

**Disclaimer:**

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.

**[Bilingual]**

**ONTARIO REGULATION**

to be made under the

**PAYDAY LOANS ACT, 2008 - A CONSULTATION DRAFT**

Amending O. Reg. 98/09

(GENERAL)

**1. Paragraph 1 of subsection 14 (3) of Ontario Regulation 98/09 is amended by striking out “and” at the end of subparagraph i and by revoking subparagraph ii and substituting the following:**

- ii. the amount “\$21.00” in 144 point font, immediately below subparagraph i, if the poster is displayed before January 1, 2017,
- iii. the amount “\$18.00” in 144 point font, immediately below subparagraph i, if the poster is displayed on or after January 1, 2017 and before January 1, 2018, and
- iv. the amount “\$15.00” in 144 point font, immediately below subparagraph i, if the poster is displayed on or after January 1, 2018.

**2. Paragraph 0.1 of subsection 15 (2) of the Regulation is revoked and the following substituted:**

0.1 The maximum allowable cost of borrowing under payday loan agreements is,

- i. \$21 for each \$100 advanced if the advertisement is displayed before January 1, 2017,
- ii. \$18 for each \$100 advanced if the advertisement is displayed on or after January 1, 2017 and before January 1, 2018, and

- iii. \$15 for each \$100 advanced if the advertisement is displayed on or after January 1, 2018.

**3. Item D of paragraph 1 of subsection 18 (1) of the Regulation is revoked and the following substituted:**

- D = This space may be left blank if the parties entered into the agreement before the day section 32 of the Act comes into force,
- \$21 per \$100 borrowed if the parties entered into the agreement before January 1, 2017,
- \$18 per \$100 borrowed if the parties entered into the agreement on or after January 1, 2017 and before January 1, 2018, and
- \$15 per \$100 borrowed if the parties entered into the agreement on or after January 1, 2018.

**4. Section 23 of the Regulation is revoked and the following substituted:**

**Maximum allowable cost of borrowing**

**23.** The prescribed limit on the cost of borrowing under a payday loan agreement for the purposes of subsection 32 (2) of the Act is,

- (a) \$21 per \$100 advanced under the agreement, if the parties enter into the agreement before January 1, 2017;
- (b) \$18 per \$100 advanced under the agreement, if the parties enter into the agreement on or after January 1, 2017 and before January 1, 2018; and
- (c) \$15 per \$100 advanced under the agreement, if the parties enter into the agreement on or after January 1, 2018.

**5. (1) Paragraph 2 of subsection 37.1 (2) of the Regulation is revoked and the following substituted:**

- 2. The amount set out in each of subparagraphs 1 ii, iii and iv of subsection 14 (3) shall be read as “an effective annual rate of interest of 60 per cent”.

**(2) Subparagraph 3 i of subsection 37.1 (2) of the Regulation is amended by striking out “\$21 per each \$100 advanced” and substituting “the amount set out in subparagraph i, ii or iii, as the case may be”.**

[Commencement]

5. [Commencement]