

HIGH-COST CREDIT GRANTOR RENEWAL LICENCE REQUIREMENTS

In order to obtain a high-cost credit grantor licence, the following is required:

- **High-Cost Credit Grantor Application Form:**
 - All information on the application form must be completed.
 - One completed application form is required per location.
 - All documentation must contain original signatures.
 - Incomplete and/or unsigned documents will not be processed, and will be returned.
- **Licence Fee of \$5,500.00:** Make cheque, money order or equivalent payable to the Minister of Finance, Government of Manitoba.
- The Consumer Protection Office has expanded the payment options available for businesses by accepting online credit card payments for licensing fees. It is simple, secure and available 24 hours a day, seven days a week. Please visit www.cpopayment.com to submit your license/registration fee payment by Visa or MasterCard. Please mail the payment confirmation number along with the original signed application form for processing.
- **Criminal Record Checks:** A criminal record check must be submitted **once annually** for the applicant and each Director, Officer, Sole Proprietor, or Partner, and must be the original document, or a certified copy. If the business entity is operating more than one location only one original criminal record check or certified copy per Director, Officer, Sole Proprietor, or Partner is required.

The following information is required if there have been any changes since initial licensing:

- **Articles of Incorporation from the jurisdiction where the business entity is located:** Updated Articles of Incorporation are required to be submitted with applications for renewal if there has been any change to the applicable information.
- **Business Name Registration:** An updated Business Name Registration is required to be submitted with the applications for renewals if there have been any changes to the applicable information.
- **Sample Completed Information Disclosure Document for each high-cost credit product offered, arranged or provided by the applicant:** Using the highest interest rate charged by the applicant. **See required information in “Appendix 1”**
- **Sample Completed High-Cost Credit Agreement for each high-cost credit product offered, arranged or provided by the applicant:** Using the highest interest rate charged by the applicant, and a typical example of the fees charged in relation to a High-Cost Credit Agreement offered, arranged or provided by the applicant. **See required information in “Appendix 2”**
- **Optional Goods and Services:** A detailed description of each optional good or service that is or may be offered to a borrower.

Application for a Licence as a High-Cost Credit Grantor

1. **Name of applicant:** _____

2. **Business name or business style of applicant (if different from above):**

3. **Physical address of location to be licensed:**

Address			
No	Street	City	Province
Postal Code			
Phone Number: ()		Ext.	Email address: _____
Fax Number: ()		Website: _____	

4. **Type of business entity:**
 Sole proprietorship
 Partnership
 Corporation
 Other _____
 specify _____

5. **Enter below the full legal names of all owners, partners, directors or officers. Attach list if necessary.**

Name	Title		
Business Address			
No	Street	City	Province/State
Postal/Zip Code			
Phone Number: ()		Ext.	Email address
Fax Number: ()			

Name	Title		
Business Address			
No	Street	City	Province/State
Postal/Zip Code			
Phone Number: ()		Ext.	Email address
Fax Number: ()			

6. a) **Does the applicant offer high-cost credit products? Yes No**

If no, go to 6 b). If yes, complete the following:

Through what means? (Check all that apply) In person Telephone Internet Mobile Application
 Fax Email Other (specify) _____

b) **Does the applicant arrange high-cost credit products? Yes No**

If no, go to 6 c). If yes, complete the following:

How does the applicant communicate with borrowers when arranging their high-cost credit agreement? (Check all that apply) In person Telephone Internet Mobile Application Fax Email
 Other (specify) _____

List each high-cost credit grantor that provides the high-cost credit agreement that the applicant arranges, along with its address, email, contact person, website, phone and fax number.

Describe how the applicant arranges high-cost credit agreements provided by the high-cost credit grantor listed above, including how all fees charged to borrowers in relation to the arrangement of high-cost credit agreement(s) are calculated.

c) Does the applicant provide high-cost credit products? Yes No

If no, go to 6 d). If yes, complete the following:

How does the applicant communicate with borrowers when providing their high-cost credit agreement? (check all that apply) In person Telephone Internet Mobile Application Fax Email
 Other (specify) _____

How does the applicant advance funds to borrowers? (Check all that apply.) Cash Cheque Direct Deposit
 Cash Card Mobile Application On-line Transfers Other specify) _____

How does the applicant accept repayment of high-cost credit agreements? (Check all that apply.)
 Cash Cheque Pre-authorized debit Cash Card Other (specify) _____

d) Does the applicant assist another to offer, arrange or provide high-cost credit products in any way that is not described at 6 b)? Yes No

If no, go to 7. If yes, complete the following:

List each high-cost credit grantor that offers, arranges or provides the high-cost credit products, along with its address, phone and fax number and contact person.

In what way does the applicant provide assistance? (Check all that apply.)

- Making high-cost credit products information available to the public, including by means of the Internet
- Making equipment or other means available to the public, including Internet access, by which they may obtain information about the high-cost credit products
- Assisting the public by any means, including by the Internet, to obtain the high-cost credit agreement/product
- Assisting borrowers to access money provided under the high-cost credit agreement
- Assisting borrowers to repay the high-cost credit agreement, including by cash card or other device
- Other (specify) _____

7. The Applicant maintains records at the following address(es) _____

8. Has the applicant or any of the persons named in section 5 been convicted of an offence under any federal, provincial, territorial or state law, or are any charges pending?
 No Yes. Provide specifics:

9. Has the applicant or any of the persons named in section 5 been an undischarged bankrupt or been involved as owner, director or officer of any firm or business that declared bankruptcy during the period of their involvement?
 No Yes. Provide specifics:

10. Has the applicant or any of the persons named in section 5 ever had a license issued under this Act, or by an authority responsible for issuing licences with respect to lending money in any jurisdiction, which has been suspended or cancelled, or has the applicant ever applied for a renewal of such a licence and the renewal was refused?
 No Yes. Provide specifics:

Requirements for an Information Disclosure Document

Disclosure requirements for an Information Disclosure Document under Part 25 of *The Consumer Protection Act (High-Cost Credit Products)*

Subsection 249(1) of *The Consumer Protection Act* ("the Act") requires that a high-cost credit grantor, for each high-cost credit product offered, arranged or provided, must give to the borrower a document that states the product is a high-cost credit product; and provides the information listed under subsection 249(2) of the Act:

Subsection 249(2) of the Act states the following information must be separately listed and prominently displayed in the Information Disclosure Document:

The high-cost credit product

1. The type of high-cost credit product.
2. The amount of funds available to the borrower.
3. Each method or means of accessing the funds and the cost of each one and, if applicable, how to make an initial advance or draw and any subsequent advance or draw on the funds.

The cost of the high-cost credit product

4. Depending on the type of high-cost credit product,
 - (a) the total cost of credit expressed in a dollar amount, or
 - (b) the total cost of credit expressed in a dollar amount based on the maximum amount available for draw if repaid within the prescribed time period*

*Subsection 9(2) of the *High-Cost Credit Products Regulation 7/2016* states the time period prescribed for the purpose of item 4(b) of subsection 249(2) of the Act is 30 days

5. The interest rate, how interest is calculated and compounded, and how, when and why the interest rate will or may change.
6. Each fee, charge, penalty or other amount that will or may be payable by the borrower to the high-cost credit grantor or a third party, including
 - (a) any brokerage fee,
 - (b) any credit assessment or approval fee,
 - (c) any administrative or processing fee,
 - (d) any advance or draw fee,
 - (e) any other fee or charge for accessing the funds, including any account set-up fee, transfer fee and cash card fee,
 - (f) any charge or penalty for exceeding the credit limit,
 - (g) any default charge or penalty,
 - (h) any prescribed fee, charge, penalty or other amount, and how, how often, when and why each one is or may be payable, how much is or may be payable, and what will or may happen if the borrower fails to pay it.

7. How each payment will be applied to the accumulated cost of credit and principal.

The high-cost credit agreement

8. What collateral or security will or may be required from the borrower.
9. When a grace period will or may apply, and what conditions, if any, the borrower must meet to benefit from it.

10. What will or may happen if the borrower fails to make a payment when it becomes due, including
- (a) what default charge or penalty will or may be payable by the borrower,
 - (b) how and when the terms and conditions of the high-cost credit agreement will or may be affected by the missed payment,
 - (c) what will or may happen to any collateral or security.
11. How, when and in what circumstances the high-cost credit grantor will or may demand payment in full from the borrower.
12. How, when and in what circumstances the borrower may cancel the high-cost credit agreement.
13. How, when and in what circumstances the high-cost credit grantor will or may cancel the high-cost credit agreement.
14. 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.
15. Each optional good or service that the borrower may choose to purchase, how much it will cost, and how to decline it, accept it and cancel it.

The borrower's rights

16. The borrower's right to receive
- (a) the document,
 - (b) a copy of the high-cost credit agreement before entering into it,
 - (c) a copy of the completed high-cost credit agreement after entering into it, and the right to have reasonable time to review each document or copy and ask questions.
17. The borrower's right to cancel the high-cost credit agreement as provided in section 252, and how to exercise the right.
18. The borrower's right to make full or partial prepayment, and how to exercise the right.

Other information

19. The date the document is given to the borrower.
20. Any other information required by the regulations.

Subsection 249(3) of the Act requires that the information provided for the purpose of section 249 of the Act must be accurate and up to date; be expressed clearly and understandably; and meet any other requirements set out in the regulations.

Disclosure requirements for an Information Disclosure Document under the High-Cost Credit Products Regulation 7/2016

For the purpose of subsection 249(2) of the Act, Subsection 9(1) of the *High-Cost Credit Products Regulation 7/2016* ("the Regulation") states the information disclosure document must include a statement that any consent to a personal investigation as defined in *The Personal Investigations Act* must be given in writing, including by electronic means, but not orally.

Subsection 9(3) of the Regulation states that the following fees are prescribed for the purpose of item 6(h) of subsection 249(2) of the Act:

- (a) any fee to prepare a document for a high-cost credit agreement;
- (b) any fee relating to the secured personal property;
- (c) any fee to refinance, restructure or change the terms of a high-cost credit agreement.

APPENDIX 2

Requirements for a High-Cost Credit Agreement

Disclosure requirements for a High-Cost Credit Agreement under the High-Cost Credit Products Regulation 7/2016

Subsection 11(1) of the *High-Cost Credit Products Regulation 7/2016* ("the Regulation") requires that for each type of high-cost credit agreement it offers, arranges or provides, a high-cost credit grantor must include on the first page of the high-cost credit agreement the following information:

- (a) the high-cost credit grantor's business name as shown on its licence, its trademark, tradename or logo and its licence number;
- (b) the high-cost credit grantor's business and mailing address, e-mail address, and Telephone and fax numbers;
- (c) the principal amount of the loan or the amount of the funds available, whichever is applicable;
- (d) if applicable, the term of the high-cost credit agreement;
- (e) if applicable, the amount of the initial advance or draw;
- (f) the total cost of credit;
- (g) the APR;
- (h) the annual interest rate;
- (i) each high-cost credit fee that will or may be payable to the high-cost credit grantor or any third party;
- (j) a notation of each difference, if any, between the information set out in the information disclosure document and the high-cost credit agreement;
- (k) the date and time that the high-cost credit agreement is entered into;
- (l) if applicable, the date and time that a cash card is given to the borrower.

Subject to section 12, subsection 11(2) of the Regulation states the high-cost credit grantor must not include any information or markings other than the information set out in subsection (1) on the first page of the high-cost credit agreement.

Subsection 12(1) of the Regulation states that a high-cost credit grantor must

- (a) provide a signature line for the borrower on each page of the high-cost credit agreement that includes information that is required to be provided by the Act and this regulation; and
- (b) ensure that the borrower signs each page on which a signature line appears.