

NORTHWEST TERRITORIES CONSUMER AFFAIRS BULLETIN



Payday Lending

Northwest Territories does not regulate payday lending but here are some things to think about before you enter into a contract with a payday lender.

- Know that payday loans are high-cost loans. Fees for these types of loans will often be very costly in comparison to other forms of credit from more traditional lenders.
- Shop around for a rate. Some payday lenders may choose to charge less for a loan.
- Check to see if the borrower's cancellation rights are clearly stated.
- The payday loan agreement should be written in clear, plain language. If you don't understand sections of the agreement, ask the lender to explain it.
- Your payday loan agreement should list all charges, terms and condition of the loan.
- The lender should give you a copy of the agreement when you sign it.
- Check on remedies the borrower may be entitled to if the lender fails to meet key obligations.
- Know and understand the date on which each payment is due to the payday lender and the amount of each of those payments.
- If you are having problems paying back your payday loan, contact the lender as soon as possible. Payday lenders have the right to sue you for the amount owed, plus interest and any related court fees. They may also turn your account over to a collection agency. Collection agencies can file a writ against you that may result in the seizure of property, and / or garnishment of wages, bank accounts, or accounts receivable. Try to make arrangements with them before any of these things happen.

Contact Us

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