

Payday Lender Licence Kit

This licensing kit includes the payday lender licence application, location addendum, instructions, and sets out the supporting information to be provided by an applicant applying for a payday lender licence under *The Payday Loans Act* (the “Act”).

Please note that as part of the licence review process, the Director, Consumer Credit Division, (the “Director”) may require the applicant to provide additional information.

Applications for licences will not be processed unless all information and documentation is provided. All applicants are required to complete the application in its entirety.

A completed application will include ALL of the following items:

- Licence Application form completed and signed
- Location Addendum for each location from which business will be carried on in Saskatchewan
- Annual licence fee for each location from which business will be carried on in Saskatchewan
- Criminal record check(s)
- Corporate Registry information
- Description of payday loan activities
- Description of other products and services offered (if applicable)
- Description of collection outsourcing arrangements
- Copy of loan application form
- Copy of payday loan agreement
- Copy of payday loan agreement filled in for a fictitious borrower, 14 day loan, \$300
- Sample pre-contract disclosure (section 20)
- Sample disclosure statement pursuant to *The Cost of Credit Disclosure Act, 2002*
- Copy or mark-up of section 21 sign, webpage or call script
- Copy of pre-authorized debit (“PAD”) agreement (if applicable)
- Description of policies and procedures concerning concurrent and roll-over loans
- Description of policies and procedures concerning compliance with section 30 of the Act (loan amount restriction)
- Copy of the applicant’s most recent annual financial statement
- All other documentation provided to borrowers (if applicable)
- Any supporting information regarding this application

After reviewing the instructions and filling out the application in its entirety, please submit all of the items noted above. If you have any questions in regards to the application forms or the supporting information, please contact the Financial and Consumer Affairs Authority of Saskatchewan – Consumer Credit Division, by telephone at (306) 787-6700 or by email to fid@gov.sk.ca.

Payday Lender Licence Instructions

These instructions form an integral part of the payday lender licence kit, please read the instructions in their entirety before completing and submitting the application and supporting materials.

Licence Application Form

The items correspond to the fields of the application form:

1. Name of Applicant: please provide the complete legal name of the payday lender as evidenced in the articles of incorporation, partnership agreement, or any other similar legal document.
2. Business Structure: Indicate the legal form that the payday lender will operate under and provide the following information along with the application:

Body Corporate:

- An organizational chart showing the structure of the corporation, including any parent, subsidiary or associated company relationships;
- A brief history of the corporation;
- If a privately-held corporation, the full legal names and residential addresses of all shareholders. If a publicly traded corporation, the full legal names and residential addresses of shareholders holding 10% or more of the voting stock of the corporation (“significant shareholders”);
- A complete listing of all directors and officers of the corporation, including: full legal name, residential address, working title (if any), and any previous legal name(s) (e.g. married or maiden names);
- The complete employment history for the previous 10 years for each officer and director of the applicant;
- A completed Criminal Record Check dated within 3 months of the date of application for each officer and director of the applicant; and
- If incorporated in any jurisdiction other than Saskatchewan, corporate registry documentation from the incorporating jurisdiction evidencing the current shareholders.

Partnership:

- An organizational chart showing the structure and type of the partnership, including a list of all general and limited partners (as applicable, depending on partnership structure);
- For each general and limited partner include the full legal name, residential address, working title (if any) and any previous legal name(s) (e.g. married or maiden names);
- The complete employment history for the previous 10 years for each of the partners of the applicant;
- A completed Criminal Record Check dated within 3 months of the date of application for each partner of the applicant; and
- A brief history of the partnership.

Sole Proprietor:

- The full legal name, residential address and any previous legal name(s) (e.g. married or maiden names) of the sole proprietor;
- A detailed business resume (including employment history for at least the previous 10 years) for the applicant;

- A completed Criminal Record Check for the applicant;
- References for the applicant. Please provide the names, addresses and phone numbers for three references, together with a letter from the applicant authorizing the Director to contact these references.

All applicants need to provide the fiscal year end of the payday lender.

3. **Business Name:** if the payday lender will be operating using a business / trade / DBA (doing business as) name other than its legal name please include that name as you would like it to appear on your licence and include the Corporate Registry entity number assigned to that business name by Information Services Corporation. Section 34 of the Act prohibits licensees from carrying on business under a name other than as set out on their licence.
4. **Head Office:** please provide the address for the head office of the applicant and associated contact information. All general correspondence will be sent to this address.
5. **Address for Service:** the address for service must be a location in Saskatchewan that maintains regular business hours and has staff available to receive documents at all times. Typically this address would be one of the applicant's licensed business locations or a law firm in Saskatchewan. This address cannot be a PO Box number.

Section 6 of the Act requires every applicant to provide an address for service in Saskatchewan, and section 16 of the Act requires every licensee to immediately notify the Director in writing of a change to an address for service.

6. **Primary Jurisdiction and Particulars of Registration with the Corporate Registry:** indicate the applicant's primary jurisdiction. If the applicant is a corporation, the primary jurisdiction is the jurisdiction of incorporation. If the applicant is a partnership, the primary jurisdiction is the jurisdiction of the laws under which the partnership was formed. If the applicant is a sole proprietor, the primary jurisdiction is the jurisdiction in which the applicant normally resides.

If the applicant is a corporation, you must also provide the entity number assigned to the corporation by the Corporate Registry of Saskatchewan.

7. **Name and Title of the Person Responsible for Reporting Changes to Information in Licence Application:** section 16 of the Act requires every payday lender to notify the Director in writing of any material change in the information provided to the Director in the licence application.

Indicate the name and title of the person responsible for monitoring for and reporting changes in the information contained in the licence application. Also indicate if this responsibility is established in writing, for instance, in the person's job description or in written policies and procedures of the applicant.

8. **Does the Applicant Provide or Arrange Payday Loans to Consumers in Any Other Jurisdiction:** indicate whether the applicant provides or arranges payday loans to consumers in any other jurisdiction (including outside of Canada) and identify the jurisdiction(s).

If the applicant provides or arranges payday loans to consumers in other countries, list the other countries. It is not necessary to list jurisdictions within other countries. For example, if the applicant provides payday loans in the State of Nevada, list the United States of America, not the State of Nevada.

9. **Disclosures – Personal:** Check the appropriate boxes. If you are unsure about the nature or result of any judicial, regulatory or administrative proceeding that impacts on the answer to a question, consult legal counsel.
10. **Disclosures – Business:** Check the appropriate boxes. If you are unsure about the nature or result of any judicial, regulatory or administrative proceeding that impacts on the answer to a question, consult legal counsel.

Location Addendum

Section 5 of the Act requires a payday lender to obtain a separate licence for each location from which the payday lender will carry on business in Saskatchewan. Applicants must attach to the application form a completed Location Addendum with respect to each location from which the applicant intends to carry on business as a payday lender in Saskatchewan. Licences will only be issued for location(s) specified in a Location Addendum.

If the applicant offers or arranges payday loans to borrowers located in Saskatchewan through the Internet, fax, email or by phone, the applicant must obtain a licence for the location from which the payday loans are offered or arranged. Payday loans are offered or arranged from the physical location at which the applicant's representatives who correspond or communicate with borrowers for the purposes of processing loan applications are located.

Supporting Material

To meet the requirements of the legislation and to assist the Director's review and assessment of the payday lender's suitability for licensing, the following supporting material must accompany the licence application.

Note: If any item of supporting material or any information contained in an item of supporting material is not applicable to all locations for which a licence is sought, this must be clearly identified in the item of supporting material itself or in correspondence accompanying the application.

It is important that every item of supporting material be an accurate reflection of the activities at each location to which it applies. The use of vague or overly general descriptions may result in processing delays. Providing incorrect information may result in a refusal, suspension or cancellation of the licence applied for and prosecution as an offence.

1. Description of payday lending activities: submit a description of the proposed payday lending activities to be conducted from the location(s), that must, at a minimum, include:
 - Whether the applicant will provide payday loans by lending its own money, broker or arrange payday loans which are funded by a different lender, or do both;
 - The identity of all lenders the applicant may broker or arrange loans for;
 - The identity of all brokers who may broker or arrange payday loans that will be funded by the applicant;
 - The application process borrowers will have to follow to apply for payday loans, the mandatory requirements or criteria that a borrower will have to meet or agree to in order to obtain a payday loan and all other criteria that will affect the terms of the payday loan offered to a borrower;
 - The method by which the applicant will obtain borrowers' signatures on payday loan agreements, for example, in person, electronic signature, check box on website, etc.
 - The delivery methods the applicant will use to provide borrowers with a copy of the payday loan agreement and the disclosure statement and accompanying materials required by section 20 of the Act;
 - The range of loan amounts and durations that will be offered;
 - All fees, interest, penalties or other charges that may be charged directly or indirectly in connection with a payday loan, regardless of the person to whom it is payable, the contract under which it is payable and whether or not a separate good or service is provided for the fee, interest, penalty or charge. This includes all fees that make up the Total Cost of Borrowing and any other fees. **A fee, interest, penalty or charge is indirectly connected to a payday loan when the payment of the fee, interest, penalty or charge will affect or change any of the terms of the payday loan provided to the borrower;**
 - The day, in relation to the borrower's payday, that payday loans will fall due;
 - The form in which borrowers will receive loan proceeds, for example, cash, cheque, cash card or debit card, etc.; and
 - The manner and form in which borrowers can repay payday loans.
2. Description of other products or services offered: submit a description of all other products or services that will be offered by the applicant, on behalf of another person or for its own account, at the location(s). For each product or service described, indicate whether it is offered on different terms to payday loan borrowers than to non-borrowers. If no other products or services will be offered at the location(s), indicate this in correspondence accompanying the application;
3. Description of collection outsourcing arrangements: provide a list of persons (non-employees of the applicant) to whom the applicant will outsource collection activities with respect to payday loans and a description of the

activities those persons will perform on behalf of the applicant. If not applicable, indicate this in correspondence accompanying the application;

4. Copy of loan application form: provide a copy of all loan application forms that will be utilized at the location(s);
5. Copy of payday loan agreement: provide a copy of all versions or types of payday loan agreements that will be utilized at the location(s);
6. Sample pre-contract disclosure (section 20): provide a sample disclosure statement and accompanying materials that must be provided to borrowers pursuant to section 20 of the Act based on a loan of \$300 for a term of 14 days. The accompanying materials must include the notice of cancellation form and the receipt form that must be approved by the Director, and the document containing the contact information for Credit Counselling Canada. If the applicant will offer more than one type of payday loan, submit a sample disclosure statement and accompanying materials for each type of payday loan;
7. Sample disclosure statement pursuant to *The Cost of Credit Disclosure Act, 2002*: provide a sample disclosure statement pursuant to *The Cost of Credit Disclosure Act, 2002* based on a loan of \$300 for a term of 14 days. If the applicant will offer more than one type of payday loan and *The Cost of Credit Disclosure Act, 2002* disclosure statement will vary for the different loans, submit a sample disclosure statement for each type of payday loan;
8. Copy or mark-up of section 21 sign, webpage or call script: if the applicant will arrange or provide payday loans to borrowers in person, submit a copy or mark-up of the signs the applicant will post as required by section 21 of the Act. If the applicant will offer more than one type of payday loan, submit a copy or mark-up of the signs the applicant will post with respect to each type of payday loan offered. If the applicant will arrange or provide loans over the Internet or by phone, submit a mark-up or copy of the page of the website or call-script that provides the disclosure required by section 21;
9. Copy of pre-authorized debit ("PAD") agreement: provide a copy of the PAD agreement that will be utilized by the applicant. If the applicant will not use PAD transactions, indicate this in correspondence accompanying the application;
10. Description of policies and procedures concerning concurrent and roll-over loans: submit a description of the policies and procedures the applicant will implement to prevent concurrent and roll-over loans. Alternatively, the applicant may submit the actual policies and procedures. At a minimum, the policies and procedures should include:
 - a mechanism to track outstanding loans, including those issued from any of the applicant's other locations licensed in Saskatchewan;
 - a process for documenting that the applicant's staff have verified that borrowers applying for a loan do not have outstanding loans with the applicant at any of the applicant's locations licensed in Saskatchewan, or if a borrower does have an outstanding loan, that the outstanding loan is paid in full prior to funds being advanced from the new loan applied for;
 - the means by which staff at the location(s) are to be made aware of the policies and procedures.
11. Description of policies and procedures concerning compliance with section 30 of the Act (loan amount restriction): submit a description of the policies and procedures the applicant will implement to ensure that loan amounts do not exceed 50% of borrowers' net pay. Alternatively, the applicant may submit the actual policies and procedures. At a minimum, the policies and procedures should include:
 - The means by which staff will verify the amount of the borrowers' net pay;
 - a process for documenting that the applicant's staff have verified the borrowers' net pay and that the loans will be in compliance with section 30 of the Act;
 - the means by which staff at the location(s) are to be made aware of the policies and procedures.
12. Copy of the applicant's most recent annual financial statement: provide a copy of the applicant's most recent annual financial statement. Provide an audited financial statement, if available.
13. All other documentation the applicant intends to provide to borrowers: provide a copy of all other documentation the applicant intends to provide to payday loan borrowers, if any.

14. Any supporting information regarding this application: submit any other information the applicant believes would be useful to the Director in assessing their suitability to be licensed as a payday lender.

Fees

Pursuant to section 4 of the Regulations, an annual licence fee of \$3,000 must be submitted for each licence applied for (each Location Addendum included in the application).

Section 14 of the Act establishes that a licence is valid for one year from the date of issuance. Refunds are not issued for any licenses cancelled or surrendered

Make all cheques payable to the Minister of Finance. A \$25 service charge will be applied for any cheque returned from your financial institution due to insufficient funds.

General Remarks

Every applicant for a licence should become familiar with the Act and the Regulations.

Also every applicant should exercise care in completing the application form.

Applications may be returned if there are incomplete answers or incorrect fees.

Should you require a copy of the Act and the Regulations, please contact **Queen's Printer** at:

Telephone: 1-800-226-7302 (Sask. residents only) (306) 787-6894 **Fax:** (306) 798-0835

E-mail: qprinter@justice.gov.sk.ca **Internet:** <http://www.qp.gov.sk.ca>

Financial and Consumer Affairs Authority of Saskatchewan – Consumer Credit Division
Suite 601, 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2

Phone: (306) 787-6700 Fax: (306) 787-9006

Email: fid@gov.sk.ca

Payday Lender Licence Application

| | |
|------------------------------|--------------------------|
| For Office Use Only | |
| Licence Approval Date: _____ | Entity Licence No. _____ |
| Reviewed by: _____ | |

If the application is not completed properly, or if any of the information requested is not included, processing delays may result. Furthermore, any false or material misstatements made in this application or in any of the accompanying material submitted may result in a refusal, suspension or cancellation of the licence applied for and prosecution as an offence.

1. Name of applicant:

2. Please indicate whether the applicant is a:

- Body Corporate Partnership Sole Proprietor
 Required supporting documentation is attached.

The fiscal year end of the applicant is: _____ / _____
day month

3. Business name to be used in Saskatchewan by the applicant:

Corporate Registry entity number for Business Name: _____

4. Head office of the applicant:

| | | | |
|-------------|--------|----------------|-------------|
| Number | Street | City, Province | Postal Code |
| () | () | | |
| Telephone # | Fax # | Email Address | |

5. Address for service in Saskatchewan: Same as #4 above, or:

| | | | |
|---------------------|--------|--------------------|-------------|
| Saskatchewan | | | |
| Number | Street | City, Saskatchewan | Postal Code |
| () | () | | |
| Telephone # | Fax # | Email Address | |

6. The applicant's primary jurisdiction of incorporation, formation or residency (as applicable): _____
(Province or State)

7. Name, Title of person responsible to report changes to any information in this licence application to the Director:

| Last Name | First Name | Title |
|-----------|------------|-------|
|-----------|------------|-------|

Is this responsibility established in writing (i.e. job description, written policies and procedures)? No Yes

8. Does the applicant provide or arrange payday loans to consumers in any other jurisdiction? No Yes

If "yes", check the boxes to indicate which jurisdiction(s):

British Columbia Alberta Manitoba Ontario Quebec Newfoundland and Labrador

Nova Scotia New Brunswick PEI Yukon Northwest Territories Nunavut

Other (list other countries): _____

9. Disclosures – Personal:

During the past ten years, has the applicant, any partner, or any director, officer or employee of the applicant:

- been charged with or convicted of a criminal offence? No Yes
- been charged with or convicted of an offence under the laws of any other jurisdiction, excluding traffic offences? No Yes
- made an assignment for the benefit of creditors, or become legally insolvent, or been adjudged a bankrupt or filed a petition in bankruptcy? No Yes
- had a licence or registration refused, suspended, conditioned, or cancelled under the laws of any province, territory, state or country? No Yes
- been the subject of disciplinary action by any licensing regulatory authority under the laws of any province, territory, state or country? No Yes

If "yes", please provide details and specifics including dates, fines imposed, and actions taken (use separate sheet).

10. Disclosures – Business:

During the past ten years, has the applicant, or any partner, director, officer or substantial shareholder (10% or more) of the applicant been a partner, director, officer or substantial shareholder (10% or more) of a firm or corporation that has:

- been charged with or convicted of a criminal offence? No Yes
- been charged with or convicted of an offence under the laws of any other jurisdiction, excluding traffic offences? No Yes
- made an assignment for the benefit of creditors, or become legally insolvent, or been adjudged a bankrupt or filed a petition in bankruptcy? No Yes
- had a licence or registration refused, suspended, conditioned, or cancelled under the laws of any province, territory, state or country? No Yes
- been the subject of disciplinary action by any licensing regulatory authority under the laws of any province, territory, state or country? No Yes

If "yes", please provide details and specifics including dates, fines imposed, and actions taken (use separate sheet).

PLEASE NOTE:

Applications for licenses will not be processed unless all information and documentation as described in the above items has been provided. All applicants are required to complete the application in its entirety. **A completed Location Addendum with respect to each location the applicant intends to carry on business in Saskatchewan from must accompany this Licence Application.**

Where the Applicant is an Individual:

I, the undersigned, consent to the Director, Consumer Credit Division, (the "Director") requesting any criminal record searches and also authorize and request any and all former employers and any other person requested to furnish to the Director, or any agent acting on the Director's behalf, any information they may have concerning my creditworthiness, character, ability, business activities, educational background, general reputation, and, in the case of former employers, my employment history with them and the reason for my leaving them. I hereby release each such employer and each such other person from any and all liability of whatever nature by reason of furnishing such information to the Director or any agent acting on the Director's behalf.

I understand that the Director may also request additional information from the applicant to enable the Director to evaluate this application.

I understand that I have certain duties and obligations imposed on me by the Act and it is my responsibility to fully comply with these duties and obligations.

Where the Applicant is a Partnership or Corporation:

I, the undersigned as representative of the applicant, authorize the Director to verify any information pursuant to this application from any source. I understand that the Director may require further information in order to evaluate this application, and I consent to the Director collecting any additional information as required.

All Applicants

In addition to the foregoing, I the undersigned (individual or representative of the applicant, as the case may be):

- acknowledge and agree that all information provided to or received by the Director as part of the application process may be used or disclosed to any person by the Director or the Financial and Consumer Affairs Authority of Saskatchewan where the use or disclosure is related to the performance of the responsibilities and exercise of the powers given to the Director or the Financial and Consumer Affairs Authority of Saskatchewan by the Act, the regulations thereunder or by any other financial services legislation as that term is defined in *The Financial and Consumer Affairs Authority of Saskatchewan Act* (Saskatchewan) or where the use or disclosure is for the purposes of the administration or enforcement of any other legislation of Canada or any province or territory of Canada;
- irrevocably and unconditionally submit to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Saskatchewan and any administrative proceeding in Saskatchewan, in any action or proceeding arising out of or related to or concerning my licensing pursuant to the Act or my business activities in Saskatchewan.

Further, and without limiting my obligations under the Act, I agree to comply with any demand for the production of any books, papers, documents, correspondence, communications or records of my business (the "records") by the Director pursuant to the Act by delivering the records to the office of the Director located in Saskatchewan upon demand.

STATUTORY DECLARATION

I, the undersigned, an authorized representative of the applicant, do solemnly declare as follows:

1. That the information and documents provided in support of this application are complete and truthful in all respects.
2. That the applicant has complied with the requirements of the laws of Saskatchewan to which it has applied for a licence and hereby undertakes to notify the Director immediately of any material change that might affect this application.
3. That the applicant agrees to be bound to the forgoing promises throughout the term of any licence granted by virtue of this application.
4. I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the *Canada Evidence Act*.

Declared before me at the _____ of

_____ in the Province of _____,

this _____ day of _____, _____



Signature of Applicant

Print Name and Position and Title

A Commissioner for Oaths in and for the Province of

My commission expires _____.

A Notary Public in and for the Province of

My appointment expires _____.



Financial and
Consumer
Affairs Authority

Consumer Credit
Division

Suite 601, 1919 Saskatchewan Drive
Regina, Canada S4P 4H2
Phone (306) 787-6700 Fax (306) 787-9006
Email: fid@gov.sk.ca

Payday Lender Licence Application Location Addendum

NOTE: A separate Location Addendum is required for each location from which payday lending business will be conducted in Saskatchewan. Please make additional copies as required.

For Office Use Only

Licence Approval Date: _____ Licence No. _____
Approved by: _____ Entity Licence No. _____

1. **Applicant Legal Name:** _____

2. **Physical address** (street address or legal description – do not use a box number):

| | | | |
|-------------|--------|----------------|-------------|
| Number | Street | City, Province | Postal Code |
| () | () | | |
| Telephone # | Fax # | Email Address | |

3. **Mailing address** (for the LOCATION – include a box number if applicable): Same as physical address above, or

| | | | |
|-------------|--------|----------------|-------------|
| Number | Street | City, Province | Postal Code |
| () | () | | |
| Telephone # | Fax # | Email Address | |

4. **Location Contact Information:**

- a. Name and position: _____
- b. Alternate contact(s): _____
- c. Contact phone number: Same as physical address above, or _____
- d. Contact email address: Same as physical address above, or _____

5. **Location of records:** Same as physical address above, or

| | | | |
|-------------|--------|----------------|---------------|
| Number | Street | City, Province | Postal Code |
| () | () | | |
| Telephone # | | Fax # | Email Address |

6. **Lending activities:**

- a. Can a borrower obtain a loan from this location by attending in person? No Yes
- b. Can a borrower obtain a loan from this location without attending in person? No Yes

By what means can a borrower obtain a loan without attending in person?

Internet, at: _____(website address)

Fax, at _____(fax number)

Email, at _____(email address)

Phone, at _____(phone number)

7. **Store or branch** location reference (if applicable; example: Branch #5): _____