

# Public Service Announcement

## Payday Loans

**Start Date:** April 2, 2024

**End Date:** April 5, 2024

## Nunavut-wide

**60 sec**

Nunavummiut are reminded of the risks associated with payday loans. Payday loans are short-term loans with higher interest rates than those of regular loans or lines of credit. Payday loans are typically required to be paid back within two weeks, coinciding with the borrower's receipt of their pay cheque. Additional fees apply if the terms of the repayment agreement are not met.

Nunavummiut should ensure the payday loan firm 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.
- 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 more difficult to pay back, which can result in increased financial difficulties and strain. It is important that the total repayment cost of the payday loan, the loan itself, fees, and interest are clear to the consumer. Consumers should be aware that failure to repay a loan in the agreed period will likely result in the continual accumulation of interest, making it very hard to repay the debt.

For further information regarding payday loans, contact [Consumer Affairs](#) at [ConsumerProtection@gov.nu.ca](mailto:ConsumerProtection@gov.nu.ca) or 1-866-223-8139 (toll-free).

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