Task Title: Payday Loans and Cash Advances

OALCF Cover Sheet – Practitioner 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:

Answers

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: $300 (original loan) + $54 interest = $354

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: $100 (cash advance) + $18 interest = $118

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: 4 x $18 = $72 interest

Performance Descriptors

Levels	Performance Descriptors	Needs Work	Completes task with support from practitioner	Completes task independently
A2.2	performs limited searches using one or two search criteria			
	extracts information from tables and forms			
	uses layout to locate information			
	makes connections between parts of documents			
C1.2	calculates using numbers expressed as whole numbers, fractions, decimals, percentages and integers			
	chooses and performs required operations; makes inferences to identify operations			
	selects appropriate steps to reach solutions			
	represents costs and rates using monetary symbols, decimals, and percentages			
	uses strategies to check accuracy			

Task Title: PaydayLoansAndCashAdvances_I_A2.2_C1.2

This task: Was successfully completed ☐ Needs to be tried again ☐

Learner Comments:

Instructor (print): _____

Learner (print): _____