



## **REQUEST FOR COMMENTS**

**Notice and Request for Comment** – The *Cost of Credit Disclosure and Payday Loans Act* permits the Commission to may make recommendations to the Government of New Brunswick regarding changes to certain regulations made under the *Act*.

### **Introduction**

The Financial and Consumer Services Commission (Commission) has recently requested comments on the proposed rules that will accompany the *Cost of Credit Disclosure and Payday Loans Act* in New Brunswick.

The Commission also requests comments on the maximum rates and fees that will be set in regulations by the Government of New Brunswick.

### **Request for Comment**

The Commission seeks comments on the maximum total cost of credit, maximum percentage of the borrower's net pay, maximum penalty payable upon default, and maximum cheque cashing fee that may be charged by licensed payday lenders. These comments will be taken into consideration and recommendations will be forwarded to the Lieutenant-Governor in Council for government consideration.

As a guide to support our request for comment, we include the attached **Table 1** which outlines the fees and charges currently set across the country.

### **How to Provide your Comments**

Comments are to be provided, in writing, by no later than **31 March 2015** to:

Secretary  
Financial and Consumer Services Commission  
85 Charlotte Street, Suite 300  
Saint John, N.B. E2L 2J2  
Telephone: 506-658-3060  
Toll Free: 866-933-2222 (within NB only)  
Fax: 506-658-3059  
E-mail: [info@fcbn.ca](mailto:info@fcbn.ca)

We cannot keep submissions confidential. A summary of the written comments received during the comment period may be published.

## **Questions**

If you have any questions, please refer them to:

Suzanne Bonnell-Burley, Q.C.  
Director, Consumer Affairs  
Financial and Consumer Services Commission  
Tel: 506-453-5809  
Email: [suzanne.bonnell-burley@fcnb.ca](mailto:suzanne.bonnell-burley@fcnb.ca)

Table 1:

	<a href="#">Nova Scotia</a>	<a href="#">Prince Edward Island</a> (unproclaimed)	<a href="#">Ontario</a>	<a href="#">Manitoba</a>	<a href="#">Saskatchewan</a>	<a href="#">Alberta</a>	<a href="#">British Columbia</a>
<b>Maximum total cost of credit</b>	<b>\$25</b> per \$100	<b>\$25</b> per \$100	<b>\$21</b> per \$100	<b>17%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>
<b>Maximum amount in respect of any component of the total cost of credit of a payday loan</b>	Maximum cost of borrowing to include any cost for insurance						
<b>Maximum percentage of the net pay</b>				<b>30%</b>	<b>50%</b>		<b>50%</b>
<b>Maximum penalty in relation default</b>	<b>\$40</b> per payday loan	Reasonable charges in respect of legal costs or charges reflecting the costs that the lender incurs because a cheque or other instrument of payment given by the borrower under the agreement has been dishonoured	Reasonable charges in respect of legal costs or charges reflecting the costs that the lender incurs because a cheque or other instrument of payment given by the borrower under the agreement has been dishonoured	Fee for a dishonoured cheque or a stop-payment set at fee charged by bank, not to exceed <b>\$20</b>	A fee of <b>\$50</b> for a dishonoured cheque or a dishonoured pre-authorized debit  The fee may be charged only once with respect to each payday loan agreement	<b>\$25</b> (a one-time fee for each dishonoured cheque or dishonoured pre-authorized debit)	A one time fee of <b>\$20</b> for a dishonoured cheque or a dishonoured pre-authorized debit
<b>Maximum interest on arrears</b>	Maximum interest rate chargeable at <b>60%</b>	<b>60%</b> per annum	<b>60%</b> per annum	<b>2.5%</b> of the amount in default, calculated monthly and not to be compounded. This penalty may be charged, required or accepted only once in a 30-day period	Interest at a rate of <b>30%</b> per annum on the outstanding principal balance	Interest at a rate of <b>2.5%</b> per month, not to be compounded	Interest at a rate of <b>30%</b> per annum on the outstanding principal
<b>Maximum amount of a cheque cashing fee</b>				Government cheques - the maximum to be			

	<a href="#">Nova Scotia</a>	<a href="#">Prince Edward Island</a> (unproclaimed)	<a href="#">Ontario</a>	<a href="#">Manitoba</a>	<a href="#">Saskatchewan</a>	<a href="#">Alberta</a>	<a href="#">British Columbia</a>
				<p>the sum of <b>\$3.00</b> and (plus) <b>2%</b> of the face value</p> <p><b>Exceptions</b></p> <ol style="list-style-type: none"> <li>1. For cheques on which a hold is placed and cash not then provided, the maximum charge to be levied shall be the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value; and</li> <li>2. For cheques cashed with a concurrent requirement that the person purchase goods or services aggregating 10% or more of the cheque, no fee may be charged</li> </ol>			