 12 point bold type; and
 - (ii) which shall appear on the first page of the agreement unless there is a notice on the first page of the agreement in at least 12 point bold type indicating where in the agreement the statement appears;
 - (k) the date on which the agreement is entered into;
 - (l) if the agreement includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance;
 - (m) the currency in which amounts are expressed, if it is not Canadian currency; and
 - (n) any other restrictions, limitations and conditions that are imposed by the credit repairer.
- (2)** Pursuant to section 21 of the Act, a credit repairer must include the following statement in the credit repair agreement:

Your Rights under the *Credit Reporting Services Act*

If a credit reporting agency maintains a credit file with respect to you, you have the right to dispute with the agency, at no cost to you, the accuracy or completeness of the information about you in its file. You do not need to hire a credit repairer, or anyone else, to exercise this right. If the file contains inaccurate or incomplete information, the credit reporting agency must correct it within a reasonable period of time.

It is an offence for the credit repairer to require or accept payment or security for payment in advance of causing a material improvement to your credit report, credit information, file credit record, credit history or credit rating.

You may cancel this agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the agreement. You do not need to give the credit repairer a reason for cancelling during this 10-day period.

To cancel this agreement, you must give notice of cancellation to the credit repairer. This notification may be provided by way of letter delivered in person or sent by registered mail or prepaid courier, fax, email, or by any other method that can show you gave notice of the cancellation.

If you cancel this agreement, the credit repairer has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

Prohibited Representations

3. (1) Pursuant to section 26 of the Act, the following are prohibited representations in the case of a credit repairer:

(a) An express or implied representation that the credit repairer is approved, licensed or registered by the Government of Canada, the Government of New Brunswick, the Commission or the government or regulator of any other province or territory of Canada ;

(b) An express or implied representation that the operations of the credit repairer are regulated by the Government of Canada, the Government of New Brunswick, the Commission or the government or regulator of any other province or territory of Canada; and

(c) Subject to subsection (2), an express or implied representation that the credit repairer will be able to cause a material improvement to the credit report, credit information, file, personal information, credit record, credit history or credit rating of a consumer.

(2) The representation described in paragraph 3 of subsection (1) is not a prohibited representation if the credit repairer makes the representation after,

(a) examining the consumer's credit report, credit information, file, personal information, credit record, credit history or credit rating; and

- (b) reasonably concluding that the consumer's credit report, credit information, file, personal information, credit record, credit history or credit rating is inaccurate or incomplete and correcting, supplementing or deleting any item of information would cause a material improvement to the consumer's credit report, credit information, file, personal information, credit record, credit history or credit rating.

**PART 3
COMING INTO FORCE**

- 4. This Rule comes into force on 1 October 2018.