



## REQUEST FOR COMMENTS

**Notice and Request for Comment** - Publication for comment of eight proposed Financial and Consumer Services Commission Rules (**Proposed Rules**).

### Introduction

On February 11, 2026, the Financial and Consumer Services Commission of New Brunswick (**Commission**) approved publication in order to obtain comments on the Proposed Rules to accompany the *Consumer Protection Act (Act)*.

### Substance and Purpose of the Proposed Rules

The Act modernizes and consolidates New Brunswick's consumer protection laws. It is proposed that the framework of the Act will be supported by the Proposed Rules:

Rule CPC-001 *General* which establishes specific exemptions from the Act to avoid overlap and provide clarity;

Rule CPC-002 *Consumer Agreements* which modernizes rules for consumer agreements, closely following harmonized templates and best practices from other Canadian provinces, ensuring consistency and clarity for consumers and suppliers;

Rule CPC-003 *Direct Sellers* which aims to enhance consumer protection, by prescribing which goods and services may not be sold at a consumer's dwelling without a prior request, clarifying how such requests can be made, and permitting certain exemptions for party plan selling;

Rule CPC-004 *Cost of Credit Disclosure, High-Cost Credit Products and Payday Loans* which consolidates and modernizes credit rules, adding licensing and disclosure requirements for high-cost credit and clearer standards and reporting for payday loans, aligned with national approaches;

Rule CPC-005 *Collection and Debt Settlement Services* which maintains existing protections for collection and debt settlement services with minor drafting updates;

Rule CPC-006 *Credit Reporting* which integrates credit reporting and credit repair provisions into a single rule, preserving consumer rights adopted in 2018 without substantive changes;

Rule CPC-007 *Licensing and Registration* which consolidates licensing and registration provisions and practices and introduces a new exemption and identification requirements for direct sellers; and

Rule CPC-008 *Fees* which consolidates fee provisions, limits expedited services to individuals and harmonizes recoverable fees and expenses for compliance reviews.

## **Annexes of the Proposed Rules**

Annex A – Rule CPC-001 *General*

Annex B – Rule CPC-002 *Consumer Agreements*

Annex C – Rule CPC-003 *Direct Sellers*

Annex D – Rule CPC-004 *Cost of Credit Disclosure, High-Cost Credit Products, and Payday Loans*

Annex E – Rule CPC-005 *Collections and Debt Settlement Services*

Annex F – Rule CPC-006 *Credit Reporting Services and Credit Repair*

Annex G – Rule CPC-007 *Licensing and Registration*

Annex H – Rule CPC-008 *Fees*

## **How to Provide your Comments**

Comments are to be provided, in writing, by no later than June 17, 2026 to:

Secretary

Financial and Consumer Services Commission of New Brunswick

85 Charlotte Street, Suite 300

Saint John, N.B. E2L 2J2

Toll Free: 866-933-2222

E-mail: [secretary@fcnb.ca](mailto:secretary@fcnb.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:

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## Annex A



### FINANCIAL AND CONSUMER SERVICES COMMISSION RULE CPC-001 *GENERAL*

#### Definitions

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“owner of a public utility” means a person, government, or local government who owns, operates, manages, or controls a public utility;

“public utility” means equipment or facilities used to provide any of the following services, either directly or indirectly, to or for the public:

- (a) the supply, transmission, or distribution of electricity or water or of oil, natural or manufactured gas, or other hydrocarbons;
- (b) the collection, disposal, or treatment of garbage;
- (c) the collection, disposal, or treatment of sewage;
- (d) the services captured by the definition of a public utility in the *Energy and Utilities Board Act*.

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

#### Non-application of the Act – loan and trust companies

2. The Act or any provision of the Act or the regulations or any provision of the regulations do not apply to a licensed loan company or a licensed trust company carrying out an activity authorized under the *Loan and Trust Companies Act*.

#### Non-application of the Act – public utility

3. The Act or any provision of the Act or the regulations or any provision of the regulations do not apply to the business of selling, leasing, supplying, or trading in goods or services by an owner of a public utility.

#### **Non-application of the Act – residential tenancies**

4. The Act or any provision of the Act or the regulations or any provision of the regulations do not apply to consumer transactions regulated under *The Residential Tenancies Act*.

#### **Non-application of the Act – health services**

5. The Act or any provision of the Act or the regulations or any provision of the regulations do not apply to a professional service provided under any of the following Acts or a professional service provided at a facility under any of the following Acts:

- (a) the Ambulance Services Act;
- (b) the *Health Facilities Act*;
- (c) the *Medical Act*;
- (d) the *Mental Health Act*;
- (e) the *New Brunswick Pharmacy Act, 2014*;
- (f) the *Nurses Act*;
- (g) the *Regional Health Authorities Act*.

#### **Non-application of Parts of the Act to banks**

6. All of the following Parts of the Act or any provision of all of the following Parts of the Act or the regulations or any provision of the regulations of all of the following Parts of the Act do not apply to financial products and services regulated under the *Bank Act* (Canada):

- (a) Part 2;
- (b) Part 3;
- (c) Division A to E, inclusive, of Part 4;
- (d) Part 5;
- (e) Part 6;
- (f) Part 7;
- (g) Part 8;
- (h) Part 9;
- (i) Part 10;

(j) Part 12.

**Non-application of Parts of the Act to credit unions**

7. All of the following Parts of the Act or any provision of all of the following Parts of the Act or the regulations or any provision of the regulations of all of the following Parts of the Act do not apply to a credit union incorporated under the *Credit Unions Act* carrying out an activity authorized under the *Credit Unions Act*:

- (a) Part 3;
- (b) Division A to E, inclusive, of Part 4;
- (c) Part 5;
- (d) Part 7;
- (e) Part 8;
- (f) Part 9;
- (g) Part 10;
- (h) Part 11;
- (i) Part 12.

**Non-application of Part 4 and Part 5 of the Act**

8. Part 4 and Part 5 of the Act or any provision of Part 4 and Part 5 of the Act or the regulations or any provision of the regulations with respect to Part 4 and Part 5 of the Act do not apply to either of the following:

- (a) the business of brokering or administering mortgages by a person authorized to do so and regulated under the *Mortgage Brokers Act*;
- (b) the business of trading in real estate or holding oneself out as trading in real estate, by a person authorized to do so and regulated under the *Real Estate Agents Act*.

**Non-application of Part 4 of the Act**

9. Part 4 of the Act or any provision of Part 4 of the Act or the regulations or any provision of the regulations with respect to Part 4 of the Act do not apply to the offering of or entering into a pre-arranged funeral plan by a person authorized to do so and regulated under the *Pre-arranged Funeral Services Act*.

#### **Non-application of Division B and Division C of Part 4**

10. Division B and Division C of Part 4 of the Act or any provision of Division B and Division C of Part 4 of the Act or the regulations or any provision of the regulations with respect to Division B and Division C of Part 4 of the Act do not apply to any of the following:

- (a) a personal development services contract regulated under Division D of Part 4 of the Act;
- (b) an agreement that is solely a credit agreement between a borrower and a credit grantor, lessor, or credit broker regulated under Part 6 of the Act;
- (c) a high-cost credit agreement regulated under Part 7 of the Act;
- (d) a payday loan agreement regulated under Part 8 of the Act;
- (e) a debt settlement services agreement regulated under Part 10 of the Act;
- (f) an agreement for credit repair regulated under Part 11 of the Act;
- (g) gaming activity regulated under the *Gaming Control Act*;
- (h) the supply by public auction of goods or services.

#### **Non-application of Division B of Part 4 – Distance Sales Contracts and Internet Sales Contracts**

11. Division B of Part 4 of the Act or any provision of Division B of Part 4 of the Act or the regulations or any provision of the regulations with respect to Division B of Part 4 of the Act does not apply to a rewards points agreement regulated under Division F of Part 4 of the Act.

#### **Non-application of Division C of Part 4 – Future Performance Contracts**

12. Division C of Part 4 of the Act or any provision of Division C of Part 4 of the Act or the regulations or any provision of the regulations with respect to Division C of Part 4 of the Act does not apply to a lawyer in the regular practice of their profession.

#### **Non-application of Division E of Part 4 – Gift Cards**

13. Division E of Part 4 of the Act or any provision of Division E of Part 4 of the Act or the regulations or any provision of the regulations with respect to Division E of Part 4 of the Act do not apply to either of the following:

- (a) a prepaid purchase card issued by a bank listed in Schedule I, II or III of the *Bank Act* (Canada);

(b) financial products and services regulated under the *Prepaid Payment Products Regulations*, SOR/2013-209 under the *Bank Act*, *Cooperative Credit Associations Act*, *Insurance Companies Act*, and *Trust and Loan Companies Act* (Canada).

**Non-application of Division F of Part 4 – no control of rewards points**

14. (1) Pursuant to paragraph 67(2)(b) of the Act, Division F of Part 4 of the Act does not apply to a rewards points agreement if the supplier under the rewards points agreement does not direct or control the expiry of the rewards points.

(2) Despite subsection (1), Division F of Part 4 of the Act does apply to a rewards points agreement if the supplier under the rewards points agreement has entered into an agreement which authorizes another person to direct or control the expiry of the rewards points on the supplier's behalf.

**Non-application of Division B to E of Part 4 of the Act – rewards points**

15. In respect of a consumer agreement under which rewards points are provided, Division B to E, inclusive, of Part 4 of the Act or any provision of Division B to E, inclusive, of Part 4 of the Act or the regulations or any provision of the regulations with respect to Division B to E, inclusive, of Part 4 of the Act do not apply to the portion of the consumer agreement that relates to the provision of rewards points but do apply to the portion of the consumer agreement that does not relate to the provision of rewards points.

**Non-application of Part 5 – Direct Sellers**

16. A supplier shall be deemed not to be engaged in direct selling, and Part 5 of the Act or any provision of Part 5 of the Act or the regulations or any provision of the regulations with respect to Part 5 of the Act do not apply to a supplier, if the supplier meets both of the following requirements:

(a) the supplier does not initiate contact with consumers other than through advertising to the public;

(b) the supplier has resided or has had a business premise in the Province for a period of at least one year as a result of meeting one of the following requirements:

(i) the supplier has had a business premise in the Province for a period of at least one year;

(ii) the supplier, if the supplier is a sole proprietorship, has resided in the Province for a period of at least one year;

(iii) if the supplier is a corporation or partnership, all of its shareholders or partners have resided in the Province for a period of at least one year.

#### **Non-application of Part 5 – Direct Sales Contracts for \$100**

17. (1) For the purposes of subsection 74(6) of the Act, the value of \$100 is exclusive of taxes.
- (2) For greater certainty, a direct sales contract for goods or services is above the value of \$100 if the total amount of recurring payments or the total amount of installment payments is \$100 or more or will be \$100 or more during the duration of the contract.

#### **Non-application of Part 6 – Cost of Credit Disclosure**

18. Part 6 of the Act or any provision of Part 6 of the Act or the regulations or any provision of the regulations with respect to Part 6 of the Act do not apply to a credit agreement in relation to any of the following:
  - (a) a loan made under the *Youth Assistance Act*, the *Post-Secondary Student Financial Assistance Act*, the *Canada Student Financial Assistance Act* (Canada) or the *Canada Student Loans Act* (Canada);
  - (b) the payment of taxes under an Act of the Legislature;
  - (c) overdraft protection on a deposit account;
  - (d) the sale of a service by a person who owns, operates, manages, or controls equipment or facilities used to provide, either directly or indirectly, services to or for the public for the transmission, emission, reception or conveyance of information by any telecommunication system.

#### **Non-application of Part 7 – High-cost credit products**

19. For the purposes of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product does not include a margin loan.

#### **Non-application of Part 8 and Part 9 of the Act**

20. Part 8 and Part 9 of the Act or any provision of Part 8 and Part 9 of the Act or the regulations or any provision of the regulations with respect to Part 8 and Part 9 of the Act do not apply to products and services regulated under any of the following Acts:
  - (a) the *Trust and Loan Companies Act* (Canada);
  - (b) the *Cooperative Credit Associations Act* (Canada);
  - (c) the *Insurance Companies Act* (Canada).

#### **Non-application– Collections and Debt Settlement Services**

21. (1) Part 10 of the Act or any provision of Part 10 of the Act or the regulations or any provision

of the regulations with respect to Part 10 of the Act do not apply to a sheriff authorized under the *Sheriffs Act* in respect of the duties of a sheriff.

(2) Subparagraph 5(1)(m)(iii) of *Rule CPC-005 Collections and Debt Settlement Services* does not apply in respect of a debt due to the government.

#### **Notice**

22. (1) For the purposes of subsection 15(2) of the Act, a consumer shall also include in their notice to the supplier all of the following information:

- (a) the date and place of the consumer transaction;
- (b) the remedy sought.

(2) For the purposes of subsection (1), where the remedy sought is the recovery of money under subsection 14(2) of the Act, the notice shall indicate the amount sought.

(3) For the purposes of subsection 15(6) of the Act, a supplier has 15 days after the day the supplier receives the notice to provide a satisfactory response to the notice.

#### **Remedy – refund for unsolicited goods or services**

23. (1) For the purposes of subsection 25(1) of the Act, a consumer who gives the supplier a demand in writing for a refund shall give the demand within one year after paying for the unsolicited goods or services.

(2) For the purposes of subsection 25(3) of the Act, a supplier who receives a demand for a refund shall refund the consumer within 15 days after the day the supplier receives the demand.

#### **Effective date**

24. This Rule comes into force on [Insert Date].



**FINANCIAL AND CONSUMER SERVICES COMMISSION  
RULE CPC-002 CONSUMER AGREEMENTS**

**PART 1  
PRELIMINARY MATTERS**

**Definitions**

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“multiple-store gift card” means a gift card that may be redeemed for goods or services at multiple unaffiliated sellers.

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

**PART 2  
DISTANCE SALES CONTRACTS AND INTERNET SALES CONTRACTS**

**Application**

2. (1) For the purposes of paragraph 28(2)(a) of the Act, the prescribed amount is \$50.

(2) For the purposes of subsection (1), the prescribed amount of \$50 is exclusive of taxes.

(3) For greater certainty, a distance sales contract or internet sales contract for goods or services is above the prescribed amount of \$50 if the total amount of recurring payments or the total amount of installment payments is \$50 or more or will be \$50 or more during the duration of the contract.

**Contract requirements – disclosure of information**

3. (1) For the purposes of subsection 29(1) and paragraph 30(1)(a) of the Act, before a consumer enters into a distance sales contract or an internet sales contract, a supplier shall disclose to the consumer all of the following information:

(a) the supplier’s name and, if different, the name under which the supplier carries on business;

- (b) the supplier's business address and, if different, the supplier's mailing address;
- (c) the supplier's telephone number and, if available, the supplier's email address and fax number;
- (d) a fair and accurate description of the goods or services being sold to the consumer, including all relevant technical or system specifications;
- (e) an itemized list of the price of the goods or services being sold to the consumer and all associated costs payable by the consumer, including taxes and shipping charges;
- (f) if additional charges that may apply to the contract, such as customs duties and brokerage fees, cannot reasonably be determined by the supplier, a description of those charges;
- (g) the total amount of the contract or, if the goods or services are being purchased over an indefinite period, the amount of the periodic payments under the contract;
- (h) the currency in which amounts owing under the contract are payable;
- (i) the terms, conditions, and method of payment;
- (j) the date when the goods are to be delivered or the services are to begin;
- (k) the supplier's delivery arrangements, including the identity of the shipper, the mode of transportation, and the place of delivery;
- (l) the supplier's cancellation, return, exchange, and refund policies, if any;
- (m) all other restrictions, limitations, and conditions of purchase that may apply.

(2) For the purposes of paragraph 30(1)(a) of the Act, before entering into an internet sales contract with a consumer, a supplier is considered to have disclosed the information prescribed by subsection (1) to the consumer if the supplier satisfies both of the following requirements:

- (a) the information is prominently displayed in a clear and comprehensible manner;
- (b) the information is made accessible in a manner that ensures that the consumer has accessed the information and ensures that the consumer is able to retain and print the information.

#### **Requirements - copy of distance sales contracts and internet sales contracts**

4. (1) For the purposes of subsection 29(2) and subsection 30(2) of the Act, a distance sales contract and an internet sales contract shall contain all of the following information:

- (a) the information prescribed in subsection 3(1);
- (b) the consumer's name;
- (c) the date the contract was entered into.

(2) For the purposes of subsection 29(4) and subsection 30(4) of the Act, a supplier is considered to have provided the consumer with a copy of the distance sales contract or the internet sales contract if the supplier has provided the copy by any of the following methods:

- (a) sent the copy by email to the email address provided by the consumer to the supplier for the provision of information related to the contract;
- (b) sent the copy by fax to the fax number provided by the consumer to the supplier for the provision of information related to the contract;
- (c) mailed or delivered the copy to an address provided by the consumer to the supplier for the provision of information related to the contract;
- (d) actively transmitted the copy to the consumer in a manner that ensures that the consumer is able to retain the copy;
- (e) provided the copy to the consumer in any other manner by which the supplier can prove that the consumer has received the copy.

#### **Obligations on cancellation**

5. (1) For the purposes of subsection 35(2) of the Act, if goods are delivered to a consumer under a distance sales contract or an internet sales contract that is cancelled under section 31 of the Act, the consumer shall, within 15 days from the date of cancellation or delivery of the goods, whichever is later, return the goods to the supplier unused and in the same condition in which they were delivered.
- (2) For the purposes of subsection 35(2) of the Act, the consumer may return the goods by any method that provides the consumer with confirmation of delivery to the supplier.
- (3) For the purposes of subsection 35(3) of the Act, the supplier must accept a return of goods by a consumer under subsection (1).
- (4) For the purposes of subsection 35(3) of the Act, the supplier is responsible for the reasonable cost of returning the goods under subsection (1).
- (5) For the purposes of subsection (1), goods that are returned by the consumer other than by personal delivery are deemed to have been returned at the time the goods are sent by the consumer to the supplier.

#### **Consumer recourse – request to reverse or cancel credit card charges**

6. For the purposes of subsection 37(2) of the Act, a consumer request to the credit card issuer to cancel or reverse a credit card charge and all associated interest or other charges shall contain all of the following information:
  - (a) the consumer's name;
  - (b) the consumer's credit card number;
  - (c) the expiry date of the consumer's credit card;
  - (d) the supplier's name;
  - (e) the date the distance sales contract or internet sales contract was entered into;
  - (f) the dollar amount of consideration charged to the credit card account in respect of the distance sales contract or internet sales contract and any related consumer transaction;
  - (g) a description of the goods or services sufficient to identify them;
  - (h) the reason for cancellation of the distance sales contract or internet sales contract under section 31 of the Act;
  - (i) the date and method of cancellation of the distance sales contract or internet sales contract.

### **PART 3**

### **FUTURE PERFORMANCE CONTRACTS**

#### **Application**

7. (1) For the purposes of paragraph 38(2)(a) of the Act, the prescribed amount is \$50.
- (2) For the purposes of subsection (1), the prescribed amount of \$50 is exclusive of taxes.
- (3) For greater certainty, a future performance contract for goods or services is above the prescribed amount of \$50 if the total amount of recurring payments or the total of amount of installment payments is \$50 or more or will be \$50 or more during the duration of the contract.

#### **Contract requirements – disclosure of information**

8. (1) For the purposes of subsection 39(1) of the Act, a future performance contract shall contain all of the following information:

- (a) the consumer's name;
- (b) the date and place the contract is entered into;
- (c) the supplier's name and, if different, the name under which the supplier carries on business;
- (d) the supplier's business address and, if different, the supplier's mailing address;
- (e) the supplier's telephone number and, if available, the supplier's email address and fax number;
- (f) a fair and accurate description of the goods or services being sold to the consumer, including all relevant technical or system specifications;
- (g) an itemized list of the price of the goods or services being sold to the consumer and all associated costs payable by the consumer, including taxes and shipping charges;
- (h) if additional charges that may apply to the contract, such as customs duties and brokerage fees, cannot reasonably be determined by the supplier, a description of those charges;
- (i) the total amount of the contract or, if the goods or services are to be supplied during an indefinite period, the amount and frequency of the periodic payments under the contract;
- (j) the currency in which amounts owing under the contract are payable;
- (k) the terms, conditions, and method of payment;
- (l) the date on which the goods, services, or goods and services that are the subject of the contract will be supplied;
- (m) if the goods, services, or goods and services that are the subject of the contract will be supplied during an indefinite period, the date on which they will be supplied initially, and the frequency with which they will be supplied subsequently;
- (n) if applicable, the completion date for the provision of services or the provision of goods and services that are the subject of the contract;
- (o) the supplier's delivery arrangements, including the identity of the shipper, the mode of transportation, and the place of delivery;
- (p) if goods and services will be delivered, the place where they will be delivered;
- (q) for services, the place where the services will be provided, the person to whom they will be provided, the supplier's method of providing them and, if the supplier holds

out that a specific person other than the supplier will provide any of the services on the supplier's behalf, the name of that person;

- (r) the supplier's cancellation, return, exchange, and refund policies, if any;
- (s) if goods are taken in trade, a description of the goods and their dollar value;
- (t) if applicable, the name of the person who concluded the contract with the consumer;
- (u) all other restrictions, limitations, and terms or conditions that may apply.

**Requirements - copy of future performance contract**

9. For the purposes of subsection 39(3) of the Act, a supplier is considered to have provided the consumer with a copy of the future performance contract if the supplier has provided the copy by any of the following methods:

- (a) sent the copy by email to the email address provided by the consumer to the supplier for the provision of information related to the contract;
- (b) sent the copy by fax to the fax number provided by the consumer to the supplier for the provision of information related to the contract;
- (c) mailed or delivered the copy to an address provided by the consumer to the supplier for the provision of information related to the contract;
- (d) actively transmitted the copy to the consumer in a manner that ensures that the consumer is able to retain the copy;
- (e) provided the copy to the consumer in any other manner by which the supplier can prove that the consumer has received the copy.

**Obligations on cancellation**

10. (1) For the purposes of subsection 44(2) of the Act, if goods are delivered to a consumer under a future performance contract that is cancelled under section 40 of the Act, the consumer shall, within 15 days from the date of cancellation or delivery of the goods, whichever is later, return the goods to the supplier or allow the goods to be repossessed by the supplier unused and in the same condition in which the goods were delivered.

(2) For the purposes of subsection 44(2) of the Act, the consumer may return the goods by any method that provides the consumer with confirmation of delivery to the supplier.

(3) The supplier must accept a return of goods by a consumer under subsection (1).

(4) The supplier is responsible for the reasonable cost of returning the goods under subsection (1).

(5) For the purposes of subsection (1), goods that are returned by the consumer other than by personal delivery are deemed to have been returned at the time the goods are sent by the consumer to the supplier.

**Consumer recourse – request to reverse or cancel credit card charges**

11. For the purposes of subsection 47(2) of the Act, a consumer request to the credit card issuer to cancel or reverse a credit card charge and all associated interest or other charges shall contain all of the following information:

- (a) the consumer's name;
- (b) the consumer's credit card number;
- (c) the expiry date of the consumer's credit card;
- (d) the supplier's name;
- (e) the date the future performance contract was entered into;
- (f) the dollar amount of consideration charged to the credit card account in respect of the future performance contract and any related consumer transaction;
- (g) a description of the goods or services sufficient to identify them;
- (h) the reason for cancellation of the future performance contract under section 40 of the Act;
- (i) the date and method of cancellation of the future performance contract.

**PART 4**  
**PERSONAL DEVELOPMENT SERVICES CONTRACTS**

**Application**

12. (1) For the purposes of paragraph 48(2)(a) of the Act, the prescribed amount is \$50.

(2) For the purposes of subsection (1), the prescribed amount of \$50 is exclusive of taxes.

(3) For greater certainty, a personal development services contract is above the prescribed amount of \$50 if the total amount of recurring payments or the total amount of installment payments is \$50 or more or will be \$50 or more during the duration of the contract.

**Contract requirements – disclosure of information**

13. (1) For the purposes of subsection 49(1) of the Act, a personal development services contract shall contain all of the following information:

- (a) the consumer's name;
- (b) the date the contract is entered into;
- (c) the supplier's name and, if different, the name under which the supplier carries on business;
- (d) the supplier's business address and, if different, the supplier's mailing address;
- (e) the supplier's telephone number and, if available, the supplier's email address and fax number;
- (f) if applicable, the address of the facility at which the personal development services will be available;
- (g) the term of the contract, including the commencement date and the expiry date of the contract;
- (h) a fair and accurate description of all the goods or services being sold to the consumer;
- (i) an itemized list of the price of the goods or services being sold to the consumer and all associated costs payable by the consumer, including taxes and shipping charges;
- (j) the total amount the consumer must pay under the contract;
- (k) if payment is to be by instalment, the number of instalments, the amount of each instalment and the total additional cost, if any, for payment by instalment;
- (l) the currency in which amounts owing under the contract are payable;
- (m) the terms, conditions and method of payment;
- (n) the conditions on which the contract may be renewed, cancelled or rescinded;
- (o) if goods supplied to the consumer are required to be returned when the contract is cancelled, who is responsible for the reasonable cost of returning the goods;
- (p) if a contract is renewable, the contract shall include a statement advising the consumer that the contract shall be deemed not renewed if the consumer notifies the supplier in writing before the time for renewal that the consumer does not want to renew the contract;
- (q) if any part of the personal development services are not available at the time the contract is entered into and the consumer has given the supplier permission to retain a payment in accordance with section 52(2) of the Act, the date that the services will be made available to the consumer and the name and address of the person holding the funds pending availability.

(2) For the purposes of subsection 49(2) of the Act, the period prescribed is 1 year.

#### **Agreements – alternative facilities**

14. (1) For the purposes of subsection 52(1) of the Act, if one of the personal development services that is not available to the consumer is the use of a facility, an agreement entered into by the consumer and the supplier to use another facility provided by the supplier shall be in writing and shall be signed by the consumer.

(2) For the purposes of subsection 52(3) of the Act, an agreement entered into by the consumer and the supplier under subsection 52(1) of the Act to use another facility shall contain all of the following information:

- (a) the address of the primary facility and the address of the alternative facility;
- (b) an itemized list of the personal development services that the supplier is to make available to the consumer at the alternative facility that fairly and accurately describes each service and that sets out the price payable for the services on a monthly basis;
- (c) an itemized list of the personal development services that the supplier is to make available to the consumer at the primary facility that fairly and accurately describes each service;
- (d) for each personal development service that the supplier is to make available to the consumer at the alternative facility, the date on which it will be available;
- (e) for each personal development service that the supplier is to make available to the consumer at the primary facility, the date on which it will be available;
- (f) the reduction, if any, in the price payable by the consumer if a personal development service is not available at the alternative facility on the date specified in paragraph (d).

(3) For the purposes of subsection 52(3) of the Act, an agreement entered into under subsection 52(1) of the Act shall be valid for no longer than 90 days.

(4) For the purposes of subsection 52(4) of the Act, on the expiry of the period referred to in subsection (3), the consumer and the supplier may enter into a subsequent agreement, provided that the subsequent agreement meets the requirements of section 52 of the Act and this section.

#### **Permissions – alternative facilities**

15. (1) For the purposes of subsection 52(2) of the Act, if a consumer has entered into an agreement under subsection 52(1) of the Act with the supplier, a permission given by the consumer to the supplier to retain a payment made under paragraph 51(1)(c) of the Act must be in writing and must be signed by the consumer.

- (2) For the purposes of subsection 52(3) of the Act, a permission under subsection 52(2) of the Act is sufficient if it indicates, in any way, the intention of the consumer to allow the supplier to retain the payment made by the consumer.
- (3) For the purposes of subsection 52(3) of the Act, a permission given under subsection 52(2) of the Act shall be valid for no longer than 90 days.
- (4) For the purposes of subsection 52(4) of the Act, on the expiry of the period referred to in subsection (3), the consumer may give a subsequent permission to the supplier, provided that the subsequent permission meets the requirements of section 52 of the Act and this section.

#### **Renewals**

16. (1) For the purposes of subsection 53(1) of the Act, the supplier shall provide the consumer with a reminder notice about the renewal of a personal development services contract in writing and the reminder notice shall contain all of the following information:

- (a) the date the personal development services contract will renew;
- (b) a statement that the contract will not be renewed if before the time for renewal the consumer notifies the supplier that the consumer does not want to renew the contract.

(2) For the purposes of subsection 53(1) of the Act, if applicable, a supplier shall include with the reminder notice a copy of the personal development services contract that clearly indicates all the changes that the supplier has made to the contract.

(3) For the purposes of subsection 53(1) of the Act, the supplier shall provide the consumer with the reminder notice about the renewal of the contract at least 30 days but not more than 90 days before the personal development services contract expires.

(4) For the purposes of subsection 53(1) of the Act, the supplier may provide the consumer with a reminder notice about the renewal in any manner by which the supplier can prove that they sent the consumer the reminder notice.

#### **Obligations on cancellation**

17. (1) For the purposes of subsection 57(3) of the Act, if goods are supplied to a consumer under a personal development services contract that is cancelled under section 54 of the Act, and the consumer receives a request from the supplier for repossession of the goods, the consumer shall within 15 days from the date of cancellation or delivery of the goods, whichever is later, return the goods to the supplier or allow the goods to be repossessed by the supplier in as good a condition as they were in when the goods were delivered.

(2) For the purposes of subsection 57(3) of the Act, if the goods that are supplied to a consumer under a personal development services contract that is cancelled under section 54 of the Act are in a digital, electronic, or other similar form, and the consumer receives a request from the supplier to destroy the goods, the consumer shall within 15 days from the date of

cancellation or delivery of the goods, whichever is later, destroy the goods in accordance with any instructions set out in the supplier's written request.

- (3) For the purposes of this section, goods that are returned by the consumer other than by personal delivery are deemed to have been returned at the time the goods are sent by the consumer to the supplier.
- (4) When a personal development services contract is cancelled under section 54 of the Act, the supplier is entitled to reasonable compensation for the portion of the goods consumed by the consumer, but the supplier's rights do not arise under this subsection until the supplier fulfils the supplier's obligations under subsection 57(1) of the Act.

## **PART 5** **GIFT CARDS**

### **Permitted expiry date**

18. For the purposes of subsection 63(1) of the Act, all of the following gift cards are permitted to have an expiry date:

- (a) a gift card issued or sold for a charitable purpose;
- (b) a gift card issued or sold for a specific good or service;
- (c) a gift card issued for a marketing, advertising or promotional purpose.

### **Permitted fees**

19. (1) For the purposes of subsection 64(2) of the Act, a supplier is permitted to charge a fee to a consumer for any of the following gift cards:

- (a) a gift card issued or sold for a charitable purpose;
- (b) a gift card issued for a marketing, advertising or promotional purpose.

(2) For the purposes of subsection 64(2) of the Act, a supplier is permitted to charge a fee to a consumer to replace a lost or stolen gift card or to customize a gift card.

(3) For the purposes of subsection 64(2) of the Act, a supplier who issues or sells a multiple-store gift card may begin to charge a consumer a dormancy fee of up to \$2.50 per month on the unredeemed balance on the multiple-store gift card no earlier than

- (a) 15 months after the multiple-store gift card was issued, sold or last used, or
- (b) 18 months after the multiple-store gift card was issued, sold or last used, if the consumer requests an extension in the 15th month after the multiple-store gift card was issued, sold or last used.

(4) The time limits in subsection (3) begin to run each time a multiple-store gift card is used.

#### **Refund of balance on gift card**

20. For the purposes of subsection 65(1) of the Act, the prescribed value is \$5.

#### **Disclosure of information**

21. (1) For the purposes of paragraph 66(1)(c) of the Act, a multiple-store gift card that charges a consumer a dormancy fee shall disclose all of the following information:

- (a) a prominent notice on the front of the multiple-store gift card that indicates the back of the gift card contains information about the dormancy fee;
- (b) information on the back of the multiple-store gift card that clearly describes the amount payable for the dormancy fee and the number of months that must elapse before the dormancy fee applies.

(2) For the purposes of subsection 66(2) of the Act, a supplier shall provide the information required to be disclosed in subsection 66(1) of the Act in writing.

#### **Prohibited practices**

22. A supplier shall not refuse to accept a gift card as partial payment on a purchase.

## **PART 6 REWARDS POINTS**

#### **Application**

23. (1) For the purposes of paragraph 67(2)(a) of the Act, the prescribed amount is \$50.

(2) For the purposes of subsection (1), the prescribed amount of \$50 is exclusive of taxes.

(3) For the purposes of subsection (1), if the total cumulative value of money, goods, services, or a combination of goods and services that a consumer may exchange rewards points for during the duration of the rewards points agreement could exceed \$50, a rewards points agreement will be below the amount of \$50 as long as all singular exchanges a consumer may make for money, goods, services, or a combination of goods and services are for a value of less than \$50.

(4) For the purposes of subsection (1), a rewards points agreement will exceed the amount of \$50 if a consumer may exchange rewards points in a way that allows the consumer to combine one or more gift cards, vouchers, or similar items to pay in whole or in part for a single good, service, or combination of goods and services with a value of more than \$50.

(5) For the purposes of paragraph 67(2)(b) of the Act, Division F of Part 4 of the Act does not apply to a rewards points agreement that provides a consumer solely with one specific good or service or one specific set of goods or services after the consumer has achieved a certain amount of progress, as long as the goods or services are identified at the outset of the offer and as long as they are not a gift card, voucher or similar item.

#### **Disclosure of information before entering agreement**

24. (1) For the purposes of subsection 68(1) of the Act, before entering into a rewards points agreement with a consumer, a supplier shall disclose to the consumer all of the following information:

- (a) the conditions that allow a consumer to earn and accumulate rewards points;
- (b) the terms applicable to the exchange of rewards points;
- (c) the terms applicable to the expiry of rewards points, if applicable;
- (d) the conversion factor, method or policy used to convert rewards points into money, goods, services, or another form of exchange unit as applicable.

(2) For the purposes of subsection 68(2) of the Act, the information prescribed in subsection (1) shall be provided to the consumer in writing.

#### **Expiry of rewards points**

25. (1) For the purposes of subsection 69(1) of the Act, a supplier may enter into or amend a rewards points agreement to provide for the expiry of rewards points, in accordance with the agreement, if both of the following conditions are met:

- (a) the rewards points agreement discloses to the consumer that if the consumer does not earn or exchange points during a specified period of time the rewards points will expire;
- (b) the rewards points agreement discloses to the consumer the period of time of the consumer inactivity that results in the rewards points expiring.

(2) For the purposes of subsection 69(1) of the Act, a supplier may enter into or amend a rewards points agreement to provide for the expiry of rewards points due to the passage of time, if the supplier or a third party, as the case may be, gratuitously issues or offers to issue rewards points to the consumer unrelated to the purchase of goods or services by the consumer and the supplier gives notice to the consumer when issuing or offering the rewards points that the gratuitous rewards points or offer of rewards points will expire due to the passage of time alone.

#### **Unilateral amendments to rewards points agreements**

26. (1) For the purposes of section 71 of the Act, a supplier is prohibited from unilaterally amending to the consumer's detriment terms, conditions, or provisions in a rewards points agreement about the amount of rewards points earned or accumulated by the consumer.

(2) For the purposes of section 71 of the Act, a supplier is prohibited from unilaterally increasing the rewards points required to obtain goods or services in a disproportionate manner with respect to the increase of the retail value of the goods or services.

(3) For the purposes of paragraph 71(b) of the Act, a supplier shall send a written notice to the consumer at least 60 days but not more than 90 days before the amendment comes into force.

**PART 7**  
**COMING INTO FORCE**

**Effective date**

27. This Rule comes into force on [Insert Date].

## Annex C



### FINANCIAL AND CONSUMER SERVICES COMMISSION RULE CPC-003 *DIRECT SELLERS*

#### Definitions

**1. (1)** In this Rule:

“Act” means the *Consumer Protection Act*;

“mould remediation services” means either of the following:

- (a) services related to the detection, testing, identification, correction, or treatment of mould or the conditions that permit mould growth, including preventive treatments or services;
- (b) services related to the removal, attempted removal, cleaning, sanitizing, demolition, or other treatment of mould or mould-contaminated goods or materials;

“party plan selling” means direct selling at a planned party, social event, or gathering of two or more consumers where products are marketed, demonstrated, pitched, or offered for sale to consumers in attendance.

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

#### Direct sales contracts

**2. (1)** For the purposes of paragraph 79(c) of the Act, a direct sales contract shall contain all of the following information:

- (a) the consumer’s name and address;
- (b) the name of the supplier, the business address, telephone number, email address, and, where applicable, the fax number;
- (c) where applicable, the salesperson’s name, in printed form;
- (d) the date and place the direct sales contract is made;
- (e) a description of the goods or services, or both, sufficient to identify them;

- (f) itemized prices of the goods or services, or both;
- (g) the total amount payable under the direct sales contract;
- (h) the terms of payment;
- (i) in the case of a direct sales contract for the future delivery of goods or the future provision of services, or both, all of the following:
  - (i) the delivery date for the goods or the commencement date for the provision of services, or both;
  - (ii) the completion date for the provision of services or the provision of services and goods;
- (j) where credit is extended or arranged by the supplier or a salesperson of the supplier, both of the following:
  - (i) a statement of any security taken to secure payment;
  - (ii) the cost of credit disclosed in accordance with the Act;
- (k) where goods are taken in trade, a description of the goods and their value.

(2) For the purposes of paragraph 79(d) of the Act, a direct sales contract shall include the following statement of cancellation rights in both official languages:

BUYER'S RIGHT TO CANCEL	DROIT DE RÉSILIATION DE L'ACHETEUR
<p>You may cancel this contract from the day you enter the contract until 10 days after you receive a copy of the [contract/statement of cancellation rights]*. You do not need a reason to cancel.</p> <p>If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.</p>	<p>Vous pouvez résilier le présent contrat à compter de la date de conclusion du contrat, et ce, pendant une période de 10 jours après la réception d'une copie [du contrat/de l'énoncé des droits de résiliation]*. Vous n'avez pas besoin de donner une raison pour résilier le contrat.</p> <p>Si vous ne recevez pas le bien ou le service au cours des 30 jours qui suivent la date indiquée dans le contrat, vous avez un an, à compter de la date du contrat, pour résilier le contrat. Toutefois, vous perdez ce droit de résiliation si vous acceptez la livraison après la période de 30 jours. Le droit de résiliation peut être prolongé pour d'autres raisons. Pour de plus amples renseignements, communiquez avec votre</p>

	<p>If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.</p> <p>To cancel, you must give notice of cancellation at the address [below/in this contract]**. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax, or by personal delivery.</p> <p>[ADDRESS FOR NOTICE - include name, business address, phone and, if applicable, fax number if this statement of cancellation rights is a document separate from the contract]***</p> <p>* use "contract" in New Brunswick</p> <p>** use "in this contract" in New Brunswick</p> <p>*** not applicable in New Brunswick</p>
	<p>bureau provincial/territorial de la consommation.</p> <p>Si vous résiliez le présent contrat, le vendeur doit, dans les 15 jours qui suivent, vous rembourser toute somme que vous lui avez versée et vous remettre tout bien qu'il a pris en échange ou la somme correspondant à la valeur de ce dernier. Vous devez alors retourner le bien acheté.</p> <p>Pour résilier le présent contrat, il vous suffit de donner un avis de résiliation à l'adresse mentionnée [ci-dessous/dans ce contrat]**. L'avis doit être donné par un moyen qui vous permet de prouver que l'avis a réellement été donné, y compris par courrier recommandé, télécopieur ou remise en personne.</p> <p>[ADRESSE OÙ DONNER L'AVIS - inclure le nom, l'adresse d'affaires, le numéro de téléphone et, le cas échéant, le numéro de télécopieur si cet énoncé des droits de résiliation se trouve dans un document distinct du contrat].***</p> <p>* utiliser « du contrat » au Nouveau-Brunswick</p> <p>** utiliser « dans ce contrat » au Nouveau-Brunswick</p> <p>*** ne s'applique pas au Nouveau-Brunswick</p>

(3) The statement of cancellation rights in subsection (2) must be satisfactory to the Director and shall

- have the heading **"BUYER'S RIGHT TO CANCEL / DROIT DE RÉSILIATION DE L'ACHETEUR"** in not less than 12-point bold type,
- have the statement of the 10-day cancellation rights in 12-point type, and
- have the remainder of the statement in not less than 10-point type.

(4) If the statement of cancellation rights in subsection (2) does not appear at the front of the direct sales contract, there shall be a notice at the front of the direct sales contract, in both

official languages, in not less than 12-point bold type, indicating the location of the statement of cancellation rights in the direct sales contract.

### **Prohibited practices**

3. For the purposes of subsection 86(1) of the Act, all of the following goods and services are prescribed:
  - (a) furnaces;
  - (b) heat pumps;
  - (c) air conditioners, air cleaners, air purifiers, and air ventilation units;
  - (d) water heaters, water treatment devices, water purifiers, water filters, and water softeners;
  - (e) windows or energy audits;
  - (f) home monitoring and security systems including, for greater certainty, devices that monitor or detect fire, smoke, heat, water, water freezing, carbon monoxide, or intrusion;
  - (g) mould remediation services;
  - (h) roofing;
  - (i) fire safety equipment including, for greater certainty, fire extinguishers, fire blankets, and sprinklers;
  - (j) duct cleaning services;
  - (k) solar panels and solar energy systems;
  - (l) goods or services that are a combination of the goods or services listed in paragraphs (a) to (k);
  - (m) goods that perform the functions of the goods listed in paragraphs (a) to (k);
  - (n) accessories related to the goods and services listed in paragraphs (a) to (l) if the accessories have a value exceeding \$250.

### **Soliciting at consumer's dwelling requires prior request**

4. (1) For the purposes of subsection 86(3) of the Act, any of the following persons may initiate contact with the supplier or salesperson of the supplier to specifically request that the supplier or salesperson of the supplier attend at the consumer's dwelling or a prescribed place for the purpose of entering into a direct sales contract:

- (a) the consumer;
- (b) if directed by the consumer to do so, a relative or friend of the consumer if the relative or friend is neither of the following:
  - (i) the supplier or a salesperson of the supplier;
  - (ii) an associate of the supplier or of the salesperson of the supplier.

(2) For the purposes of subsection (1), a consumer or relative or friend of the consumer does not initiate contact with the supplier or salesperson of the supplier if the consumer or relative or friend of the consumer communicates with the supplier or salesperson of the supplier in response to either of the following:

- (a) a communication made in person at the consumer's dwelling initiated by the supplier or a salesperson of the supplier;
- (b) a telephone call, fax, email, or electronic communication initiated by the supplier or a salesperson of the supplier.

(3) For the purposes of subsection (2), leaving an advertisement, circular, pamphlet, or similar material at a consumer's dwelling without attempting to contact the consumer and without soliciting the consumer to enter into a direct sales contract for the supply of goods or services prescribed by section 3 does not constitute a communication made in person at the consumer's dwelling initiated by the supplier or a salesperson of the supplier.

(4) Despite subsection (3), communication is initiated by the supplier or a salesperson of the supplier for the purposes of this section if an advertisement, circular, pamphlet, or similar material left at a consumer's dwelling contains an unfair practice listed in section 10 of the Act or violates section 298 of the Act.

#### **Exemption – incentives to solicit others**

5. Despite section 88 of the Act, a supplier or salesperson of a supplier is permitted to give, offer to give, or promise to give a gift, premium, prize, or other benefit to a consumer in return for the consumer organizing or hosting a party, social event, or gathering where party plan selling occurs.

#### **Effective Date**

6. This Rule comes into force on [Insert Date].



**FINANCIAL AND CONSUMER SERVICES COMMISSION  
RULE CPC-004 COST OF CREDIT DISCLOSURE, HIGH-COST CREDIT PRODUCTS,  
AND PAYDAY LOANS**

**PART 1  
PRELIMINARY MATTERS**

**Definitions**

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“high-ratio mortgage” means a mortgage loan under which the amount advanced, together with the amount outstanding under any other mortgage that ranks equally with or in priority to the mortgage loan, exceeds 75% of the market value of the relevant real property;

“optional product” means a good or service, or both, that is offered to a borrower in connection with a high-cost credit agreement and that the borrower does not have to accept in order to enter into the high-cost credit agreement;

“third party service provider charge” means any fee, penalty, rate, commission, consideration, charge or other amount that is charged or required by a person who is not the high-cost credit grantor, or that is paid to such a person, in relation to a high-cost credit product;

“total cost of credit”, means the total cost of credit as defined in the Act, and, for the purposes of Part 8 of the Act and Part 4 of this Rule, also includes the costs of insurance and of any other good or service the borrower is required to purchase or fee that the borrower is required to pay to receive the loan proceeds, including any of the following:

- (a) fees, commissions, charges, penalties, or interest for cashing or negotiating a cheque;
- (b) pre-authorized debit;
- (c) activation fees;
- (d) re-activation fees;

- (e) inactivity fees;
- (f) initial service fees in the case of a cash card.

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

**PART 2**  
**COST OF CREDIT DISCLOSURE**

**DIVISION A**  
**COLLECTION AND RECOVERY OF DEBT**

**Prohibited collection practices**

2. No credit grantor or lessor shall engage in any of the following prohibited collection practices to collect or attempt to collect a debt:

- (a) communicate or attempt to communicate with a borrower or lessee, a member of the borrower's or lessee's family or household, a relative, neighbour, friend or acquaintance of the borrower or lessee, or the borrower's or lessee's employer or guarantor, by any means, in such a manner or with such frequency as to constitute harassment, including, but not limited to any of the following:
  - (i) using threatening, profane, intimidating, or coercive language;
  - (ii) using undue, excessive, or unreasonable pressure;
  - (iii) making public or threatening to make public a borrower's or lessee's failure to pay a debt;
- (b) subject to paragraphs (c) and (d), communicate or attempt to communicate with a person other than the borrower or lessee for any purpose in relation to the debt or the borrower or lessee;
- (c) communicate or attempt to communicate with the borrower or lessee or another person at the borrower's or lessee's place of employment for any purpose in relation to the debt or the borrower or lessee, except with the borrower's or lessee's approval;
- (d) except on the request of the person being contacted, make a telephone call to, or a personal call on, a borrower or lessee, a member of the borrower's or lessee's family or household, a relative, neighbour, friend or acquaintance of the borrower or lessee, or the borrower's or lessee's employer or guarantor at any of the following times:

- (i) on a Sunday, other than between 1 p.m. and 5 p.m. local time for the person being contacted;
- (ii) on a holiday other than a Sunday;
- (iii) on any other day, other than between the hours of 7 a.m. and 9 p.m. local time for the person being contacted;

(e) communicate or attempt to communicate with a borrower or lessee or another person for any purpose in relation to the debt or the borrower or lessee by a means that enables the charges or costs of the communication to be payable by the borrower or lessee or other person;

(f) directly or indirectly threaten or state an intention to commence a legal action for which there is no lawful authority;

(g) commence a legal proceeding for the recovery of the debt before having provided the borrower or lessee with written notice that the credit grantor or lessor intends to commence the proceeding;

(h) give, directly or indirectly, false or misleading information in respect of a debt or the collection of a debt;

(i) misrepresent the purpose of a communication with a person or the identity of the credit grantor or lessor;

(j) use, without lawful authority, a summons, notice, demand or other document that suggests or implies a connection with a court within or outside Canada;

(k) communicate or attempt to communicate with the borrower or lessee, by any means, with respect to the collection of a debt, without indicating all of the following:

- (i) the name of the creditor grantor or lessor, as shown on its certificate of registration;
- (ii) the balance owing on the account;

(l) continue to communicate with a borrower or lessee by doing any of the following:

- (i) contacting the borrower or lessee other than in writing, if the borrower or lessee has provided written notice to the credit grantor or lessor to communicate with the borrower or lessee in writing only and has provided the credit grantor or lessor with an address at which the borrower or lessee may be contacted;
- (ii) contacting the borrower or lessee other than through the borrower's or lessee's legal advisor, if the borrower or lessee has provided written

notice to the credit grantor or lessor to communicate only with the borrower's or lessee's legal advisor and has provided the credit grantor or lessor with an address for the legal advisor;

(iii) contact the borrower or lessee in any way, if the borrower or lessee has provided notice to the credit grantor or lessor by registered mail that the debt is in dispute and that the borrower or lessee would like the credit grantor or lessor to take the matter to court;

(m) collect or attempt to collect money from a person who is not liable for the debt.

## DIVISION B CALCULATIONS

### **APR for certain credit agreements, including typical mortgage loans**

3. If the stated interest rate for a credit agreement is calculated yearly or half-yearly, but not in advance, the APR is the discount rate, calculated yearly or half-yearly, but not in advance, expressed as an annual percentage, such that the sum of the present values of all anticipated advances equals the sum of the present values of all anticipated payments.

### **When the APR is the annual interest rate**

4. The APR for a credit agreement is the annual interest rate stated in the credit agreement if all of the following conditions are met:

(a) there are no non-interest finance charges payable by the borrower under the credit agreement;

(b) the same interest rate will apply for the whole term, or would apply for the whole term using the assumption set out in subsection 8(3);

(c) the term consists of interest compounding periods that are at least as long as the period between required interest payments;

(d) the stated annual interest rate is a multiple of the interest rate that applies to each interest compounding period.

### **APR for other credit agreements**

5. (1) The APR for a credit agreement to which sections 3 and 4 do not apply is calculated in accordance with the following formula:

$$\text{APR} = [C \div (T \times A)] \times 100$$

where

APR = the annual percentage rate;

C = the total cost of credit;

T = the length of the term, in years; and

A = the average of the principal outstanding at the end of each interest calculation period during the term before applying any payment due by the borrower.

(2) In calculating "A", all of the following rules apply:

- (a) the principal outstanding at the beginning of the term is the result obtained by subtracting the total of all payments made by the borrower at or before the beginning of the term from the total of all advances received by the borrower at or before the beginning of the term;
- (b) the term is divided into interest calculation periods of equal length;
- (c) the cost of credit for each interest calculation period is calculated in accordance with the following formula:

$$C = (APR \div 100) \times L \times P$$

where

C = an amount equal to the cost of credit for each interest calculation period;

APR = the annual percentage rate;

L = the length of the interest calculation period expressed as a fraction of a year; and

P = the principal outstanding at the end of the interest calculation period before applying any payment due by the borrower;

- (d) the principal does not include any portion of the cost of credit, and no portion of the accumulated cost of credit is included in the principal outstanding at any time;
- (e) each payment by the borrower under the credit agreement is applied first against the accumulated cost of credit and then, to the extent that the payment exceeds the accumulated cost of credit, against the principal outstanding.

#### **Rebates**

6. If a borrower must decline a rebate, or a portion of a rebate, in order to enter into a credit agreement at a particular interest rate, the APR and the total cost of credit are calculated on the assumption that the value received or to be received by the borrower is the cash price of the product, as determined without regard to the rebate, less the amount of the declined rebate or portion of a rebate.

## APR and implicit finance charge for leases

7. (1) The APR for a lease is calculated in accordance with the following formula:

$$APR = M \times I \times 100$$

where

APR = the annual percentage rate;

M = the number of payment periods in a year under the lease; and

I = the periodic interest rate, as determined under subsection (2).

(2) The periodic interest rate is the value of "I" in the following formula:

$$PMT = \frac{PV - FV(1 + I)^{-N}}{\left[ \frac{1 - (1 + I)^{-(N-A)}}{I} + A \right]}$$

where

PMT = the amount of each periodic payment under the lease;

A = the number of periodic payments under the lease that are made at or before the beginning of the term;

PV = the capitalized amount;

FV = the amount of the assumed residual payment;

I = the periodic interest rate; and

N = the number of payment periods under the lease.

(3) For the purposes of calculating the APR and implicit finance charge for a lease

(a) an amount payable by the lessee in respect of a tax is regarded as a payment only if an amount in respect of the tax was treated as an advance in calculating the capitalized amount, and

(b) a charge payable by the lessee is regarded as an advance only if an equivalent charge would be payable by a cash customer.

(4) If there is any irregularity in the amount or timing of payments required during the term, the equation in subsection (2) shall be modified as necessary to calculate the value of "I" in accordance with actuarial principles.

(5) For the purposes of calculating the APR and implicit finance charge for a lease referred to in subparagraphs 98(1)(d)(ii) and 151(1)(d)(ii) of the Act, the term of the lease is assumed to be one year.

#### **Assumptions and tolerances**

8. (1) In calculating the APR for a credit agreement or lease, a year is considered to have 365 days.

(2) If a credit agreement or lease provides for payments to be made at intervals measured by reference to weeks or months, the APR may be calculated on the assumption that each week is 1/52 of a year long and each month is 1/12 of a year long.

(3) If the APR for a credit agreement or lease is required to be calculated when the interest rate for any period during the term is unknown, the APR or any other value that depends on the interest rate shall be calculated as if the interest rate for that period was to be determined on the basis of the circumstances existing at the time of the calculation.

(4) If a credit agreement for fixed credit does not provide for scheduled payments by the borrower, the APR shall be calculated on the assumption that the principal outstanding will be repaid in a single payment one year after the effective date of the relevant disclosure statement.

(5) The APR and the total cost of credit for a renewed credit agreement shall be calculated on the assumption that the borrower receives, on the renewal date, an advance equal to the outstanding balance at the end of the term of the agreement being renewed.

(6) A disclosure of an APR for a credit agreement or lease is deemed to be accurate if it is within 1/8 of 1% of the APR calculated in accordance with this Rule.

#### **Refund calculation**

9. For the purposes of subsections 115(4), 165(3), and 220(3) of the Act, the portion of each non-interest finance charge that shall be refunded or credited to the borrower is the amount calculated in accordance with the following formula:

$$P = C \times [(N - M) \div N]$$

where

P = the portion of the charge to be refunded or credited to the borrower;

C = the amount of the charge;

N = the length of the period between the time the charge was imposed and the scheduled end of the term of the credit agreement; and

M = the length of the period between the time the charge was imposed and the time of the repayment.

#### **Lessee's maximum liability - residual obligation lease**

**10. (1)** For the purposes of sections 143 and 202 of the Act, the lessee's maximum liability at the end of the term of a residual obligation lease after returning the leased goods to the lessor shall be calculated in accordance with the following formula:

$$M = P + (V - R)$$

where

M = the maximum liability;

P = the estimated residual cash payment;

V = the estimated residual value; and

R = the realizable value of the leased goods, as determined under subsections (2) and (3).

**(2)** Subject to subsection (3), the realizable value of leased goods at the end of the term of the lease is the greater of

- the net proceeds obtained by the lessor when the lessor disposes of the goods,
- 80% of the estimated residual value, and
- the estimated residual value less 3 times the average monthly payment.

**(3)** If the amount determined under paragraph (2)(a) is less than the amount determined under paragraph (2)(b) or (c), the realizable value is reduced according to the extent that the difference in the amounts is attributable to unreasonable or excessive wear or use, or to damage to the goods for which the lessee is responsible under the lease.

#### **DIVISION C GENERAL**

#### **Waiver of time period referred to in subsection 108(3) of Act**

**11. (1)** A borrower may waive the time period for delivery of a disclosure statement referred to in subsection 108(3) of the Act, if one of the following conditions is satisfied:

- (a) the borrower has received independent legal advice regarding the effect of the waiver and a statement to that effect, signed by the lawyer providing the advice, is attached to the waiver;
- (b) the mortgage loan to which the waiver relates provides the borrower with prepayment rights that are at least as favourable to the borrower as those provided by section 115 of the Act for credit agreements that are not in relation to mortgage loans;
- (c) any obligation to which paragraph 108(3)(a) of the Act applies will be extinguished and any payment to which paragraph 108(3)(b) of the Act applies will be refunded to the borrower by the credit grantor if the borrower notifies the credit grantor within 2 business days after receiving the disclosure statement that the borrower intends to withdraw from or does not intend to enter into the credit agreement.

**(2)** The waiver is effective only if both of the following requirements are met:

- (a) the waiver is in writing and signed by the borrower;
- (b) in the case of a waiver under paragraph (1)(c), the waiver document clearly and prominently discloses the borrower's rights referred to in paragraph (1)(c).

#### **Acceleration clause**

**12. (1)** In this section, "acceleration clause" means a clause in a credit agreement that provides that, on default by the borrower or in any other circumstance provided by the credit agreement, the credit grantor may accelerate payment by the borrower to require repayment of the whole or part of the outstanding balance of the credit agreement.

**(2)** Subject to subsection (4), if a credit grantor wishes to accelerate payment by the borrower in accordance with an acceleration clause, the credit grantor shall provide written notice to the borrower of the credit grantor's intention to accelerate payment.

**(3)** The written notice required in subsection (2) shall satisfy all of the following requirements:

- (a) be delivered personally to the borrower or be sent by registered mail to the last known address of the borrower;
- (b) contain all of the following information:
  - (i) a description of the default by the borrower or other circumstance giving rise to the right to accelerate payment;
  - (ii) a statement that, unless the default or other circumstance is remedied within 10 business days after notice was delivered or sent under

paragraph (a), the whole of the outstanding balance or part of the outstanding balance, as the case may be, will become due and payable.

- (4) Despite anything to the contrary in a credit agreement, the whole or part of the outstanding balance does not become due and payable if either of the following occurs:
  - (a) notice is not provided in accordance with this section;
  - (b) the default or other circumstance is remedied within the period referred to in subparagraph (3)(b)(ii).
- (5) Subsections 111(2) and 160(2) of the Act do not apply to a notice referred to in subsection (2).
- (6) This section does not apply in respect of credit agreements in relation to mortgage loans or in respect of credit agreements entered into before the commencement of this Rule.

### **PART 3** **HIGH-COST CREDIT PRODUCTS**

#### **High-cost credit product – loan of money**

- 13. (1) For the purposes of paragraph (a) of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product is a fixed credit product that meets both of the following criteria:
  - (a) the high-cost credit agreement terms for the fixed credit product include an APR that exceeds the APR prescribed in subsection (2);
  - (b) credit is extended through the fixed credit product primarily for a personal, family or household purpose.
- (2) For the purposes of paragraph (a) of subsection (1), the prescribed APR is the rate obtained by increasing the Bank of Canada rate by 22 percentage points.
- (3) For the purposes of subsection (2), the Bank of Canada rate is the rate in force on the expiry of a 2-day period following the announcement of the rate by the Bank of Canada.

#### **High-cost credit product – credit sale**

- 14. (1) For the purposes of paragraph (b) of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product is a credit sale that meets both of the following criteria:
  - (a) the high-cost credit agreement terms for the credit sale include an APR that exceeds the APR prescribed in subsection (2);

- (b) credit is extended through the credit sale primarily for a personal, family or household purpose.
- (2) For the purposes of paragraph (a) of subsection (1), the prescribed APR is the rate obtained by increasing the Bank of Canada rate by 22 percentage points.
- (3) For the purposes of subsection (2), the Bank of Canada rate is the rate in force on the expiry of a 2-day period following the announcement of the rate by the Bank of Canada.

#### **High-cost credit product – line of credit**

15. (1) For the purposes of paragraph (c) of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product is a line of credit that meets both of the following criteria:

- (a) the high-cost credit agreement terms for the line of credit include an annual interest rate that exceeds the annual interest rate prescribed in subsection (3);
- (b) credit is extended through the line of credit primarily for a personal, family or household purpose.

(2) For the purposes of paragraph (a) of subsection (1), the annual interest rate in the agreement shall be calculated as follows:

$$\text{Annual Interest Rate} = \frac{\text{Interest Rate}}{\text{Period}} \times \frac{\text{Number of periods}}{\text{Year}}$$

- (3) For the purposes of paragraph (a) of subsection (1), the prescribed annual interest rate is the rate obtained by increasing the Bank of Canada rate by 22 percentage points.
- (4) For the purposes of subsection (3), the Bank of Canada rate is the rate in force on the expiry of a 2-day period following the announcement of the rate by the Bank of Canada.

#### **High-cost credit product – lease**

16. (1) For the purposes of paragraph (d) of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product is a lease that meets both of the following criteria:

- (a) the high-cost credit agreement terms for the lease include an APR that exceeds the APR prescribed in subsection (2);
- (b) credit is extended through the lease primarily for a personal, family or household purpose.

- (2) For the purposes of paragraph (a) of subsection (1), the prescribed APR is the rate obtained by increasing the Bank of Canada rate by 22 percentage points.
- (3) For the purposes of subsection (2), the Bank of Canada rate is the rate in force on the expiry of a 2-day period following the announcement of the rate by the Bank of Canada.

#### **High-cost credit product – open credit**

17. (1) For the purposes of paragraph (e) of the definition of "high-cost credit product" in section 146 of the Act, a high-cost credit product is an open credit product that meets both of the following criteria:

- (a) the high-cost credit agreement terms for the open credit product include an annual interest rate that exceeds the annual interest rate prescribed in subsection (3);
- (b) credit is extended through the open credit product primarily for a personal, family or household purpose.

(2) For the purposes of paragraph (a) of subsection (1), the annual interest rate in the agreement shall be calculated as follows:

$$\text{Annual Interest Rate} = \frac{\text{Interest Rate}}{\text{Period}} \times \frac{\text{Number of periods}}{\text{Year}}$$

- (3) For the purposes of paragraph (a) of subsection (1), the prescribed annual interest rate is the rate obtained by increasing the Bank of Canada rate by 22 percentage points.
- (4) For the purposes of subsection (2), the Bank of Canada rate is the rate in force on the expiry of a 2-day period following the announcement of the rate by the Bank of Canada.

#### **High-cost credit agreements and leases – required terms, information and statements**

18. (1) Pursuant to paragraph 153(3)(b) of the Act, a high-cost credit grantor or lessor, as the case may be, shall include all of the following information and statements in the high-cost credit agreement or lease:

- (a) the high-cost credit grantor's or lessor's name and any business name used by the high-cost credit grantor or lessor;
- (b) the high-cost credit grantor's or lessor's business address and, if different, the high-cost credit grantor's or lessor's mailing address;

- (c) the high-cost credit grantor's or lessor's licence number, telephone number and, if the high-cost credit grantor or lessor has a fax number or email address, that fax number and email address;
- (d) the borrower's name;
- (e) the date and time the high-cost credit agreement or lease was entered into;
- (f) the date on which the first advance will be made to the borrower or to the order of the borrower;
- (g) the date or dates on which any other advances will be made to the borrower or to the order of the borrower;
- (h) a statement that the high-cost credit product or lease is high-cost credit;
- (i) a statement of the type of high-cost credit product;
- (j) the principal amount of the high-cost credit product or lease or the amount of funds available, as applicable;
- (k) the term of the high-cost credit product or lease and, if applicable, the date on which each payment is due to the high-cost credit grantor or lessor and the amount of each of those payments;
- (l) respecting access to the high-cost credit product or lease, including all of the following:
  - (i) each method by which the borrower may access funds for each transfer or advance;
  - (ii) if applicable, the date or dates on which the first and any other transfers or advances to the borrower will be made;
  - (iii) if applicable, the amount of any funds transferred or advanced, on each transfer or advance, to the borrower;
  - (iv) if applicable, the cost of each method of accessing the funds on each transfer or advance;
- (m) if the high-cost credit grantor advances or transfers the funds to the borrower by means of a cash card, all of the following:
  - (i) the date and time the cash card is issued to the borrower;
  - (ii) the amount of credit available on the cash card issued to the borrower;

- (iii) a statement that third party service provider charges may apply for use of the card;
  - (iv) if applicable, the expiry date of the cash card;
- (n) each of the fees, penalties, commissions, considerations, charges, or other amounts subject to interest, the interest rate, how interest is calculated and compounded, how, when, and why the interest rate will or may change, and a statement of the total amount of interest that is payable on the high-cost credit product or lease and of what is included in the calculation of that amount;
- (o) the annual interest rate and, if applicable, the APR;
- (p) as applicable, all of the following:
  - (i) the total cost of credit expressed as a dollar amount;
  - (ii) the total cost of credit expressed as a dollar amount based on the maximum available if the high-cost credit product is repaid within one year;
- (q) each fee, penalty, commission, consideration, charge, or other amount that will or may be payable by or on behalf of the borrower to the high-cost credit grantor or lessor or a third party service provider;
- (r) how, how often and why each fee, penalty, commission, consideration, charge, or other amount referred to in paragraph (q) will or may be payable and what will or may happen if the borrower fails to pay a fee, penalty, commission, consideration, charge, or other amount;
- (s) how each payment will be applied to the accumulated cost of credit and the principal;
- (t) the borrower's right to make full or partial prepayment under section 165 of the Act and how to exercise that right;
- (u) any security interest that will or may be required from the borrower;
- (v) any grace period that will or may apply and what conditions, if any, the borrower must meet to benefit from it;
- (w) what will or may happen if the borrower fails to make a payment when it becomes due, including all of the following:
  - (i) what default charges or penalties will or may be payable by the borrower;
  - (ii) how and when the terms and conditions of the high-cost credit agreement or lease will or may be affected by the missed payment;

- (iii) what will or may happen to any collateral or security;
- (x) how, when, and in what circumstances the high-cost credit grantor or lessor will or may demand payment in full from the borrower;
- (y) each good or service that must also be purchased by the borrower, how to purchase it, why it is required, and how much it will cost;
- (z) the nature, amount, and timing of payments for any optional product purchased by the borrower for which payments are to be made to or through the high-cost credit grantor or lessor;
- (aa) in the case of a fixed credit product, the total cost of any optional product to be purchased by the borrower if the full term of the optional product were to be completed;
- (bb) in the case of an open credit product, the maximum total cost of any optional product to be purchased by the borrower if the full term of the optional product were one year;
- (cc) the conditions under which the borrower may terminate an optional product referred to in paragraph (z);
- (dd) how, when, and in what circumstances the high-cost credit grantor or lessor will or may cancel the high-cost credit agreement or lease;
- (ee) a statement of the borrower's rights of cancellation under section 163 of the Act, setting out how those rights can be exercised and identifying the time within which the borrower can exercise them;
- (ff) a statement of the remedies available to the borrower under section 177 of the Act;
- (gg) a statement that the supply of other goods or services is optional and separate from the high-cost credit product or lease;
- (hh) a statement that if the high-cost credit grantor or lessor requires the borrower or lessee to obtain insurance as a condition of entering into the agreement or lease, the borrower or lessee has the right to obtain the insurance from any insurer authorized by law to provide it;
- (ii) a statement that if optional services are provided by the high-cost credit grantor or lessor, the borrower or lessee is entitled to cancel those services;
- (jj) a statement that high-cost credit products and leases are regulated by the *Consumer Protection Act*.

- (2) Despite subsection (1), the requirement in paragraph (ee) does not apply to a high-cost credit agreement in relation to a credit sale or a lease.
- (3) The high-cost credit agreement or lease shall include the contact information for the Financial and Consumer Services Commission, including the Commission's website address and toll-free number.

#### **Consent to enter into an Internet high-cost credit agreement**

- 19. (1) Before providing an advance to the borrower or lessee under an Internet high-cost credit agreement or lease, a high-cost credit grantor or lessor shall ensure that the borrower or lessee has consented to the entering into of the Internet high-cost credit agreement or lease and shall make a record, satisfactory to the Director, evidencing that consent.
- (2) Despite subsection (1), if the high-cost credit product is an open credit product, the high-cost credit grantor shall obtain the borrower's consent to the entering into of the Internet high-cost credit agreement at the time the agreement is entered into and shall make a record, satisfactory to the Director, evidencing that consent.

#### **Copy of Internet high-cost credit agreement or lease**

- 20. (1) At the time of entering into an Internet high-cost credit agreement or lease, a high-cost credit grantor shall immediately give a copy of the Internet high-cost credit agreement or lease to the borrower in one of the following ways:
  - (a) by sending the high-cost credit agreement or lease to the email or other electronic address the borrower has provided the high-cost credit grantor for the purposes of providing information relating to the high-cost credit agreement or lease;
  - (b) by transmitting the high-cost credit agreement or lease to the fax number the borrower has provided the high-cost credit grantor for the purposes of providing information relating to the high-cost credit agreement or lease.
- (2) The high-cost credit grantor shall ensure that, for the term of the Internet high-cost credit agreement or lease, its website and mobile application are designed and maintained in such a manner that they allow the borrower to print or store a copy of the high-cost credit agreement or lease.

#### **Copy of high-cost credit agreement**

- 21. In addition to the requirement in subsection 153(7) of the Act that the high-cost credit grantor give the borrower a copy of the high-cost credit agreement at the time it is signed by the borrower, a borrower may request an additional copy of the borrower's completed and signed final high-cost credit agreement, at any time after entering into the agreement, and the high-cost credit grantor shall give or mail the copy to the borrower within one business day of the request.

### **Copy of lease that is a high-cost credit product**

22. In addition to the requirement in subsection 153(10) of the Act that the lessor give the lessee a copy of the lease at the time it is signed by the lessee, a lessee may request an additional copy of the lessee's completed and signed final lease, at any time after entering into the lease, and the lessor shall give or mail the copy to the lessee within one business day of the request.

### **High-cost credit agreements and leases – review before signing**

23. (1) For the purposes of subsection 153(5) of the Act, before a borrower signs a high-cost credit agreement, the high-cost credit grantor shall review with the borrower the matters referred to in paragraphs 18 (i) to (k), (o), (p), (w), and (ee) and require that the borrower initial each provision of the agreement that deals with matters referred to in paragraphs 18 (i) to (k), (o), (p), (w), and (ee).

(2) For the purposes of subsection 153(6) of the Act, before a lessee signs a lease that is a high-cost credit product, the lessor shall review with the lessee the matters referred to in paragraphs 18 (i) to (k), (o), (p), and (w) and require that the lessee initial each provision of the lease that deals with matters referred to in paragraphs 18 (i) to (k), (o), (p), and (w).

(3) If a high-cost credit grantor and a borrower enter into an Internet high-cost credit agreement, the high-cost credit grantor shall ensure that the borrower provides an electronic acknowledgment confirming that they have read the matters referred to in paragraphs 18 (i) to (k), (o), (p), (w), and (ee) before entering into the high-cost credit agreement and the high-cost credit grantor shall make a record, satisfactory to the Director, of the electronic acknowledgment of the borrower.

(4) If a lessor and a lessee enter into an Internet high-cost credit agreement that is a lease, the lessor shall ensure that the lessee provides an electronic acknowledgment confirming that they have read the matters referred to in paragraphs 18 (i) to (k), (o), (p), and (w) before entering into the lease and the lessor shall make a record, satisfactory to the Director, of the electronic acknowledgment of the lessee.

(5) For the purposes of subsections 153(5) and 153(6) of the Act, if applicable, a high-cost credit grantor or lessor shall review with the borrower or the lessee the matters referred to in paragraphs 18 (aa) and (bb) and require that the borrower or lessee initial each provision of the high-cost credit agreement or lease that deals with matters referred to in paragraphs 18 (aa) and (bb).

(6) If a high-cost credit grantor and a borrower enter into an Internet high-cost credit agreement, if applicable, the high-cost credit grantor shall ensure that the borrower provides an electronic acknowledgment confirming that they have read the matters referred to in paragraphs 18 (aa) and (bb) before entering into the high-cost credit agreement and the high-cost credit grantor shall make a record, satisfactory to the Director, of the electronic acknowledgment of the borrower.

(7) If a lessor and a lessee enter into an Internet high-cost credit agreement that is a lease, if applicable, the lessor shall ensure that the lessee provides an electronic acknowledgment confirming that they have read the matters referred to in paragraphs 18 (aa) and (bb) before entering into the lease and the lessor shall make a record, satisfactory to the Director, of the electronic acknowledgment of the lessee.

### Accessing funds

24. (1) A high-cost credit grantor shall ensure that the funds are made available to the borrower immediately after the high-cost credit agreement is entered into.

(2) For greater certainty, subsection (1) applies to both of the following:

- (a) a high-cost credit agreement with terms that provide for an initial advance or draw on the funds;
- (b) a high-cost credit agreement with terms that provide for one advance of the entire amount of the funds.

(3) For greater certainty, if a cash card is required to enable the borrower to access the funds available under a high-cost credit agreement, the high-cost credit grantor shall provide the cash card to the borrower immediately after the high-cost credit agreement is entered into.

### Notice of cancellation form

25. (1) For the purposes of paragraph 153(7)(a) of the Act, a high-cost credit grantor shall provide a notice of cancellation form to the borrower that includes the following statement in both official languages:

CANCELLATION RIGHTS	DROITS D'ANNULATION
<p>You may cancel this high-cost credit agreement within 48 hours after you have received the first advance or a cash card that is capable of being used. You must provide written notice to the high-cost credit grantor if you choose to cancel the high-cost credit agreement. The notice period may be extended by a further period of up to 48 hours if the 48 hours included a Sunday or holiday. You do not have to give a reason for cancelling the high-cost credit agreement. To cancel the high-cost credit agreement, you must provide your notice of cancellation together with the outstanding balance of all advances made, less any portion of the total cost of credit that was paid by or on behalf of the borrower or deducted or withheld from the advances, to the high-cost credit grantor. If you have</p>	<p>Vous pouvez annuler cette convention de crédit à coût élevé dans les 48 heures suivant la réception de la première avance ou d'une carte portemonnaie électronique prête à utiliser. Pour ce faire, vous devez donner un préavis écrit au prêteur à coût élevé. Ce délai de préavis peut compter jusqu'à 48 heures supplémentaires, si les 48 premières heures comprenaient un dimanche ou un jour férié. Vous n'avez pas à justifier l'annulation. Pour annuler la convention, vous devez remettre au prêteur votre avis d'annulation, accompagné du solde impayé de toutes les avances versées, une fois soustraite toute fraction du coût total du crédit payée par vous ou en votre nom ou déduite des avances ou retenues sur les avances. Si vous avez fait des paiements en</p>

made any payments under the high-cost credit agreement, the high-cost credit grantor must return those payments to you without delay.	application de la convention, le prêteur est tenu de vous les rembourser sans délai.
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(2) For the purposes of paragraph 153(7)(a) of the Act, the statement prescribed in subsection (1) shall meet all of the following requirements:

- (a) have the heading “**CANCELLATION RIGHTS / DROITS D’ANNULATION**” in 14-point bold capital letters;
- (b) have both versions of the statement arranged side by side on the notice of cancellation form;
- (c) be outlined so as to be noticed by the borrower;
- (d) occupy the full width of the page and be at least 7 centimeters in height.

(3) For the purposes of paragraph 153(7)(a) of the Act, the notice of cancellation form must be satisfactory to the Director and the notice of cancellation form shall also contain all of the following information:

- (a) the borrower’s name and address;
- (b) the business name of the high-cost credit grantor;
- (c) the product reference number;
- (d) the date and time the high-cost credit product was advanced or the borrower was given a cash card enabling them to access funds;
- (e) the amount of the high-cost credit agreement;
- (f) a dedicated place for the borrower’s signature;
- (g) a dedicated place for the date and time of cancellation;
- (h) a statement that the borrower is notifying the high-cost credit grantor of their cancellation of the high-cost credit agreement.

#### **Other methods of repayment on cancellation**

26. (1) For the purposes of paragraph 163(4)(b) of the Act, all of the following additional manners of repayment of the outstanding balance under the high-cost credit agreement are prescribed:

- (a) if the high-cost credit grantor used an electronic method for providing the high-cost credit product, repayment by an electronic method;
- (b) repayment by any other method acceptable to the high-cost credit grantor.

(2) For the purposes of paragraph 163(4)(b) of the Act, in the case of an Internet high-cost credit agreement, the authorization of an electronic withdrawal by the borrower is a prescribed manner of repayment.

#### **Payout of balances on cash cards**

27. (1) For the purposes of paragraph 169(2)(a) of the Act, the borrower is entitled to be paid in cash for the amount of the balance of credit remaining on a cash card issued by the high-cost credit grantor when the balance of credit remaining on the cash card is less than \$25.

(2) For the purposes of subsection 169(6) of the Act, a high-cost credit grantor may apply the balance of credit remaining on an expired cash card issued to a delinquent borrower as payment towards the high-cost credit product if all of the following requirements are met:

- (a) the high-cost credit grantor recovers from the cash card only the amount due on the delinquent high-cost credit product, including default charges;
- (b) the high-cost credit grantor issues a receipt to the borrower for money recovered from a cash card and informs the borrower of any remaining balance on the cash card and how the balance may be refunded;
- (c) the high-cost credit grantor returns any remaining balance on the cash card to the borrower immediately on demand of the borrower or of the Director.

#### **Prohibited Practices**

28. (1) Pursuant to section 176 of the Act, all of the following are prohibited practices:

- (a) contacting an employer of a borrower or lessee or employees of that employer unless all of the following conditions are met:
  - (i) the contact occurs before the borrower or lessee enters into a high-cost credit agreement or lease;
  - (ii) the contact is for the sole purpose of confirming the borrower's or lessee's employment, length of employment, employment income, occupation, and business address;
  - (iii) the borrower or lessee has provided written consent that the high-cost credit grantor or the lessor may contact the employer for the purposes outlined in subparagraph (ii);
- (b) making unauthorized withdrawals from a borrower's or lessee's account;

- (c) requiring, requesting, or accepting information that would give the high-cost credit grantor or the lessor, or an employee or agent of the high-cost credit grantor or the lessor, direct access to a borrower's or lessee's account with a financial institution;
- (d) requiring, requesting, or accepting a cheque, pre-authorized debit, or other negotiable instrument from the borrower or lessee unless both of the following conditions are met:
  - (i) the instrument is made payable to the high-cost credit grantor or lessor directly;
  - (ii) the instrument states the frequency of payments to be made to the high-cost credit grantor or lessor;
- (e) charging a borrower an amount that is not reasonable to replace a cash card issued as part of a high-cost credit product;
- (f) directly or indirectly giving, offering to give, or promising to give a prize or reward as an incentive or enticement to enter into a high-cost credit agreement or lease;
- (g) directly or indirectly giving, offering to give, or promising to give a prize or reward for entering into a high-cost credit agreement or lease;
- (h) using documentation relating to a high-cost credit agreement or lease for any purpose other than providing high-cost credit products;
- (i) stating or implying that entering into a high-cost credit agreement or lease will improve the borrower's or lessee's personal credit rating if that is not accurate or correct.

(2) Paragraph (1)(b) does not apply to information in a pre-authorized debit for repayment of a high-cost credit product.

(3) Pursuant to section 176 of the Act, if a borrower or lessee provides a high-cost credit grantor or a lessor a pre-authorized debit in exchange for the advance of funds or as a condition of entering into a high-cost credit agreement or lease, it is a prohibited practice for a high-cost credit grantor or a lessor to use that information for any purpose other than to access the borrower's or lessee's account to process the pre-authorized payment.

#### **Restrictions on use and disclosure of borrower information**

29. (1) A high-cost credit grantor or a lessor must not require, request, or accept consent from a borrower or lessee to use or disclose the borrower's or lessee's personal information for a purpose other than offering, arranging, or providing a high-cost credit product.

(2) Despite subsection (1), a high-cost credit grantor or a lessor may require, request, or accept consent from a borrower or a lessee to use or disclose the borrower's or lessee's personal

information for the purposes of providing the borrower's or lessee's credit information in relation to the high-cost credit product to a credit reporting agency.

**No repeated attempts to process repayment**

30. (1) Pursuant to section 176 of the Act, it is a prohibited practice for a high-cost credit grantor or a lessor to attempt to obtain repayment by means of a cheque, pre-authorized debit, or other negotiable instrument provided by the borrower or lessee after an attempt to obtain repayment through the cheque, pre-authorized debit, or other negotiable instrument is dishonoured.

(2) Despite subsection (1), a high-cost credit grantor or a lessor may attempt to obtain repayment by means of a cheque, pre-authorized debit, or other negotiable instrument provided by the borrower or lessee after an attempt to obtain repayment through the cheque, pre-authorized debit, or other negotiable instrument is dishonoured if all of the following conditions are met:

- (a) the high-cost credit grantor or the lessor only makes one additional attempt to obtain repayment;
- (b) if the high-cost credit grantor or the lessor is charged a fee, penalty, or other amount by the financial institution to process it, the high-cost credit grantor or the lessor does not in turn charge a fee to the borrower or lessee;
- (c) the amount attempted to be repaid under the additional attempt is the same amount as under the initial attempt;
- (d) the additional attempt is made within 30 days after the high-cost credit grantor or the lessor received notice that the initial attempt was unsuccessful.

**Provision of Information**

31. (1) A high-cost credit grantor or a lessor shall, in accordance with section 203 of the Act, provide to the Director all of the following information on high-cost credit products arranged or provided during the 12-month calendar year January 1 to December 31 period:

- (a) the number of high-cost credit agreements entered into, including high-cost credit agreements that are leases;
- (b) the total value (\$ value) and number of high-cost credit agreements entered into for fixed credit;
- (c) the total value (\$ value) and number of high-cost credit agreements entered into for open credit;
- (d) the total value (\$ value) and number of high-cost credit agreements entered into for leases;

- (e) information and data about the total cost of credit charged for all high-cost credit products;
- (f) information and data about high-cost credit loan and lease term lengths;
- (g) the average of the term length of all high-cost credit agreements, including leases, entered into by the high-cost credit grantor or lessor during the reporting period;
- (h) the total number of high-cost credit agreements, including leases, that defaulted during the year (including those subsequently repaid);
- (i) the total amount (\$ amount) of defaulted high-cost credit agreements, including leases, during the year (including those subsequently repaid);
- (j) the total number of high-cost credit agreements, including leases, written off as uncollectible during the year;
- (k) the total amount (\$ amount) of high-cost credit agreements, including leases, written off as uncollectible during the year;
- (l) the total amount (\$ amount) of dishonored payment fees collected during the year;
- (m) the total value of interest on outstanding high-cost credit products that the high-cost credit grantor or lessor has not written off at the end of the reporting period;
- (n) the value of any default charges, and interest on outstanding high-cost credit products that the high-cost credit grantor or lessor has not written off at the end of the reporting period;
- (o) the number of individual borrowers or lessees who have entered into a high-cost credit agreement or lease with the high-cost credit grantor or lessor;
- (p) information and data about repeat borrowing or repeat leasing;
- (q) information and data about optional services or products sold;
- (r) information and data specific to insurance policies sold in connection with high-cost credit products.

(2) Pursuant to section 203 of the Act, a high-cost credit grantor or a lessor shall provide all of the information in subsection (1) to the Director on or before February 1st of the following year after the 12-month reporting period.

(3) Credit brokers are exempt from this section.

**PART 4**  
**PAYDAY LOANS**

**Payday loan agreements**

32. (1) Before a payday lender and a borrower enter into a payday loan agreement, a payday lender shall ensure that

- (a) the payday lender has advised the borrower of all of the means available to obtain a payday loan from the payday lender,
- (b) the borrower has selected a means of advance of the loan,
- (c) the initial advance of money under the payday loan will be delivered to the borrower immediately after the payday loan agreement is entered into, and
- (d) in the case of an Internet payday loan or a payday loan not obtained by the borrower in person, the payday lender has delivered instructions to its financial institution to transfer the amount of the initial advance under the payday loan to the borrower's account with a financial institution on the same day on which the borrower and the payday lender enter into the payday loan agreement.

(2) Pursuant to paragraph 214(2)(u) of the Act, a payday lender shall include all of the following terms and information in the payday loan agreement:

- (a) the time of day the payday loan agreement was entered into;
- (b) the time of day the initial advance is made or the cash card is activated;
- (c) the form of receipt the payday lender will provide the borrower on cancellation of the loan by the borrower, pursuant to section 37;
- (d) the total amount to be repaid by the borrower;
- (e) the cost per \$100 borrowed;
- (f) the maximum allowable cost per \$100 borrowed as fixed by regulation;
- (g) the borrower's address and telephone number;
- (h) all of the following charges that may be included in the cost of borrowing:
  - (i) fees related to pre-authorized debits used to repay a payday loan, even if the pay day loan is past due;
  - (ii) fees payable to an agent or broker of the payday lender;

- (iii) fees, commissions, charges, or other amounts related to issuing, loading, activating, and using a cash card, including those payable to a third party;
- (i) if a cash card is issued in respect of a payday loan, all of the following information:
  - (i) the terms and conditions for use of the cash card;
  - (ii) restrictions or exclusions related to the use of the cash card;
  - (iii) instructions on how to use the cash card;
  - (iv) information on how the borrower can verify the current balance of the cash card at no charge;
  - (v) the process to obtain a replacement cash card and any amount the borrower is required to pay for replacement;
  - (vi) whether or not the cash card can be used for subsequent payday loans with the payday lender;
  - (vii) an itemization of each component of the total cost of credit or consideration charged, paid or given, or to be charged, paid or given, by or to the payday lender or another person, in relation to the cash card;
- (j) the total cost for optional insurance premiums paid by the borrower;
- (k) an address for service in the Province if the payday lender provides internet payday loans.

(3) Pursuant to paragraph 214(2)(u) of the Act, each payday loan agreement shall have a specific repayment date and specific repayment amount authorized by the borrower.

(4) Pursuant to paragraph 214(2)(u) of the Act, a payday lender shall include all of the following statements in the payday loan agreement:

- (a) the supply of other goods or services is optional and separate from the payday loan;
- (b) if the payday lender requires the borrower to obtain insurance as a condition of the payday loan, the borrower has the right to obtain the insurance from any insurer authorized by law to provide it;
- (c) if optional services are provided by the payday lender, the borrower is entitled to cancel those services;
- (d) rollover loans used to grant an extension or renewal of a payday loan or an advancement of a new payday loan to pay out an existing loan are prohibited;

- (e) the borrower is entitled to prepay the outstanding balance at any time without charge or penalty and is entitled to make partial prepayments without charge or penalty on any scheduled payment date;
- (f) the borrower has the right to request and obtain a free copy of the payday loan agreement from the payday lender at any time;
- (g) payday loans are regulated by the *Consumer Protection Act*.

(5) The payday loan agreement shall include the contact information for the Financial and Consumer Services Commission, including the Commission's website address and toll-free number.

(6) The payday loan agreement must be signed by the payday lender.

#### **Consent to Internet payday loan**

33. Before providing the initial advance to the borrower under an Internet payday loan agreement, a payday lender shall ensure that the borrower has consented to entering into the Internet payday loan agreement, and shall make a record, satisfactory to the Director, evidencing the borrower's consent, including electronic acknowledgement of paragraphs 214(2)(m) and (r) of the Act.

#### **Copy of payday loan agreement**

34. In addition to the requirement in subsection 214(6) of the Act that the payday lender give the borrower a copy of the payday loan agreement at the time it is signed by the borrower, a borrower may request an additional copy of the borrower's completed and signed final payday loan agreement, at any time after entering into the agreement, and the payday lender shall give or mail the copy to the borrower within one business day of the request.

#### **Copy of Internet payday loan agreement**

35. (1) At the time of entering into an Internet payday loan agreement, a payday lender shall immediately give a copy of the Internet payday loan agreement to the borrower in one of the following ways:

- (a) by sending the payday loan agreement to the email or other electronic address the borrower has provided the payday lender for the purposes of providing information relating to the payday loan;
- (b) by transmitting the payday loan agreement to the fax number the borrower has provided the payday lender for the purposes of providing information relating to the payday loan.

(2) The payday lender shall ensure that, for the term of the Internet payday loan, its website and mobile application are designed and maintained in such a manner that they allow the borrower to print or store a copy of the payday loan agreement.

## Notice of cancellation form

36. (1) For the purposes of subsection 214(6) of the Act, a payday lender shall provide a notice of cancellation form to the borrower that includes the following statement in both official languages:

CANCELLATION RIGHTS	DROITS D'ANNULATION
<p>You may cancel this payday loan within 48 hours after you have received the first advance or a cash card that is capable of being used. You must provide written notice to the payday lender if you choose to cancel the loan. The notice period may be extended by a further period of up to 48 hours if the 48 hours included a Sunday or holiday. You do not have to give a reason for cancelling the payday loan agreement. To cancel the payday loan agreement, you must provide your notice of cancellation, together with the amount you borrowed, to the business you dealt with to get your loan. If you have made any payments under the loan, the payday lender must return those payments to you without delay.</p>	<p>Vous pouvez annuler ce prêt sur salaire dans les 48 heures suivant la réception de la première avance ou d'une carte porte-monnaie électronique prête à utiliser. Pour ce faire, vous devez donner un préavis écrit au prêteur sur salaire. Ce délai de préavis peut compter jusqu'à 48 heures supplémentaires, si les 48 premières heures comprenaient un dimanche ou un jour férié. Vous n'avez pas à justifier l'annulation. Pour annuler la convention de prêt sur salaire, vous devez remettre votre avis d'annulation, accompagné de la somme empruntée, à l'entreprise avec laquelle vous avez traité pour obtenir votre emprunt. Si vous avez fait des paiements sur le prêt, le prêteur est tenu de vous les rembourser sans délai.</p>

(2) For the purposes of subsection 214(6) of the Act, the statement prescribed in subsection (1) shall meet all of the following requirements:

- (a) have the heading "**CANCELLATION RIGHTS / DROITS D'ANNULATION**" in 14-point bold capital letters;
- (b) have both versions of the statement arranged side by side on the notice of cancellation form;
- (c) be outlined so as to be noticed by the borrower;
- (d) occupy the full width of the page and be at least 7 centimeters in height.

(3) For the purposes of subsection 214(6) of the Act, the notice of cancellation form must be satisfactory to the Director and the notice of cancellation form shall also contain all of the following information:

- (a) the borrower's name and address;
- (b) the business name of the payday lender;
- (c) the loan number;

- (d) the date and time the payday loan was advanced or the borrower was given a cash card enabling them to access funds;
- (e) the loan amount;
- (f) a dedicated place for the borrower's signature;
- (g) a dedicated place for the date and time of cancellation;
- (h) a statement that the borrower is notifying the payday lender of their cancellation of the payday loan agreement.

#### **Cancellation receipt requirements**

37. For the purposes of paragraph 218(5)(a) of the Act, the receipt provided to the borrower on the cancellation of a payday loan shall contain all of the following information:

- (a) the business name and address of the payday lender;
- (b) the borrower's name and address;
- (c) the loan number;
- (d) the date and time the payday loan was advanced or the borrower was given a cash card enabling the borrower to access funds;
- (e) the date and time the repayment was received;
- (f) a statement indicating that the payday loan has been cancelled at the borrower's request within the 48-hour cancellation period and that the borrower is released from any further obligation in connection with the payday loan.

#### **Repayment of a cancelled payday loan**

38. A borrower may repay advances received electronically by either of the following methods:

- (a) an electronic method;
- (b) any other method acceptable to the payday lender.

#### **Information to be posted**

39. (1) Pursuant to subsection 221(1) of the Act, a payday lender shall prominently post at each of its physical locations where payday loans are negotiated or entered into, signs in both official languages that are visible to borrowers immediately on entering the location that contain all of the following information in the following order:

- (a) the heading “Maximum Allowable Cost per \$100 Borrowed” in letters that are at least 72-point font size;
- (b) centered below the heading in paragraph (a), the amount “\$\_\_\_.00” in 144-point font size;
- (c) a subheading in at least 54-point font size followed by all of the following:
  - “Example: \$300 loan for 14 days:”;
  - “Principal Amount \$300”;
  - “Total Cost of Credit”, followed by the total cost of borrowing per each \$300 advanced under the payday loan agreement;
  - “Annual Percentage Rate (APR)”, followed by the APR for \$300;
  - “Total to Repay” followed by the total of \$300 and the total cost of borrowing per each \$300 advanced under the payday loan agreement;
- (d) at the bottom of the sign, both of the following statements in at least 36-point font size:
  - “If you have any questions or concerns about payday loans, cancellation rights or collection practices, contact the Financial and Consumer Services Commission toll free at 1-866-933-2222.”;
  - “This information meets the requirements under the *Consumer Protection Act*”.

- (2) Pursuant to subsection 221(1) of the Act, the signs in subsection (1) shall meet all of the following requirements:
  - (a) be a minimum size of 61 centimeters in width and 76 centimeters in height;
  - (b) use lettering that clearly contrasts with the background;
  - (c) have a brightly coloured border that is at least 5 centimetres wide.
- (3) In addition to complying with subsections (1) and (2), a payday lender shall post additional signs visible to borrowers at each physical location in each area where payday loans are negotiated or entered into that contain the information set out in subsection (1) in not less than 28-point type and in a colour that contrasts with the background.

#### **Disclosure for loans negotiated by telephone**

- 40. (1) If a payday loan is negotiated by telephone, a payday lender shall provide the disclosure required by section 39 to the borrower before the borrower enters into the payday loan agreement.
- (2) The payday lender shall maintain records of the disclosure that document all of the following:

- (a) the content of the disclosure;
- (b) who disclosed the information to the borrower;
- (c) the date and time that the disclosure was provided;
- (d) records of the borrower's acknowledgement of the disclosure.

#### **Disclosure of loan information on website and mobile application**

**41.** A payday lender that offers, arranges or provides Internet payday loans shall display on its website and mobile application a notice that contains the information required by section 39 in a manner that meets all of the following requirements:

- (a) the information is displayed in a clear and understandable manner in a colour that clearly contrasts with the background;
- (b) the information is made visible to borrowers at or near the top of the introductory page for borrowers in New Brunswick;
- (c) the information is displayed and acknowledged by borrowers before they are able to access a payday loan application.

#### **Prohibited practices**

**42. (1)** Pursuant to section 232 of the Act, all of the following are prohibited practices:

- (a) contacting an employer of a borrower or employees of that employer unless all of the following conditions are met:
  - (i) the contact occurs before the borrower enters into a payday loan agreement;
  - (ii) the contact is for the sole purpose of confirming the borrower's employment, length of employment, employment income, occupation, and business address;
  - (iii) the borrower has provided written consent that the payday lender may contact the employer for the purposes outlined in subparagraph (ii);
- (b) offering, arranging, or providing a payday loan from a private dwelling;
- (c) deducting or withholding from the initial advance of a payday loan an amount representing any portion of the cost of borrowing;
- (d) requiring, requesting, or accepting information that would give the payday lender, or an employee or agent of the payday lender, direct access to a borrower's account with a financial institution;

- (e) charging a borrower an amount that is not reasonable to replace a cash card issued as part of a payday loan;
- (f) directly or indirectly giving, offering to give, or promising to give a prize or reward as an incentive or enticement to enter into a payday loan agreement;
- (g) directly or indirectly giving, offering to give, or promising to give a prize or reward for entering into a payday loan agreement;
- (h) using documentation relating to a payday loan agreement for any purpose other than providing the payday loan.

(2) Paragraph (1)(d) does not apply to information in a pre-authorized debit for repayment of a payday loan.

(3) Pursuant to section 232 of the Act, if a borrower provides a payday lender a pre-authorized debit in exchange for the advance of money, it is a prohibited practice for a payday lender to use that information for any purpose other than to access the borrower's account to process the pre-authorized payment.

#### **Restrictions on use and disclosure of borrower information**

43. A payday lender must not require, request, or accept consent from a borrower to use or disclose the borrower's personal information for a purpose other than offering, arranging, or providing a payday loan.

#### **Prohibitions on repayment**

44. (1) Pursuant to section 232 of the Act, all of the following are prohibited practices with respect to the repayment of a payday loan:

- (a) making unauthorized withdrawals from a borrower's account;
- (b) requiring a borrower to provide pre-authorized debits or future payments for an amount greater than the amount necessary to repay the payday loan on the due date;
- (c) accepting a cheque from the borrower that is not payable to the payday lender;
- (d) requiring that a payday loan be due before the first day on which the borrower will receive their pay or other income following the date of the loan;
- (e) requiring multiple or open-ended agreements providing access to the borrower's accounts with a financial institution;
- (f) using an agreement for a payment arrangement from a prior loan;
- (g) requiring more than one form of repayment from a borrower.

### **No repeated attempts to process repayment**

45. (1) Pursuant to section 232 of the Act, it is a prohibited practice for a payday lender to attempt to obtain repayment by means of a cheque, pre-authorized debit, or other negotiable instrument provided by the borrower after an attempt to obtain repayment through the cheque, pre-authorized debit, or other negotiable instrument is dishonoured.

(2) Despite subsection (1), a payday lender may attempt to obtain repayment by means of a cheque, pre-authorized debit, or other negotiable instrument provided by the borrower after an attempt to obtain repayment through the cheque, pre-authorized debit, or other negotiable instrument is dishonoured if all of the following conditions are met:

- (a) the payday lender only makes one additional attempt to obtain repayment;
- (b) if the payday lender is charged a fee, penalty, or other amount by the financial institution to process it, the payday lender does not in turn charge a fee to the borrower;
- (c) the amount attempted to be repaid under the additional attempt is the same amount as under the initial attempt;
- (d) the additional attempt is made within 30 days after the payday lender received notice that the initial attempt was unsuccessful.

### **Provision of information**

46. (1) A payday lender shall, in accordance with section 233 of the Act, provide to the Director all of the following information on loans granted during the 12-month calendar year January 1 to December 31 period:

- (a) the number of payday loans granted;
- (b) the total value (\$ value) of payday loans granted;
- (c) the total cost of credit charged for all loans;
- (d) the number of borrowers who have entered into a payday loan agreement with the payday lender over the reporting period (each individual borrower to be counted only once);
- (e) the number of repeat borrowers to whom loans were granted;
- (f) the average of the term length of all payday loan agreements entered into by the payday lender during the reporting period;
- (g) the number of loans granted, by amount of the principal (\$ amount) for all of the following categories:

- (i) Up to \$500;
- (ii) \$501 - \$1,000;
- (iii) \$1,001 - \$1,500;

(h) the total amount of loans granted (\$ amount), by amount of the principal for all of the following categories:

- (i) Up to \$500;
- (ii) \$501 - \$1,000;
- (iii) \$1,001 - \$1,500;

(i) the total number of loans granted, for all of the following types of loan terms:

- (i) 1-7 days;
- (ii) 8-14 days;
- (iii) 15-21 days;
- (iv) 22-30 days;
- (v) 31-62 days;

(j) the total amount of loans granted (\$ amount), for all of the following types of loan terms:

- (i) 1-7 days;
- (ii) 8-14 days;
- (iii) 15-21 days;
- (iv) 22-30 days;
- (v) 31-62 days;

(k) the number of advances (that is, number of transactions) made during the year;

(l) the number of repayments (that is, number of transactions) received during the year;

(m) the number of debit cards issued with loans;

(n) the total amount (\$ amount) of debit cards issued with loans;

- (o) the number of prepaid credit cards issued with loans;
- (p) the total amount (\$ amount) of prepaid credit cards issued with loans;
- (q) the number of bank accounts opened with loans, if any;
- (r) the total amount (\$ amount) of bank accounts opened with loans, if any;
- (s) the number of loan repayment insurance policies sold with loans;
- (t) the total amount (\$ amount) of loan repayment insurance policies sold with loans;
- (u) the total number of loans that defaulted during the year (including those subsequently repaid);
- (v) the total amount (\$ amount) of defaulted loans during the year (including those subsequently repaid);
- (w) the total number of loans written off as uncollectible during the year;
- (x) the total amount (\$ amount) of loans written off as uncollectible during the year;
- (y) the total amount (\$ amount) of dishonored payment fees collected during the year;
- (z) the total value of interest on outstanding payday loans that the payday lender has not written off at the end of the reporting period;
- (aa) the value of any default fees, penalties, and interest on outstanding payday loans that the payday lender has not written off at the end of the reporting period;
- (bb) the total number of individuals given loans for all of the following frequencies:
  - (i) 1 loan during the year;
  - (ii) 2 – 5 loans during the year;
  - (iii) 6 – 10 loans during the year;
  - (iv) 11 – 15 loans during the year;
  - (v) 16 or more loans during the year.

(2) Pursuant to section 233 of the Act, a payday lender shall provide all of the information in subsection (1) to the Director on or before February 1st of the following year after the 12-month reporting period.

## **Record keeping**

47. (1) For greater certainty, and without limiting section 297 of the Act, a payday lender when requested to do so shall provide the Director or any other employee of the Commission with all of the following information with respect to each payday loan provided:

- (a) the name, address, and phone number of the borrower;
- (b) all charges and payments with respect to the payday loan;
- (c) the status of the payday loan, including if the payday loan is paid in full or if there is an outstanding balance.

(2) A payday lender's books, documents, and records with respect to offering, arranging, and providing payday loans shall be accessible from a location in New Brunswick.

## **Security of records**

48. A payday lender shall take precautions that are appropriate to the form of its records, to maintain the integrity and security of all records.

## **Receipts for cash payments**

49. (1) A payday lender shall issue a receipt to a borrower for cash payments and the receipt shall contain all of the following information:

- (a) the name of the borrower;
- (b) the date of the payment;
- (c) the amount paid;
- (d) the amount still owing on the payday loan, if any.

(2) A payday lender shall issue the receipt required in subsection (1) in duplicate and provide one of the receipts to the borrower on payment.

(3) Pursuant to section 297 of the Act, a payday lender shall keep the second receipt for record keeping purposes.

## **Payout of balances on cash cards**

50. (1) Pursuant to paragraph 222(2)(a) of the Act, the borrower is entitled to be paid in cash the amount of the balance of credit remaining on a cash card issued by the payday lender when the balance of credit remaining on the cash card is less than \$25.

(2) Pursuant to subsection 222(6) of the Act, a payday lender may apply the balance of credit remaining on an expired cash card issued to a delinquent borrower as payment towards the payday loan if all of the following requirements are met:

- (a) the payday lender recovers from the cash card only the amount due on the delinquent loan, including default fees;
- (b) the payday lender issues a receipt to the borrower for money recovered from a cash card and informs the borrower of any remaining balance on the cash card and how the balance may be refunded;
- (c) the payday lender returns the remaining balance on the cash card to the borrower immediately on demand of the borrower or of the Director.

## **PART 5** **GOVERNMENT CHEQUE CASHING FEES**

### **Government cheque cashing fees - application**

51. For the purposes of paragraph (d) of the definition of "government cheque" in subsection 239(1) of the Act, Parts I, II, III and IV of the First Schedule of the *Public Service Labour Relations Act* are all prescribed organizations.

## **PART 6** **COMING INTO FORCE**

### **Effective Date**

52. This Rule comes into force on [Insert Date].

## Annex E



### FINANCIAL AND CONSUMER SERVICES COMMISSION RULE CPC-005 **COLLECTIONS AND DEBT SETTLEMENT SERVICES**

#### PART 1 PRELIMINARY MATTERS

##### Definitions

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*.

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

#### PART 2 COLLECTION AGENCIES

##### Financial Statements

2. The Director may, at any time, require a financial statement from a collection agency and the collection agency shall provide it to the Director.

##### Accounting and payment of funds

3. (1) A collection agency or a branch office of a collection agency shall, without notice or demand, account for all money collected by it within 30 days after the end of the calendar month in which it is collected and pay it, less the proper charges, to the person entitled to it.

(2) Despite subsection (1), where the money collected is less than \$5, payment shall be made within 60 days after the end of the calendar month in which it is collected.

(3) A collection agency or a branch office of a collection agency shall do all of the following on the demand of a person entitled to an accounting or on the demand of the Director:

- (a) account for all money received on behalf of the person;
- (b) pay the money to the person entitled to it, less the proper fees of the collection agency or branch office of a collection agency.

## **Trust accounts**

4. (1) A person who holds a collection agency licence or who holds a collection agency branch licence shall maintain a trust account in a chartered bank, credit union, or trust company and shall deposit all money received on behalf of a client in the trust account.

(2) No money shall be drawn from a trust account except

- money paid to or on behalf of a client from funds which have been deposited in a trust account to the client's credit,
- money required for payment of charges to the collection agency or to the branch office of a collection agency pursuant to an agreement to collect debts or disbursements made on behalf of a client from money belonging to the client, or
- money paid in to the trust account by mistake.

## **Prohibited collection practices**

5. (1) Subject to subsection (2), no collection agency, branch office of a collection agency, or collector shall engage in any of the following prohibited collection practices to recover a debt:

- communicate or attempt to communicate with a debtor, a member of the debtor's family or household, a relative, neighbour, friend or acquaintance of the debtor, or the debtor's employer or guarantor, by any means, in such a manner or with such frequency as to constitute harassment, including, but not limited to any of the following:
  - using threatening, profane, intimidating, or coercive language;
  - using undue, excessive, or unreasonable pressure;
  - making public or threatening to make public a debtor's failure to pay a debt;
- subject to paragraphs (c) and (d), communicate or attempt to communicate with a person other than the debtor for any purpose in relation to the debt or debtor;
- communicate or attempt to communicate with the debtor or another person at the debtor's place of employment for any purpose in relation to the debt or debtor, except with the debtor's approval;
- except on the request of the person being contacted, make a telephone call to, or a personal call on, a debtor, a member of the debtor's family or household, a relative, neighbour, friend or acquaintance of the debtor, or the debtor's employer or guarantor at any of the following times:

- (i) on a Sunday, other than between 1 p.m. and 5 p.m. local time for the person being contacted;
- (ii) on a holiday other than a Sunday;
- (iii) on any other day, other than between the hours of 7 a.m. and 9 p.m. local time for the person being contacted;

(e) communicate or attempt to communicate with a debtor or another person for any purpose in relation to the debt or debtor by a means that enables the charges or costs of the communication to be payable by the debtor or other person;

(f) directly or indirectly threaten or state an intention to commence a legal action for which there is no lawful authority;

(g) directly or indirectly threaten or state an intention to commence a legal action for which the collection agency, branch office of a collection agency, or collector does not have the written authority of the creditor to commence;

(h) give, directly or indirectly, false or misleading information in respect of a debt or the collection of a debt;

(i) misrepresent the purpose of a communication with a person, the identity of the collection agency, branch office of a collection agency or collector or the identity of the creditor;

(j) use, without lawful authority, a summons, notice, demand or other document that suggests or implies a connection with a court within or outside Canada;

(k) attempt to collect payment of a debt before having provided, or having made all reasonable attempts to provide, a written notice containing all of the following information to the debtor in a manner that ensures the privacy of the notice:

- (i) the name of the creditor;
- (ii) the balance owing on the account;
- (iii) in the case of a collection agency or branch office of a collection agency, the name of the collection agency as shown on its licence;
- (iv) in the case of a collector, all of the following:
  - (A) the collector's name, as shown on their licence;
  - (B) the name of the collection agency for which the collector is attempting to collect the debt, as the collection agency's name is shown on its licence;

- (v) the authority of the collection agency, branch office of a collection agency, or collector in respect of the collection of the debt;
- (l) communicate or attempt to communicate with a debtor, by any means, with respect to the collection of a debt, without indicating all of the following:
  - (i) the name of the creditor;
  - (ii) the balance owing on the account;
  - (iii) in the case of a collection agency or branch office of a collection agency, the name of the collection agency as shown on its licence;
  - (iv) in the case of a collector, all of the following:
    - (A) the collector's name, as shown on their licence;
    - (B) the name of the collection agency for which the collector is attempting to collect the debt, as the collection agency's name is shown on its licence;
  - (v) the authority of the collection agency, branch office of a collection agency or collector in respect of the collection of the debt;
- (m) continue to communicate with a debtor by doing any of the following:
  - (i) contacting the debtor other than in writing, if the debtor has provided written notice to the collection agency, branch office of a collection agency, or collector to communicate with the debtor in writing only and has provided the collection agency, branch office or collector with an address at which the debtor may be contacted;
  - (ii) contacting the debtor other than through the debtor's legal advisor, if the debtor has provided written notice to the collection agency, branch office of a collection agency, or collector to communicate only with the debtor's legal advisor and has provided the collection agency, branch office or collector with an address for the legal advisor;
  - (iii) contact the debtor in any way, if the debtor has provided notice to the creditor and the collection agency, branch office of a collection agency, or collector by registered mail that the debt is in dispute and that the debtor would like the creditor to take the matter to court;
- (n) collect or attempt to collect money from a person who is not liable for the debt;
- (o) request that a debtor waive rights, benefits or protections provided under the Act or this Rule.

- (2) A collection agency, branch office of a collection agency, or collector shall not make a telephone call to, or a personal call on, the debtor until at least 5 days after the written notice referred to in paragraph (1)(k) of this section
  - (a) has been mailed to the debtor, or
  - (b) has been provided to the debtor, if it is provided other than by mail.
- (3) A collection agency, a branch of a collection agency, or a collector who includes a demand for payment in the written notice referred to in paragraph (1)(k) of this section does not violate that paragraph.
- (4) No collection agency, branch office of a collection agency, or collector shall engage in any of the following prohibited collection practices:
  - (a) commence or continue a legal proceeding for the recovery of a debt in the name of the collection agency unless the debt has been assigned to the collection agency in good faith by written instrument for valuable consideration and written notice of the assignment has been provided to the debtor;
  - (b) commence a legal proceeding for the recovery of a debt in the name of the collection agency if the debt has been assigned to the collection agency, or recommend to a creditor that a legal proceeding be commenced, before having provided the debtor with written notice that the collection agency or branch office of a collection agency intends to commence the proceeding or recommend that the proceeding be commenced;
  - (c) despite an agreement to the contrary between a debtor and a creditor, collect or attempt to collect from the debtor, on behalf of the creditor, an amount of money that exceeds the amount owing by the debtor, including, but not limited to, charges made or incurred by the collection agency or branch office of a collection agency and charges incurred by the creditor for the services of the collection agency or branch office.

### **PART 3** **DEBT SETTLEMENT SERVICES**

#### **Prohibited representations**

- 6. For the purposes of section 244 of the Act, a collection agency, or collector shall not communicate or cause to be communicated any of the following prohibited representations relating to a debt settlement services agreement:
  - (a) an express or implied representation that restricts the debtor from having access to their credit report, or that suggests that the debtor is restricted from having access to their credit report;

- (b) an express or implied representation that restricts the debtor from communicating with the debtor's creditors;
- (c) an express or implied representation that debt settlement services are being provided under a name other than the collection agency's or collector's registered name;
- (d) an express or implied representation that provides information about a debtor's debts to a person other than the debtor, a guarantor of the debt, the debtor's designated representative, or a creditor of the debtor without the debtor's written consent;
- (e) an express or implied representation that misrepresents the time needed to achieve the results promised by the collection agency or collector;
- (f) an express or implied representation that gives any person false or misleading information.

#### **Requirements - debt settlement services agreement**

- 7. (1) For the purposes of subparagraph 245(1)(a)(iii) of the Act, a debt settlement services agreement between a collection agency and a debtor shall contain all of the following information:
  - (a) the debtor's name, address, and telephone number and information respecting other ways, if any, by which the collection agency can contact the debtor, such as an email address;
  - (b) the collection agency's registered name and, if different, the name under which the collection agency carries on business;
  - (c) the collection agency's business address and, if different, the collection agency's mailing address;
  - (d) the collection agency's telephone number, and information respecting other ways, if any, by which the debtor can contact the collection agency, such as the fax number and email address of the collection agency, as well as their website address if available;
  - (e) the date the agreement is entered into;
  - (f) the termination date of the agreement, and the condition in subsection 2 respecting the termination of debt settlement services agreements;
  - (g) an itemized list of all services that will be provided under the agreement, that fairly and accurately describes each service;

- (h) the details of all the debts to which the agreement applies, including each creditor's name, the total amount owed to each creditor, and the interest rate applicable to each debt;
- (i) the total amount owed by the debtor to all creditors under the agreement;
- (j) the date and signature of the debtor, the collection agency, and the collector who dealt with the debtor at the time the agreement was signed;
- (k) the total amount payable by the debtor to the collection agency and the terms and methods of payment;
- (l) the portion, expressed in Canadian currency, of the total amount payable for each service or good to be supplied under the agreement;
- (m) all restrictions, limitations, and conditions under the agreement.

(2) For the purposes of subparagraph 245(1)(a)(iii) of the Act, a debt settlement services agreement between a collection agency and a debtor shall include the following condition immediately after the termination date:

Unless the termination provision set out in this agreement provides for an earlier termination date, this agreement terminates 18 months after the later of

- (a) the date the agreement was entered into,
- (b) the last day on which a payment was made in connection with the agreement, or
- (c) the last day on which a settlement occurred, if debts to which this agreement applies are settled by or through the collection agency.

(3) For the purposes of subparagraph 245(1)(a)(iii) of the Act, a debt settlement services agreement between a collection agency and a debtor shall include the following condition:

Within 15 days of becoming authorized, the collection agency shall inform a debtor's creditors that the collection agency or collector is authorized to arrange or negotiate a schedule of payments or a one-time payment on the debtor's behalf.

(4) For the purposes of subparagraph 245(1)(a)(iii) of the Act, at the front of a debt settlement services agreement between a collection agency and a debtor shall be the document entitled, "Settling Debt – What You Need to Know" "Règlement d'une dette – Ce que vous devez savoir", in both official languages contained in Schedule A.

#### **Amending, renewing, or extending a debt settlement services agreement**

8. (1) With the express agreement of both the debtor and the collection agency, a debt settlement

services agreement may be amended, renewed, or extended whether or not the agreement provides for amendment, renewal, or extension.

- (2) If a debt settlement services agreement is amended, renewed, or extended, the debtor may, without any reason, cancel the agreement at any time from the date that the amendment, renewal, or extension is agreed to until 10 days after receiving the written copy of the amended, renewed, or extended agreement, and sections 246 and 247 of the Act apply to the cancellation.
- (3) No amendment, extension, or renewal of a debt settlement services agreement is effective unless the amended, extended, or renewed agreement meets all the requirements in the Act and this Rule.
- (4) An amendment to a debt settlement services agreement shall not retroactively affect rights and obligations acquired by the debtor before the effective date of the amendment, and shall not affect any debt that has already been settled under the agreement.
- (5) An amended, renewed, or extended debt settlement services agreement between a collection agency and a debtor shall include the following condition immediately after the termination date:

Unless the termination provision set out in this agreement provides for an earlier termination date, this agreement terminates 18 months after the later of

- (a) the date the agreement was entered into,
- (b) the last day on which a payment was made in connection with the agreement, or
- (c) the last day on which a settlement occurred, if debts to which this agreement applies are settled by or through the collection agency.

#### **Restrictions on payments for debt settlement services**

- 9. (1) For the purposes of paragraph 248(1)(a) of the Act, a collection agency or collector that provides debt settlement services is permitted to require or accept payment or security for payment in advance of providing the debt settlement services if all of the following requirements are met:
  - (a) the debtor and the collection agency have entered into a valid debt settlement services agreement in accordance with the Act and this Rule;
  - (b) the debtor has entered into an agreement with the creditor regarding the amount to be paid by the debtor to the creditor to settle the debt;
  - (c) the debtor has made at least one payment under the agreement mentioned in paragraph (b);

- (d) the collection agency has written evidence of the debtor's payment mentioned in paragraph (c).
- (2) If a collection agency provides or is to provide debt settlement services to a debtor in respect of more than one creditor, the collection agency shall not require or accept payment or security for payment for its services in advance of providing the debt settlement services in respect of a given creditor unless the conditions mentioned in subsection (1) have been met for that creditor.
- (3) For the purposes of paragraph 248(1)(b) of the Act, the maximum amount that a collection agency or collector that provides debt settlement services shall require or accept as payment or security for payment, directly or indirectly, shall not exceed
  - (a) in the case of a debt settlement agreement that includes a schedule of payments, the greater of:
    - (i) 15% of the money actually collected from the debtor for distribution to their creditors, and
    - (ii) \$20, or
  - (b) 10% of the debt owing, in the case of a one-time payment to a creditor or creditors, or in the case of an agreement to make arrangements or negotiate with the creditor or creditors identified in the debt settlement agreement on the debtor's behalf.

#### **PART 4** **COMING INTO FORCE**

##### **Effective date**

**10.** This Rule comes into force on [Insert Date].

## SCHEDULE A

### Settling Debt – What You Need to Know

#### **Know your consumer rights**

- You cannot be charged any fees unless your creditors accept the offer of a settlement of your debt.
- You have the right to cancel this contract within 10 days after receiving a written copy of it and you do not need a reason to cancel.

To cancel:

1. Tell the collection agency in writing (i.e., by letter delivered in person, by email, registered mail, prepaid courier or fax). The address is set out below.
2. Keep a copy of the written cancellation notice to provide proof of the date you gave your notice.

#### **What to consider before you sign the contract**

- A debt settlement program may not be right for you. Consider other ways you could pay off your debts, such as negotiating a repayment plan with your creditors on your own.
- Renegotiating your debts, including using these services, may lower your credit rating or credit score. Your credit rating is used by lenders and creditors, insurance companies, landlords and potential employers to assess applications for items such as loans, lines of credit, credit cards, insurance, apartment rentals and employment.
- Your interest rates may increase during the time that your debt remains unpaid. This may increase the amount you have to pay back to your creditors.
- Your creditors may not agree to a settlement.

#### **Contact Information:**

Collection Agency name:	
Collector name:	
Mailing address:	
Email:	
Telephone:	
Fax:	

I have read this document:

\_\_\_\_\_  
Your signature

\_\_\_\_\_  
Date

**New Brunswick's *Consumer Protection Act* requires this to be at the front of a debt settlement services agreement.**

The Financial and Consumer Services Commission is New Brunswick's regulatory authority responsible for overseeing the province's financial and consumer services marketplaces. The Commission is not affiliated with, nor does it endorse any collection agency or debt settlement services company.

You can learn more about your consumer rights or file a complaint with the Commission about a business by contacting us at:

Toll Free 1 866 933-2222 | Fax 506 658-3059 | Email [info@fcnb.ca](mailto:info@fcnb.ca) | fcnb.ca

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## Règlement d'une dette – Ce que vous devez savoir

### Connaissez vos droits de consommateur

- Vous n'avez pas à payer d'honoraires à moins que vos créanciers acceptent l'offre de règlement de votre dette.
- Vous avez le droit d'annuler ce contrat-ci dans les 10 jours après en avoir reçu une copie écrite, et vous n'avez pas à justifier l'annulation.

Pour annuler :

1. Informez-en par écrit l'agence de recouvrement (p. ex. par lettre livrée en personne ou envoyée par courriel, par courrier recommandé, par messagerie prépayée ou par télécopieur). L'adresse paraît ci-dessous.
2. Conservez une copie de l'avis écrit d'annulation comme preuve de la date à laquelle vous avez remis l'avis.

### Choses à considérer avant de signer le contrat

- Il se peut qu'un programme de règlement de dettes ne convienne pas à votre situation. Explorez d'autres façons de rembourser vos dettes, par exemple en négociant par vous-même un plan de remboursement avec vos créanciers.
- La renégociation de vos dettes, y compris le recours à ces services, peut entraîner une baisse de votre cote de solvabilité ou de crédit. Les prêteurs et créanciers, les compagnies d'assurance, les locataires de logement et vos employeurs éventuels consulteront votre cote de solvabilité lorsque vous leur demanderez, par exemple, un prêt, une marge de crédit, une carte de crédit, de l'assurance, un appartement ou un emploi.
- Vos taux d'intérêt peuvent augmenter pendant que votre dette demeure impayée. Cela peut accroître la somme que vous devrez rembourser à vos créanciers.
- Il se peut que vos créanciers ne souhaitent pas régler la dette.

## Coordonnées

Nom de l'agence de recouvrement :	
Nom de l'agent de recouvrement :	
Adresse postale :	
Courriel :	
Téléphone :	
Télécopieur :	

J'ai lu le présent document : \_\_\_\_\_

**La Loi sur la protection du consommateur du Nouveau-Brunswick exige que ceci soit inséré à l'avant de toute convention de services de règlement de dettes.**

La Commission des services financiers et des services aux consommateurs est, au Nouveau-Brunswick, l'autorité responsable de la réglementation des marchés de la province relatifs aux services financiers et aux services aux consommateurs. La Commission n'est affiliée à aucune agence de recouvrement ni à aucun fournisseur de services de règlement de dettes, et ne les recommande pas.

Pour en savoir plus au sujet de vos droits de consommateur ou pour déposer une plainte auprès de la Commission concernant une entreprise, vous pouvez nous joindre par l'un des moyens suivants :

Sans frais : 1 866 933-2222 | Télécopieur : 506 658-3059 | Courriel : [info@fcnb.ca](mailto:info@fcnb.ca) | [fcnb.ca](http://fcnb.ca)



**FINANCIAL AND CONSUMER SERVICES COMMISSION  
RULE CPC-006 CREDIT REPORTING SERVICES AND CREDIT REPAIR**

**Definitions**

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“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 credit repairer and the credit repairer 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.

**Right of consumer to disclosure**

2. For the purposes of subsection 260(3) and subsection 260(8) of the Act and the consumer’s right to disclosure, every credit reporting agency shall, if the consumer so requests, provide a copy of the information listed in subsection 260(1) of the Act in the manner requested by the consumer.

**Correction of errors**

3. For the purposes of subsection 261(6) of the Act, the report required under subsection 261(5) of the Act may be provided to the specified end-users in the form of a notification that a correction, supplement, or deletion has been made to a consumer’s credit report.

**Security alert statements**

4. For the purposes of subsection 263(10) of the Act, if a consumer requests that a credit

reporting agency include a security alert statement in the consumer's file, the maximum fee that the credit reporting agency may charge, require, or accept for doing so is \$5.

#### **Requirements – agreements for credit repair**

5. (1) For the purposes of section 264 of the Act, a credit repairer shall include all of the following information in an agreement for credit repair:

- (a) the consumer's name and address;
- (b) the credit repairer's registered name and, if different, the name under which the credit repairer carries on business;
- (c) the credit repairer's business address and, if different, the credit repairer's mailing address;
- (d) the credit repairer's telephone number, and information respecting other ways, if any, by which the consumer can contact the credit repairer, such as the fax number and email address of the credit repairer, as well as their website address if available;
- (e) the date the agreement for credit repair is entered into;
- (f) the names of all of the following:
  - (i) the person, if applicable, who solicited the consumer in connection with the agreement for credit repair;
  - (ii) the person, if applicable, who negotiated the agreement for credit repair with the consumer;
  - (iii) the person who concluded the agreement for credit repair with the consumer;
- (g) an itemized list of the services and goods that the credit repairer will supply to the consumer, that fairly and accurately describes each service and good;
- (h) as applicable, the date or dates on which delivery, commencement of performance, ongoing performance, and completion of performance will occur;
- (i) 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;
- (j) the total amount payable by the consumer to the credit repairer and the terms and methods of payment;
- (k) the portion, expressed in Canadian currency, of the total amount payable for each service or good to be supplied under the agreement for credit repair;

- (l) if the agreement for credit repair includes a trade-in arrangement, a description of the trade-in arrangement and the amount of the trade-in allowance;
- (m) all restrictions, limitations, and conditions under the agreement for credit repair.

(2) For the purposes of section 264 of the Act, a credit repairer shall include the following statement in both official languages in an agreement for credit repair:

**Your Rights under the  
*Consumer Protection 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

**Vos droits en vertu de la  
*Loi sur la protection du consommateur***

Si une agence d'évaluation du crédit tient un dossier de crédit sur vous, vous avez le droit de contester auprès d'elle, sans frais, l'exactitude ou la complétude des renseignements au dossier qui vous concernent. Vous n'avez pas à engager un redresseur de crédit ni qui que ce soit d'autre pour exercer ce droit. Si les renseignements au dossier sont inexacts ou incomplets, l'agence doit apporter les corrections nécessaires dans un délai raisonnable.

Commet une infraction tout redresseur de crédit qui exige ou accepte un paiement ou une sûreté en garantie d'un paiement avant de faire apporter une amélioration significative à votre rapport de solvabilité, aux renseignements sur votre solvabilité, à votre dossier, à votre dossier de crédit, à vos antécédents en matière de crédit ou à votre cote de solvabilité.

Après avoir reçu une copie écrite de la convention, vous avez 10 jours pour choisir de l'annuler, sans avoir à vous justifier.

Pour annuler la convention, vous devez remettre un avis d'annulation au redresseur de crédit. Cet avis peut être remis par lettre livrée en personne ou envoyée par courrier recommandé, par messagerie prépayée, par télécopieur, par courriel ou par tout autre mode permettant de démontrer que vous avez notifié l'annulation.

Si vous annulez la convention, le redresseur de crédit a 15 jours pour vous rembourser tout

have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

paiement que vous avez fait et vous retourner toutes les marchandises livrées en vertu d'un accord de reprise (ou vous rembourser la valeur de reprise).

- (3) The statement in subsection (2) must be satisfactory to the Director and shall be in at least 10-point type, except for the heading which shall be in at least 12-point bold type.
- (4) If the statement in subsection (2) does not appear at the front of the agreement for credit repair, there shall be a notice at the front of the agreement for credit repair, in both official languages, in not less than 12-point bold type, indicating the location of the statement in the agreement.

### **Prohibited representations**

- 6. (1) For the purposes of section 269 of the Act, all of the following are prohibited representations:
  - (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;
  - (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 (1)(c) is not a prohibited representation if the credit repairer makes the representation after having
  - (a) examined the consumer's credit report, credit information, file, personal information, credit record, credit history, or credit rating,
  - (b) reasonably concluded that the consumer's credit report, credit information, file, personal information, credit record, credit history, or credit rating is inaccurate or incomplete, and
  - (c) reasonably concluded that correcting, supplementing, or deleting an 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.

**Effective date**

7. This Rule comes into force on [Insert Date].

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## Annex G



### FINANCIAL AND CONSUMER SERVICES COMMISSION RULE CPC-007 LICENSING AND REGISTRATION

#### PART 1 PRELIMINARY MATTERS

##### Definitions

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“direct sales contracting” means soliciting, negotiating, or entering into a direct sales contract for any of the following goods or services or combination of goods and services:

- (a) constructing, altering, renovating, maintaining, repairing, adding to or improving a building, structure, or real property that is used or is to be used for personal, family, or household purposes;
- (b) goods or services prescribed in Rule CPC-003 *Direct Sellers* for the purposes of subsection 86(1) of the Act.

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

#### PART 2 LICENCE AND REGISTRATION APPLICATIONS

##### DIVISION A DIRECT SELLERS LICENSING

###### Requirements – application for direct seller’s licence

2. Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a direct seller’s licence or for the renewal of a direct seller’s licence shall provide all of the following information:

- (a) the applicant’s business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;

- (b) the applicant's legal name or legal names and business name or business names under which it intends to engage in direct selling;
- (c) the applicant's business address and mailing address;
- (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, and date of birth;
- (e) if the applicant is a sole proprietor, a 5-year employment history of the applicant;
- (f) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
- (g) a complete list of the goods and services that will be offered or sold by the applicant and a price list for all the goods and services;
- (h) whether the applicant will be extending credit to consumers or providing credit brokering services to consumers to finance their purchase using a third party credit grantor, and if so the full details of how the credit sale is offered or arranged.

#### **Requirement - carrying on business in Province**

- 3. Pursuant to subsection 274(2) of the Act, an applicant for a direct seller's licence or for the renewal of a direct seller's licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

#### **Bond**

- 4. (1) Pursuant to subsection 274(3) of the Act, an applicant for a direct seller's licence shall acquire and maintain a bond and shall deliver proof satisfactory to the Director of the bond.
- (2) Despite subsection (1), an applicant for a direct seller's licence is not required to acquire and maintain a bond if they can satisfy one of the following requirements:
  - (a) the applicant is a corporation or partnership and has had a business premises in New Brunswick for a period of 1 year at the time of applying for a licence;
  - (b) the applicant is a corporation or partnership, and all of the shareholders or partners have resided in the Province for a period of 1 year at the time of applying for a licence;
  - (c) the applicant is a sole proprietor and has resided in the Province for a period of 1 year or has had a business premises in the Province for a period of 1 year at the time of applying for a licence.
- (3) Pursuant to subsection 274(3) of the Act, an applicant for a direct seller's licence shall acquire and maintain a bond, payable to the Commission, in the amount of either:
  - (a) \$5,000 if not more than 5 salespersons are employed by the direct seller;

- (b) \$10,000 if more than 5 salespersons are employed by the direct seller.
- (4) Proof of the bond delivered under subsection (1) shall be in a form approved or provided by the Director.
- (5) An applicant for the renewal of a direct seller's licence shall provide the Director with a continuation certificate or other proof acceptable to the Director to show maintenance of the bond required under this section.
- (6) Despite subsection (5), the Director may waive the requirement to provide a continuation certificate as a result of the applicant satisfying one of the requirements in subsection (2).

#### **Direct Sales Contract**

- 5. Pursuant to paragraph 274(1)(d) of the Act, an applicant for a direct seller's licence or for the renewal of a direct seller's licence shall provide the Director with a copy of the direct sales contract that the applicant uses or proposes to use that complies with the Act and with Rule CPC-003 *Direct Sellers*.

#### **Requirements – application for direct selling salesperson's licence**

- 6. Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a direct selling salesperson's licence or for the renewal of a direct selling salesperson's licence shall provide all of the following information:
  - (a) the applicant's legal name;
  - (b) the applicant's residential address and mailing address;
  - (c) the applicant's date of birth;
  - (d) the applicant's previous residences during the past 3 years;
  - (e) the name, address, phone number, fax number, and email address of the applicant's present employer;
  - (f) the name of the direct seller who authorizes the applicant to act as their agent;
  - (g) the applicant's employment history for the past 5 years.

#### **Requirement – direct selling salesperson's licence**

- 7. Pursuant to paragraph 274(1)(d) of the Act, an applicant for a direct selling salesperson's licence or for the renewal of a direct selling salesperson's licence is required to be both:
  - (a) a resident of Canada;

- (b) eligible to work in Canada.

#### **Licensing exemption for direct selling salesperson's licence**

8. (1) For the purposes of paragraph 76(5)(a) of the Act, the prescribed amount is \$500.
- (2) For the purposes of subsection (1), the prescribed amount of \$500 is exclusive of taxes.
- (3) For the purposes of paragraph 76(5)(b) of the Act, it is a requirement that the supplier notify the Director in writing if they have one or more authorized salespersons direct selling as their agent without a licence pursuant to subsection 76(5) of the Act.
- (4) For the purposes of paragraph 76(5)(c) of the Act, it is a requirement that the salesperson, to whom the licensing exemption in subsection 76(5) of the Act will apply, does not engage in direct selling as an authorized agent of a supplier who engages in direct sales contracting.

#### **Identification requirements – salespersons who don't hold licences**

9. For the purposes of paragraph 77(1)(d) of the Act, an identification card shall contain the date on which the supplier issued the identification card to the salesperson.

## **DIVISION B** **HIGH-COST CREDIT BUSINESS LICENSING**

#### **Requirements – application for high-cost credit business licence**

10. Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a high-cost credit business licence or for the renewal of a high-cost credit business licence shall provide all of the following information:
  - (a) the applicant's business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;
  - (b) the applicant's legal name or legal names and business name or business names under which it intends to carry on business as a high-cost credit business;
  - (c) the applicant's business address and mailing address;
  - (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, date of birth, and position held;
  - (e) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
  - (f) the name of the manager for each physical location where high-cost credit products will be offered, arranged, or provided and their contact information;

- (g) if high-cost credit products will be offered, arranged, or provided from a location that is a website, the website address or website addresses;
- (h) if high-cost credit products will be offered, arranged, or provided from a location that is a website, proof satisfactory to the Director demonstrating the applicant has met the disclosure requirements in the Act and rules on their website;
- (i) whether the applicant will also be offering, arranging, or providing payday loans in New Brunswick;
- (j) a detailed description of each type of high-cost credit product to be offered, arranged or provided by the applicant;
- (k) details about how the applicant arranges high-cost credit products, including how all fees that are charged to borrowers for the arrangement of high-cost credit products are calculated;
- (l) details about how the applicant advances high-cost credit product funds to borrowers;
- (m) details about how the applicant accepts repayment of high-cost credit products;
- (n) details about how the applicant offers, arranges, and provides high-cost credit, including details about their methods for accepting applications electronically if applicable;
- (o) details about whether, and if so how, the applicant offers cheque cashing services and insurance products;
- (p) a detailed description of each optional good or service that is or may be offered as part of the high-cost credit product to a borrower;
- (q) whether the applicant offers, arranges, or provides high-cost credit products in another jurisdiction and, if applicable, which jurisdiction or jurisdictions.

**Requirement – carry on business in Province**

**11.** Pursuant to subsection 274(2) of the Act, an applicant for a high-cost credit business licence or for the renewal of a high-cost credit business licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

**Copy of Documents**

**12.** Pursuant to paragraph 274(1)(d) of the Act, an applicant for a high-cost credit business licence or for the renewal of a high-cost credit business licence shall provide a copy of all of the following documents that the applicant uses or intends to use:

- (a) all documents used or proposed to be used by the applicant in relation to the extension of high-cost credit products;

- (b) a notice of cancellation form that complies with the Act and section 25 of Rule CPC-004 *Cost of Credit Disclosure, High-cost Credit Products, and Payday Loans*;
- (c) the receipt given to a borrower on the cancellation of a high-cost credit product that complies with paragraph 163(6)(a) of the Act.

**DIVISION C**  
**PAYDAY LENDER LICENSING**

**Requirements – application for payday lender licence**

13. Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a payday lender licence or for the renewal of a payday lender licence shall provide all of the following information:

- (a) the applicant's business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;
- (b) the applicant's legal name or legal names and business name or business names under which it intends to carry on business as a payday lender;
- (c) the applicant's business address and mailing address;
- (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, date of birth, and position held;
- (e) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
- (f) the name of the manager for each physical location where payday loans will be offered, arranged, or provided and their contact information;
- (g) if payday loans will be offered, arranged, or provided from a location that is a website, the website address or website addresses;
- (h) if payday loans will be offered, arranged, or provided from a location that is a website, proof satisfactory to the Director demonstrating the applicant has met the disclosure requirements in the Act and rules on their website;
- (i) whether the applicant will also be offering, arranging, or providing high-cost credit products in New Brunswick;
- (j) details about the applicant's lending activities, including whether they plan to offer, arrange, or provide payday loans;
- (k) if applicable, a list of each payday lender that the applicant uses to arrange payday loans and each lender's address, phone number, and fax number;

- (l) details about how the applicant arranges payday loans, including how all fees that are charged to borrowers for the arrangement of payday loans are calculated;
- (m) details about how the applicant advances payday loans funds to borrowers;
- (n) details about how the applicant accepts repayment of payday loans;
- (o) details about the applicant's lending activities including whether they offer internet payday loans, telephone payday loans, cheque cashing services, or insurance products;
- (p) whether the applicant offers, arranges, or provides payday loans in another jurisdiction and, if applicable, which jurisdiction or jurisdictions.

#### **Requirement – carrying on business in Province**

14. Pursuant to subsection 274(2) of the Act, an applicant for a payday lender licence or for the renewal of a payday lender licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

#### **Copy of documents**

15. Pursuant to paragraph 274(1)(d) of the Act, an applicant for a payday lender licence or for the renewal of a payday lender licence shall provide a copy of all of the following documents that the applicant uses or intends to use:

- (a) for each loan option offered by the applicant, a completed sample payday loan agreement for a \$300 loan for a 14-day term that demonstrates that neither the total cost of credit nor any component of the total cost of credit exceeds any maximums set in the Act or regulations;
- (b) the form to be used by the borrower to cancel the payday loan that complies with the Act and section 36 of Rule CPC-004 *Cost of Credit Disclosure, High-cost Credit Products, and Payday Loans*;
- (c) the receipt provided to a borrower on the cancellation of a payday loan that complies with the Act and section 37 of Rule CPC-004 *Cost of Credit Disclosure, High-cost Credit Products, and Payday Loans*;
- (d) the receipt issued to acknowledge a cash payment made by the borrower, that complies with the Act and section 49 of Rule CPC-004 *Cost of Credit Disclosure, High-cost Credit Products, and Payday Loans*.

#### **Minimum Working Capital**

16. (1) Pursuant to section 235 of the Act, a payday lender shall, at all times, maintain a positive working capital that is satisfactory to the Director.

- (2) Pursuant to paragraph 274(1)(d) of the Act, an applicant for a payday lender licence shall provide proof satisfactory to the Director that the applicant has a positive working capital.
- (3) For the purposes of subsection (2), an applicant for a payday lender licence shall provide all of the following information in relation to the applicant's working capital:
  - (a) the payday lender's fiscal year end;
  - (b) current assets;
  - (c) current assets subject to a security interest or otherwise impaired;
  - (d) adjusted current assets;
  - (e) current liabilities;
  - (f) unimpaired working capital;
  - (g) positive working capital requirements;
  - (h) excess or deficiency in working capital.
- (4) For the purposes of subsection (2), an applicant for a payday lender licence shall provide financial statements satisfactory to the Director demonstrating the payday lender's positive working capital.
- (5) For the purposes of subsection (2), an applicant for a payday lender licence shall provide a written certification of the accuracy of the financial statements signed by two directors of the payday lender.
- (6) Pursuant to section 233 of the Act, within three months of the end of a payday lender's fiscal year, a payday lender shall file with the Director financial statements in respect of the payday lending activities for which it was licensed during the fiscal year.
- (7) For the purposes of subsection (6), a payday lender shall provide a written certification of the accuracy of the financial statements signed by two directors of the payday lender.
- (8) A payday lender shall not change its fiscal year if, as a result of the change, the fiscal year will exceed 15 months.

#### **Requirements – application for licence renewal**

- 17. Pursuant to paragraph 274(1)(d) of the Act, an applicant for the renewal of a payday lender licence shall submit their renewal application to the Director at least 30 days before the expiry of their licence.

**DIVISION D**  
**COLLECTIONS AND DEBT SETTLEMENT SERVICES LICENSING**

**Requirements – application for collection agency licence**

**18. (1)** Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a licence or for the renewal of a licence to carry on business as a collection agency shall provide all of the following information:

- (a) the applicant's business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;
- (b) the applicant's legal name or legal names and business name or business names under which it intends to carry on business as a collection agency;
- (c) the applicant's business address and mailing address;
- (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, and date of birth;
- (e) if applicable, the legal name or legal names and business name or business names of all branch offices of the collection agency;
- (f) if applicable, the address, phone number, fax number, and email address of all branch offices of the collection agency;
- (g) if applicable, the name of the manager for each branch office of the collection agency and the contact information for each manager;
- (h) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
- (i) if the applicant is a sole proprietor, a 5-year employment history of the applicant;
- (j) whether the applicant will be carrying on the business of collecting debts or whether the applicant will be carrying on the business of collecting debts and providing debt settlement services;
- (k) the applicant's trust account information, including the financial institution, address, and account number.

**(2)** Pursuant to subparagraph 274(1)(b)(iii) of the Act, an application for a licence or for the renewal of a licence to carry on the business of a collection agency shall be accompanied by financial statements satisfactory to the Director signed by any of the following:

- (a) the person carrying on the business of a sole proprietorship;
- (b) two of the partners of a partnership;

- (c) an officer, with the corporate seal affixed to the statement, of a corporation.

**Requirement – carrying on business in the Province**

**19.** Pursuant to subsection 274(2) of the Act, an applicant for a collection agency licence or for the renewal of a collection agency licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

**Bond**

**20.** (1) Pursuant to subsection 274(3) of the Act, an applicant for a collection agency licence shall acquire and maintain a bond and shall deliver proof satisfactory to the Director of the bond.

(2) Proof of the bond delivered under subsection (1) shall be in a form approved or provided by the Director.

(3) Pursuant to subsection 274(3) of the Act, an applicant for a collection agency licence shall acquire and maintain a bond, payable to the Commission, in the amount of \$10,000.

(4) An applicant for the renewal of a collection agency licence shall provide the Director with a continuation certificate or other proof acceptable to the Director to show maintenance of the bond required under this section.

**Copy of documents**

**21.** (1) Pursuant to paragraph 274(1)(d) of the Act, an applicant for a licence or for the renewal of a licence to carry on the business of a collection agency is required to have all forms of agreement and all forms of letters that the applicant uses or proposes to use while carrying on the business of collecting debts approved by the Director.

(2) Pursuant to subparagraph 274(1)(b)(iii) of the Act, an application for a licence or for the renewal of a licence to carry on business as a collection agency shall be accompanied by both of the following:

- (a) copies of all forms of agreement that the applicant uses or proposes to use with clients while carrying on the business of collecting debts;
- (b) copies of all forms of letters used or proposed to be used in making demands for the collection of debts.

(3) If the Director objects to a form of agreement or a form letter used or proposed to be used by a collection agency or a branch office of a collection agency, the Director shall provide written notice of the objection to the collection agency or the branch office of the collection agency.

### **Debt settlement services agreement**

22. Pursuant to paragraph 274(1)(d) of the Act, an applicant for a licence or for the renewal of a licence to carry on the business of a collection agency who will be providing debt settlement services in addition to collecting debts shall provide the Director with a copy of the debt settlement services agreement that the applicant uses or proposes to use that complies with the Act and section 7 of Rule CPC-005 *Collections and Debt Settlement Services*.

### **Requirements – application for collection agency branch licence**

23. (1) Pursuant to paragraph 274(1)(d) of the Act, an applicant for a collection agency branch licence or for the renewal of a collection agency branch licence shall provide the Director with a notice given by a collection agency that holds a licence under paragraph 273(e) of the Act stating that the applicant, if granted a collection agency branch licence, is authorized to act as a collection agency branch of that collection agency.

(2) Despite subsection (1), if an applicant for a licence or for the renewal of a licence to carry on the business of a collection agency applies for the collection agency branch licence when applying for their principal licence or when renewing their principal licence, the requirement in subsection (1) is waived.

(3) Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a collection agency branch licence or for the renewal of a collection agency branch licence shall provide all of the following information:

- (a) the applicant's legal name or legal names and business name or business names under which it intends to carry on business as a collection agency branch office;
- (b) the applicant's principal collection agency that they are authorized to act on behalf of;
- (c) the address, phone number, and email address of the collection agency branch office;
- (d) the name of the manager of the collection agency branch office and their contact information;
- (e) whether the applicant will be carrying on the business of collecting debts or whether the applicant will be carrying on the business of collecting debts and providing debt settlement services;
- (f) the applicant's trust account information, including the financial institution, address, and account number.

### **Requirements – application for debt settlement services licence**

24. (1) Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a debt settlement services licence or for the

renewal of a debt settlement services licence, where the applicant will not be carrying on the business of collecting debts, shall provide all of the following information:

- (a) the applicant's business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;
- (b) the applicant's legal name or legal names and business name or business names under which it intends to provide debt settlement services;
- (c) the applicant's business address and mailing address;
- (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, and date of birth;
- (e) if applicable, the legal name or legal names and business name or business names of all branch offices of the principal debt settlement services business;
- (f) if applicable, the address, phone number, fax number, and email address of all branch offices of the principal debt settlement services business;
- (g) if applicable, the name of the manager for each branch office of the principal debt settlement services business and the contact information for each manager;
- (h) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
- (i) if the applicant is a sole proprietor, a 5-year employment history of the applicant;
- (j) the applicant's trust account information, including the financial institution, address, and account number.

(2) Pursuant to subparagraph 274(1)(b)(iii) of the Act, an application for a debt settlement services licence or for the renewal of a debt settlement services licence shall be accompanied by financial statements satisfactory to the Director signed by any of the following:

- (a) by the person carrying on the business of a sole proprietorship;
- (b) by two of the partners of a partnership;
- (c) by an officer, with the corporate seal affixed to the statement, of a corporation.

#### **Requirement – carrying on business in Province**

25. Pursuant to subsection 274(2) of the Act, an applicant for a debt settlement services licence or for the renewal of a debt settlement services licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

## **Bond**

26. (1) Pursuant to subsection 274(3) of the Act, an applicant for a debt settlement services licence shall acquire and maintain a bond and shall provide proof satisfactory to the Director of the bond.

(2) Proof of the bond provided under subsection (1) shall be in a form approved or provided by the Director.

(3) Pursuant to subsection 274(3) of the Act, an applicant for a debt settlement services licence shall acquire and maintain a bond, payable to the Commission, in the amount of \$10,000.

(4) An applicant for the renewal of a debt settlement services licence shall provide the Director with a continuation certificate or other proof acceptable to the Director to show maintenance of the bond required under this section.

## **Debt settlement services agreement**

27. Pursuant to paragraph 274(1)(d) of the Act, an applicant for a debt settlement services licence or for the renewal of a debt settlement services licence shall provide the Director with a copy of the debt settlement services agreement that the applicant uses or proposes to use that complies with the Act and section 7 of Rule CPC-005 *Collections and Debt Settlement Services*.

## **Requirements – application for debt settlement services branch licence**

28. (1) Pursuant to paragraph 274(1)(d) of the Act, an applicant for a debt settlement services branch licence or for the renewal of a debt settlement services branch licence shall provide the Director with a notice given by a debt settlement services business that holds a licence under paragraph 273(g) of the Act stating that the applicant, if granted a debt settlement services branch licence, is authorized to act as a debt settlement services branch of that debt settlement services business.

(2) Despite subsection (1), if an applicant for a licence or for the renewal of a licence to provide debt settlement services applies for the debt settlement services branch licence when applying for their principal licence or when renewing their principal licence, the requirement in subsection (1) is waived.

(3) Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a debt settlement services branch licence or for the renewal of a debt settlement services branch licence shall provide all of the following information:

(a) the applicant's legal name or legal names and business name or business names under which it intends to carry on business as a debt settlement services branch office;

(b) the applicant's principal debt settlement services business that they are authorized to act on behalf of;

- (c) the address, phone number, and email address of the debt settlement services branch office;
- (d) the name of the manager of the debt settlement services branch office and their contact information;
- (e) the applicant's trust account information, including the financial institution, address, and account number.

#### **Requirements – application for collector licence**

**29.** Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a collector licence or for the renewal of a collector licence shall provide all of the following information:

- (a) the applicant's legal name;
- (b) the applicant's residential address and mailing address;
- (c) the applicant's date of birth;
- (d) the applicant's previous residences during the past 3 years;
- (e) the name of the collection agency or collection agency branch office where the applicant will be employed as a collector;
- (f) the business address, phone number, fax number and email address of the collection agency or collection agency branch office where the applicant will be employed as a collector;
- (g) the applicant's employment history for the past 5 years.

#### **Requirement – collector licence**

**30.** Pursuant to subsection 274(1)(d) of the Act, an applicant for a collector licence or for the renewal of a collector licence is required to be both:

- (a) a resident of Canada;
- (b) eligible to work in Canada.

**DIVISION E**  
**CREDIT REPORTING AGENCY LICENSING**

**Requirements – application for licence**

31. Pursuant to subparagraph 274(1)(b)(iii) of the Act, in addition to the requirements set out in subsection 274(1) of the Act, an applicant for a licence or for the renewal of a licence to carry on business as a credit reporting agency shall provide all of the following information:

- (a) the applicant's business structure, specifically whether the applicant is a sole proprietorship, partnership, or corporation;
- (b) the applicant's full legal name or legal names and business name or business names under which it intends to carry on business as a credit reporting agency;
- (c) the applicant's business address and mailing address;
- (d) if the applicant is a sole proprietor, their residential address, mailing address, phone number, and date of birth;
- (e) the names, addresses, dates of birth, and position held for each officer, director, and partner if the applicant is a partnership;
- (f) if the applicant is a sole proprietor, a 5-year employment history of the applicant.

**Requirement – carrying on business in Province**

32. Pursuant to subsection 274(2) of the Act, an applicant for a credit reporting agency licence or for the renewal of a credit reporting agency licence shall provide proof satisfactory to the Director that the applicant is authorized to carry on business in the Province.

**DIVISION F**  
**REGISTRATION OF CREDIT GRANTORS, LESSORS, AND CREDIT BROKERS**

**Certificate of registration**

33. (1) If the Director registers a credit grantor, lessor, or credit broker under subsection 100(1) of the Act, the Director shall issue a certificate of registration to the credit grantor, lessor, or credit broker and to each of the branch offices of the credit grantor, lessor, or credit broker.

(2) A certificate of registration shall be kept on the premises designated on the certificate at all times.

**Period for which registration in effect**

34. For the purposes of section 101 of the Act, the registration of a credit grantor, lessor, or

credit broker remains in effect until the last day of the 12<sup>th</sup> month following the date of registration.

### **Withdrawal of registration**

35. (1) A credit grantor, lessor, or credit broker may withdraw its registration at any time by sending a notice of intention to withdraw to the Director by registered mail and returning the certificate of registration or the certificates of registration if there is one or more branch offices.

(2) A credit grantor, lessor, or credit broker may withdraw its registration with respect to one or more branch offices at any time by sending a notice of intention to withdraw to the Director by registered mail and returning the certificate of registration of each branch office with respect to which the withdrawal applies.

### **Suspension or cancellation of registration**

36. (1) If the Director suspends or cancels the registration of a credit grantor, lessor or credit broker under subsection 104(1) of the Act or cancels the registration under paragraph 105 (b) or (c) of the Act, the Director shall notify the credit grantor, lessor, or credit broker by registered mail.

(2) On receipt of the notification of suspension or cancellation under subsection (1), the credit grantor, lessor, or credit broker shall as soon as possible forward to the Director the certificate of registration or the certificates of registration if there is one or more branch offices.

(3) If the Director suspends or cancels the registration of a credit grantor, lessor, or credit broker with respect to one or more branch offices under subsection 104(2) of the Act, the Director shall notify the credit grantor, lessor, or credit broker by registered mail.

(4) On receipt of the notification of suspension or cancellation under subsection (3), the credit grantor, lessor, or credit broker shall as soon as possible forward to the Director the certificate of registration of each branch office with respect to which the suspension or cancellation applies.

## **PART 3**

### **BONDS**

#### **Forfeiture of bond**

37. (1) Despite that the Commission has not suffered any loss or damage, a bond payable to the Commission that is required to be maintained by a licence holder under section 4, 20, or 26 shall be construed as being a penal bond, and if the bond is forfeited under subsection (2), the amount due and owing as a debt to the Commission by the person bound by it shall be

determined as if the Commission suffered a loss or damage that would entitle the Commission to be indemnified to the maximum amount of liability prescribed by the bond.

- (2) A bond payable to the Commission under section 4, 20, or 26 shall be forfeited if any of the following occur and, the conviction, judgment or order, as applicable, has become final by reason of lapse of time or of having been confirmed by the highest court to which an appeal may be taken:
  - (a) the person in respect of whose conduct the bond is conditioned or any representative, agent, or salesperson of that person has been convicted of:
    - (i) an offence under the Act or the rules;
    - (ii) an offence involving fraud or theft or conspiracy to commit an offence involving fraud or theft under the *Criminal Code* (Canada) if that offence arises out of the business for which the person is licensed;
  - (b) a judgment has been given in respect of a claim arising out of the business for which the person is licensed against the person in respect of whose conduct the bond is conditioned or against a representative, agent, or salesperson of that person and that judgment has not been satisfied;
  - (c) the person in respect of whose conduct the bond is conditioned commits an act of bankruptcy, whether or not proceedings have been taken under the *Bankruptcy and Insolvency Act* (Canada).
- (3) When a bond secured by the deposit of collateral security with the Director is forfeited under subsection (2), the Commission may sell the collateral security at the current market price.
- (4) Subject to subsection (6), the Tribunal may order that any money recovered under a bond required under section 4, 20, or 26 or realized from the sale of any collateral security be paid over in accordance with any terms and conditions specified by the Tribunal in any of the following ways:
  - (a) in accordance with and on the conditions set out in the order, either:
    - (i) in trust for those persons who may become judgment creditors of the person named in the bond in respect of claims arising out of the business for which they are licensed to the clerk of the Court of King's Bench for the judicial district in which those persons reside;
    - (ii) to a trustee, custodian, interim receiver, receiver, or liquidator of the person named in the bond;
  - (b) to those persons that may be considered to be entitled to it in respect of agreements or contracts concluded with the person named in the bond or a representative, agent, or salesperson of that person.

- (5) When a bond has been forfeited under subsection (2) and the Tribunal has not, within 2 years after a conviction, judgment, assignment, or order has become final or within 2 years after the licence holder in respect of whom the bond was conditioned ceases to carry on the business for which they are licensed, received notice in writing of a claim against the proceeds of the bond or of any portion of it that remains in the possession of the Commission, the Commission, on order of the Tribunal and subject to subsection (6), shall pay the proceeds or the portion to any person who on forfeiture of the bond made any payments under it.
- (6) When money has been recovered by the Commission under a bond required under section 4, 20, or 26 or has been realized by the Commission from the sale of any collateral security, the Commission may deduct from that money and retain either of the following:
  - (a) the amount of costs and expenses incurred by the Commission in connection with the recovery or realization of the money and the distribution of it, including the costs of an investigation of a claim made on the money;
  - (b) where payment is to be made under subsection (5), the amount of expenses that have been incurred in connection with an investigation or otherwise relating to the licence holder in respect of whom the bond was conditioned.
- (7) Any money not deducted by the Commission under subsection (6) nor paid over under an order of the Tribunal under subsection (4) shall be refunded to the surety or obligor under the bond.

#### **Liability under bond**

- 38. (1) A bond required under section 4, 20, or 26 shall be deemed to remain in effect for a period of 2 years following the date on which the bond would otherwise terminate by lapse, expiry, or cancellation of the licence of the person in respect of whose conduct the bond is conditioned.
- (2) Despite subsection (1), liability under a bond required under section 4, 20, or 26 is limited to acts or omissions of the person in respect of whose conduct the bond is conditioned, or a representative, agent, or salesperson of that person, up to the date on which the bond would terminate by lapse, expiry, or cancellation of a licence and a clause to this effect shall be deemed to be inserted in every bond required under section 4, 20, or 26.

#### **New or additional bond**

- 39. The Director may require a new or an additional bond of the kind required under sections section 4, 20, or 26 and proof of the bond to be delivered within a specified time.

## **PART 4**

### **MISCELLANEOUS**

#### **Requirements – all classes of licences**

**40.** Pursuant to subparagraph 274(1)(b)(iii) of the Act, an applicant for any class of licence under section 273 of the Act or for the renewal of any class of licence under section 273 of the Act may be required by the Director to provide a criminal record check in a form acceptable to the Director for any of the following persons:

- (a) in the case of a corporation, each director and officer of the corporation;
- (b) in the case of a partnership, each partner of the partnership;
- (c) in the case of a sole proprietorship, the sole proprietor.

#### **Requirements – additional information for all classes of licences**

**41.** Pursuant to subparagraph 274(1)(b)(iii) of the Act, an applicant for any class of licence under section 273 of the Act or for the renewal of any class of licence under section 273 of the Act and each director, officer, partner, and if applicable sole proprietor of the applicant may be required to provide the Director with any of the following information:

- (a) details about their past or present licences or registrations to deal with the public in New Brunswick or elsewhere;
- (b) details about their employment history, including whether they have been discharged for cause by an employer;
- (c) details of any past or present investigations or discipline involving them by a regulatory body;
- (d) if they have been convicted for misrepresentation or fraud;
- (e) if they have been charged or convicted of a criminal offence for which they have not received a pardon or record suspension;
- (f) if they have any court judgments against them, including default judgments, that have not been satisfied;
- (g) if there are pending legal proceedings against them or if they are aware of legal proceedings that will be commenced against them;
- (h) if they have been subject to a proceeding in bankruptcy or entered into a consumer proposal;

- (i) if they will be engaged, employed, or associated, directly or indirectly, in any other business, occupation or profession.

#### **Requirements – additional information for specific licences**

**42.** Pursuant to subparagraph 274(1)(b)(iii) of the Act, an applicant for a licence under paragraph 273 (a), (c), (d), (e), (f), (g), (h), or (j) of the Act or for the renewal of a licence under paragraph 273 (a), (c), (d), (e), (f), (g), (h), or (j) of the Act may be required to provide the Director with any of the following information:

- (a) the location of where business books, records, and documents will be stored;
- (b) the location of where business books, records, and documents can be accessed in New Brunswick by the Director or an employee of the Commission;
- (c) the name, phone number, and email address of an officer or employee who is authorized to provide information requested by the Director and to receive and disseminate information given by the Director for licensing matters;
- (d) the name, phone number, and email address of an officer or employee who is authorized to provide information requested by the Director and to receive and disseminate information given by the Director for compliance matters;
- (e) the name, phone number, and email address of an officer or employee who is authorized to provide information requested by the Director and to receive and disseminate information given by the Director for accounts payable matters

#### **Licensed in other jurisdiction**

**43.** Pursuant to paragraph 274(1)(d) of the Act, if an applicant conducts business from a location outside of New Brunswick, the Director may make it a requirement for an applicant for a licence under paragraph 273 (a), (c), (d), (e), (f), (g), (h), or (j) of the Act or for the renewal of a licence under paragraph 273 (a), (c), (d), (e), (f), (g), (h), or (j) of the Act to be licensed or registered in the other jurisdiction to conduct the business for which they are licensed or applying to be licensed for in New Brunswick.

#### **Terms and conditions of a direct seller's licence**

**44.** Pursuant to section 281 of the Act, a direct seller's licence is subject to the term and condition that the licence holder shall notify the Director if the direct seller terminates the employment of a licensed salesperson to act as an agent of the direct seller and shall provide the Director with the reasons for termination.

#### **Terms and conditions of a high-cost credit business licence**

**45.** Pursuant to section 281 of the Act, a high-cost credit business licence is subject to all of the following terms and conditions:

- (a) the licence holder shall operate under its legal name or legal names and shall only use the business name or business names listed on the licence when carrying on business activities and offering, arranging, or providing high-cost credit products;
- (b) the licence holder shall display its licence in an area that the public has access to, in a way that makes the licence visible to persons immediately upon entering the location for which it was issued;
- (c) if the high-cost credit business offers, arranges or provides high-cost credit products over the Internet or by other electronic means, the licence holder shall prominently display its name as shown on its licence, its licence number and its licence expiry date at or near the top of the introductory page of its website and mobile application for borrowers in New Brunswick.

#### **Terms and conditions of a payday lender licence**

46. Pursuant to section 281 of the Act, a payday lender licence is subject to all of the following terms and conditions:

- (a) the licence holder shall operate under its legal name or legal names and shall only use the business name or business names listed on the licence when carrying on business activities and offering, arranging, or providing payday loans;
- (b) the licence holder shall display its licence in an area that the public has access to, in a way that makes the licence visible to persons immediately upon entering the location for which it was issued;
- (c) if a payday lender offers, arranges or provides payday loans over the Internet or by other electronic means, the licence holder shall prominently display its name as shown on its licence, its licence number and its licence expiry date at or near the top of the introductory page of its website and mobile application for borrowers in New Brunswick;
- (d) the licence holder shall display and provide educational materials about the payday lending industry, financial planning, the Act, the regulations and the rules, as required and provided by the Director, that are visible to borrowers immediately upon entering the office, the website or the mobile application of the licence holder;
- (e) if a payday loan is offered, arranged, or provided over the Internet or by other electronic means a licence holder shall do both of the following:
  - (i) communicate to the borrower, as soon as the borrower makes contact with the licence holder, that the educational materials described in paragraph (d) are available;
  - (ii) immediately provide the educational materials to the borrower if requested by the borrower.

#### **Terms and conditions of a collection agency licence**

47. Pursuant to section 281 of the Act, a collection agency licence is subject to all of the following terms and conditions:

- (a) the licence holder shall notify the Director if the collection agency terminates the employment of a collector authorized to act as an agent of the collection agency and shall provide the Director with the reasons for termination;
- (b) the licence holder shall not use a form of agreement or form letter if the Director objects to the form of agreement or form letter.

#### **Terms and conditions of a collection agency branch licence**

48. Pursuant to section 281 of the Act, a collection agency branch licence is subject to all of the following terms and conditions:

- (a) the licence is automatically suspended if the collection agency licence held by the principal collection agency on whose behalf the branch is authorized to act is suspended, cancelled, or expires;
- (b) the licence holder shall not use a form of agreement or form letter if the Director objects to the form of agreement or form letter.

#### **Terms and conditions of a debt settlement services branch licence**

49. Pursuant to section 281 of the Act, a debt settlement services branch licence is subject to the term and condition that the licence is automatically suspended if the debt settlement services licence held by the principal debt settlement services business on whose behalf the branch is authorized to act is suspended, cancelled, or expires.

#### **Terms and conditions of a collector licence**

50. Pursuant to section 281 of the Act, a collector licence is subject to all of the following terms and conditions:

- (a) the licence holder, while acting as a collector, shall carry the licence;
- (b) the licence holder shall not use a form of agreement or form letter if the Director objects to the form of agreement or form letter.

#### **Terms and conditions of a certificate of registration as a credit grantor, lessor, or credit broker**

51. Pursuant to subsection 102(1) of the Act, a certificate of registration as a credit grantor, lessor, or credit broker is subject to all of the following terms and conditions:

- (a) the registered credit grantor, lessor, or credit broker shall within 7 days after the change notify the Director of any change in their legal name, legal names, business name, or business names;
- (b) the registered credit grantor, lessor, or credit broker shall within 7 days after the change notify the Director of any change in their business address.

#### **Application for licence after refusal or cancellation**

52. For the purposes of paragraph 290(1)(a) of the Act, the waiting period is one year after the Director has refused or cancelled a licence under Part 12 of the Act.

#### **Change in circumstances – all licence holders**

53. (1) For the purposes of subsection 291(2) of the Act, an applicant for a licence, an applicant for a renewal of a licence, or a licence holder shall notify the Director of any of the following changes in circumstances:

- (a) a change in the legal name, legal names, business name, or business names of the applicant or the licence holder;
- (b) a change in the address of the applicant or the licence holder;
- (c) the surrender, suspension, cancellation, or imposition or variation of terms or conditions, or other restrictions on the applicant's or the licence holder's licence or other form of approval in another jurisdiction to carry on the business for which they are licensed or applying to be licensed for in New Brunswick;
- (d) a change to the authority of the applicant or licence holder to engage in business or professional activities in an industry regulated by financial and consumer services legislation in New Brunswick or in another jurisdiction, including but not limited to securities, insurance, trading in real estate, and mortgage brokering, including a suspension, cancellation, imposition of terms and conditions or other restrictions, or surrendering of a licence to a regulatory authority;
- (e) criminal charges against the applicant, the licence holder, including against a director, officer, partner, or sole proprietor of the applicant or licence holder, that were not disclosed in the application or application for renewal;
- (f) criminal convictions of the applicant, the licence holder, including a director, officer, partner, or sole proprietor of the applicant or licence holder, that were not disclosed in the application or application for renewal for an offence under any law of any country, province, or state;
- (g) the commencement of a civil action or administrative proceeding against the applicant or the licence holder, including a director, officer, partner, or sole proprietor of the applicant or licence holder, alleging fraud, breach of trust, deceit or misrepresentation;

- (h) a judgment, including a default judgment, against the applicant, the licence holder, including against a director, officer, partner, or sole proprietor of the applicant or licence holder, in respect of a claim arising out of the business for which the applicant is applying for a licence or for which the licence holder is licensed;
- (i) the commencement of a proceeding involving the applicant, the licence holder, including a director, officer, partner, or sole proprietor of the applicant or licence holder, under the *Bankruptcy and Insolvency Act* (Canada);
- (j) a change to information provided in an application for a licence or an application for a renewal of a licence since the application was submitted and prior to the issuance of a licence;
- (k) a change to information provided in an application for a licence or an application for a renewal of a licence after the issuance of a licence;
- (l) a change to the location where a trust account is held;
- (m) a change about a bond required to be maintained by a licence holder under section 4, 20, or 26, including failure to maintain the bond;
- (n) if the applicant or licence holder is a corporation, a change to information provided in an application for a licence or an application for a renewal of a licence about an officer or director of the corporation;
- (o) if the applicant or licence holder is a partnership, a change to information provided in an application for a licence or an application for a renewal of a licence about a partner of the partnership;
- (p) a change to the location where the applicant or licence holder retains or will retain records required to be kept by the Act;
- (q) a change in the ownership of the business or a termination of the business.

(2) For the purposes of subsection 291(2) of the Act, a licence holder shall notify the Director of any amendment or change to a document required to be provided to the Director under section 5, 12, 15, 22, and 27, and shall provide the Director with a copy of the amended document.

#### **Change in circumstances – collection agency forms of agreement and forms of letters**

54. (1) If a collection agency or a branch office of a collection agency alters a form of agreement or a form letter submitted pursuant to section 21 or proposes to adopt a new form of agreement or form letter to use while carrying on the business of collecting debts, the collection agency or the branch office of a collection agency shall file the amended or new form of agreement or form letter with the Director at least 30 days before the form of agreement or form letter is used.

- (2) The Director may object to the use of a form of agreement or form letter submitted under subsection (1) and proposed to be used by a collection agency or the branch office of the collection agency.
- (3) If the Director objects to a form of agreement or a form letter used or proposed to be used by a collection agency or a branch office of a collection agency, the Director shall provide written notice of the objection to the collection agency or the branch office of the collection agency.

#### **Provision of Information - payday lender licence holders**

- 55. Pursuant to section 233 of the Act, if a payday lender changes their payday loan agreement from what was submitted under section 15, the payday lender shall provide the amended payday loan agreement to the Director, and a completed sample of the amended payday loan agreement, at least 21 days before the amended payday loan agreement will be used.

### **PART 5**

#### **COMING INTO FORCE**

##### **Effective date**

- 56. This Rule comes into force on [Insert Date].



**FINANCIAL AND CONSUMER SERVICES COMMISSION  
RULE CPC-008 FEES**

**Definitions**

1. (1) In this Rule:

“Act” means the *Consumer Protection Act*;

“expedited service” means an applicant requests that the Director prioritize their application and requests that the Director review a licensing, registration, or renewal application within 2 business days of receipt of the application.

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

**Fees payable to the Commission**

2. The fees and expenses referred to in this Rule are payable to the Commission.

**Licence fees**

3. (1) An application for a licence or renewal of a licence shall be accompanied by the fee set out under this section.

(2) Pursuant to paragraph 274(1)(c) of the Act, the fees to be paid for the application for a licence or renewal of a licence are as follows:

- (a) for a direct seller’s licence under Part 12 of the Act where not more than 5 salespeople are employed, \$200 per year;
- (b) for a direct seller’s licence under Part 12 of the Act where more than 5 and not more than 10 salespeople are employed, \$350 per year;
- (c) for a direct seller’s licence under Part 12 of the Act where more than 10 salespeople are employed, \$500 per year;
- (d) for a direct seller salesperson’s licence under Part 12 of the Act, \$75 per year;

- (e) for a high-cost credit business licence under Part 12 of the Act, for each location where the licence holder conducts business, \$3,000 per year;
- (f) for a payday lender licence under Part 12 of the Act, for each location where the licence holder conducts business, \$3,000 per year;
- (g) for a collection agency licence under Part 12 of the Act, \$500 per year;
- (h) for a collection agency branch licence under Part 12 of the Act, \$100 per year;
- (i) for a debt settlement services licence under Part 12 of the Act, \$500 per year;
- (j) for a debt settlement services branch licence under Part 12 of the Act, \$100 per year;
- (k) for a collector licence under Part 12 of the Act, \$75 per year;
- (l) for a credit reporting agency licence under Part 12 of the Act, \$600 per year.

(3) Subject to section 6, the fees paid for the application for a licence or for the renewal of a licence are non-refundable, whether the licence or renewal is issued or denied by the Director.

#### **Registration and renewal fees**

4. (1) An application for registration or renewal of a registration under Part 6 of the Act shall be accompanied by the fees set out under this section.
  - (2) The fee for the application for registration of a credit grantor, lessor or credit broker is \$100 plus \$25 for each branch office.
  - (3) The fee for the application for the renewal of a registration of a credit grantor, lessor or credit broker is \$100 per year plus \$25 per year for each branch office.
  - (4) Subject to section 6, the fees paid for the application for registration or renewal of a registration are non-refundable, whether the application for registration or renewal is accepted or denied by the Director.

#### **Fees for exemption applications under subsection 5(2) of the Act**

5. (1) The fee to be paid for an application for an exemption under subsection 5(2) of the Act is \$300 per year.
  - (2) Subject to section 6, the fee paid for an application for an exemption under subsection 5(2) of the Act is non-refundable, whether the exemption is granted or denied by the Director.

### **Refunds of fees**

6. On application of the person who made the application and paid a fee under section 3, 4, or 5, the Director may at the Director's sole and absolute discretion grant a refund of the fee, or such part of the fee as the Director considers fair and reasonable.

### **Fee reduction**

7. If the Director considers it to be in the public interest, the Director may at the Director's sole and absolute discretion order that any fee or expense referred to in this Rule be reduced or waived.

### **Fees for expedited service**

8. (1) Expedited service is available for an applicant applying for either of the following:
  - (a) a direct seller salesperson's licence or renewal of a direct seller salesperson's licence under Part 12 of the Act;
  - (b) a collector licence or renewal of a collector licence under Part 12 of the Act.
- (2) The fee for an applicant requesting expedited service for the review of a licence application or licence renewal application under subsection (1) is double the prescribed application fee for that licence type in section 3.

### **Late application fee for renewal of licence or certificate of registration**

9. If an application for the renewal of a licence or a registration is submitted after the expiration of the licence last issued or registration last granted to the applicant, except for a payday lender renewal application, the applicant shall pay the prescribed application fee for the renewal in addition to a fee equivalent to 50% of the prescribed application fee.

### **Late application fee for renewal of licence – payday lenders**

10. If an application for the renewal of a payday lender licence is not submitted at least 30 days before the licence expiration date, the applicant must pay the prescribed application fee for the renewal in addition to 50% of the prescribed application fee.

### **Late fees for supplemental documents - high-cost credit businesses**

11. For the purposes of section 204 of the Act, the late fee for a high-cost credit grantor or a lessor is \$100 for each supplemental document provided outside the prescribed time period in Rule CPC-004 *Cost of Credit Disclosure, High-Cost Credit Products, and Payday Loans*.

### **Late fees for supplemental documents - payday lenders**

12. For the purposes of section 234 of the Act, the late fee for a payday lender is \$100 for each

supplemental document provided outside the prescribed time period in Rule CPC-004 *Cost of Credit Disclosure, High-Cost Credit Products, and Payday Loans*.

#### **General fees**

13. (1) The fee for a copy of a licence is \$25.
- (2) The fee for a copy of a certificate of registration is \$25.
- (3) The fee for a cheque or payment refused due to non-sufficient funds or credit is \$25.

#### **Recoverable fees and expenses**

14. For the purposes of subsection 300(6) of the Act, all of the following fees and expenses are recoverable by the Commission from a person in respect of which a compliance review was carried out:
  - (a) \$50 per hour for each employee of the Commission involved in the review;
  - (b) disbursements properly incurred by the Commission for a compliance review;
  - (c) fees paid or payable to an expert;
  - (d) disbursements properly incurred by an expert;
  - (e) fees paid or payable for legal services;
  - (f) disbursements properly incurred in connection with the provision of legal services.

#### **Effective date**

15. This Rule comes into force on [Insert Date].