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Building Nunavut Together
Nunavuliuqatigiingniq
Bâtir le Nunavut ensemble

Public Service Announcement

Take caution with payday loans

Start Date: February 19, 2021
End Date: February 25, 2021
Nunavut-wide **45 sec**

The Department of Community and Government Services would like to remind Nunavummiut about the hazards of applying for payday loans.

Payday loans are short-term loans with higher interest rates than those of regular loans or lines of credit, making them a very expensive way to borrow money. Additional fees apply if terms of the repayment agreement are not met.

Nunavummiut should ensure the payday loan company meets the following standards:

- has a physical address, phone support or live chat;
- does not require money to be paid upfront, as origination fees should be paid from the loan account itself;
- does not stipulate how the loan funds can be spent; and
- is listed on the Better Business Bureau's listing of accredited payday companies in Canada.

High interest rates and potential additional fees make payday loans harder to pay back, which can increase financial difficulties and stress.

For further information, please contact the Consumer Affairs office at 1-866-223-8139 or visit https://www.gov.nu.ca/community-and-government-services/information/consumer-affairs.

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