



Task Title: Payday Loans and Cash Advances

OALCF Cover Sheet – Learner Copy

Learner Name: _____

Date Started: _____

Date Completed: _____

Successful Completion: Yes ☐ No ☐

Goal Path: Employment ☐ Apprenticeship ☐

Secondary School ☐ Post Secondary ☐ Independence ☐

Task Description: The learner will calculate the true costs of payday loans and cash advances.

Main Competency/Task Group/Level Indicator:

- Find and Use Information/Interpret documents/A2.2
- Understand and Use Numbers/Manage money/C1.2

Materials Required:

- Pen/pencil and paper and/or digital device
- Calculator or digital device with calculator function (optional)

Learner Information

Sometimes when people are running short on money due to sudden expenses, they will get a payday loan or cash advance.

Scan the "Cost of Borrowing" and "How much will \$300 cost you for two weeks?"

Cost of Borrowing

Ontario Resident Agreement



[\(click to view license\)](#)

How much will your loan cost you?

The Maximum Allowable Cost per \$100.00 Borrowed:

\$18.00.

Our Cost per \$100.00 Borrowed:

\$18.00.

Example:

Your \$300.00 loan for 14 days.

Amount Advanced: **\$300.00**

Total Cost of Borrowing: **\$54.00**

Total To Repay: **\$354.00**

This information is required under the Payday Loans Act, 2008

Ministry of Government and Consumer Services

How much will **\$300** cost you for **two weeks**?

If you borrow:	Payday loan (Assuming cost of borrowing is \$18 per \$100)*	Credit card (Assuming a daily interest rate at 23% apr for a cash advance)
One loan	\$54	\$2.65
Two loans	\$108	\$5.29
Four loans	\$216	\$10.59
Six loans	\$324	\$15.88

Work Sheet

Task 1: If a customer takes out a \$300 pay day loan for 14 days, how much will they have to pay back in total?

Answer:

Task 2: A customer takes out a \$100 cash advance and will pay it back in 14 days. Calculate the total amount the customer would have to pay back.

Answer:

Task 3: A customer takes out a \$400 pay day loan for 2 weeks. Calculate the interest they would pay at the end of the 2 weeks.

Answer:
