

Payday Lending

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Career Skills



Business Development



Financial Empowerment



Public Policy



What is Payday Lending?

- Short-term, small amount, high interest
- Max of \$1500 (avg. \$300)
- Max of 62 day loan length (avg. 14 days)
- Exempt from Criminal Code usury provision
- Provincially regulated



Fees & Interest Vary

Province	Fee Structure
British Columbia	\$23/\$100
Alberta	\$23/\$100
Saskatchewan	\$23/\$100
Manitoba	\$17/\$100
Ontario	\$21/\$100
New Brunswick	Legislation not Proclaimed
Nova Scotia	\$22/\$100
Prince Edward Island	\$23/\$100
Quebec	30% annual interest
Newfoundland	60% annual interest

**Money
Mart**


CHEQUES CASHED

MONEY ORDERS · WESTERN UNION · MAIL BOXES

Put more jingle
in your program.



**Cheques
Cashed**

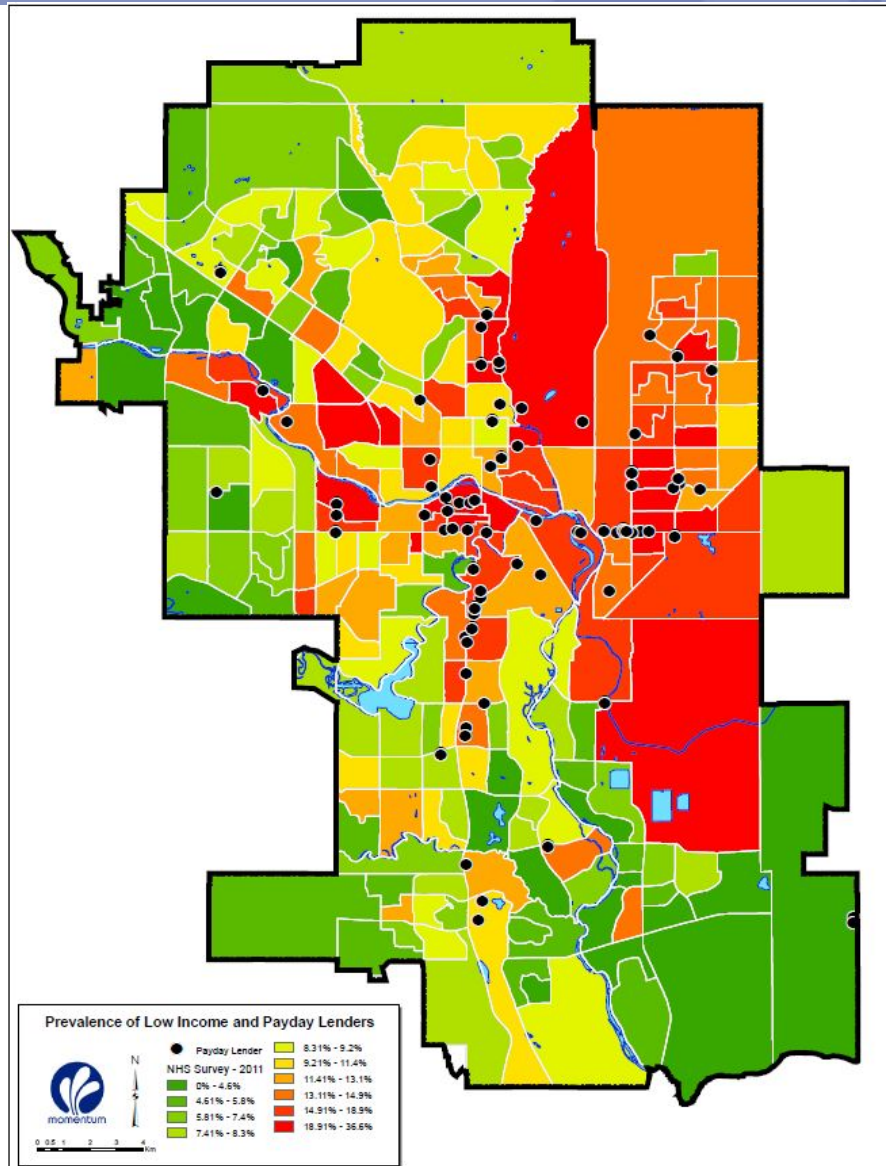


Payday Loan Debt Cycle



Payday loan customer Ashley Keewatin on the vicious cycle he says he's trapped in 0:54





Opportunities to Address

- **Provincial Government**
- **Municipal Government**
- **For profit sector**
- **Non profit sector**
- **Consumers**

Provincial Government

- Reduce borrowing costs
- Enable installment payment
- Restrict loans to a percentage of income
- Promotion of a complaint mechanism

Municipal Government

- **Clear definition of payday lending**
- **Land Use**
- **Licensing**
- **Financial Inclusion Task force**

Private Sector

Payday Loan

\$1500

12 months

600% APR

Total cost = **\$9000**

Cash Crunch

\$1500

12 months

12% APR

Total cost = **\$180**

Non Profit Sector

- Calgary Poverty Reduction Initiative**
- Financial Empowerment Collaborative**
- Rise of the Cash Store**
- Academia**



Consumers

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