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Credit Counselling dismayed by recent change to Payday Loans regulation

Saint John, N.B. --- Credit Counselling Services of Atlantic Canada (CCSAC) is dismayed by the enforcement of recent changes to the maximum rates and fees on Payday Loans set by the Nova Scotia Utility and Review Board.

As of August 1 Payday Loan lenders can charge up to \$31 per \$100 borrowed. "This translates into an 800 per cent interest rate or better," states John Eisner, president of CCSAC. While other provinces such as Ontario and British Columbia have set their maximums at \$21 and \$23 respectively, the highest amount of interest that can be charged under the Criminal Code of Canada is 60 per cent.

"This new regulation has been established specifically to make sure this kind of lending isn't subject to the Criminal Code limits regardless of the financial strain it might put on borrowers," says Eisner.

CCSAC advises everyone of the importance of fully understanding a debt before borrowing or using credit. "You need to know how long it will really take before you will be able to pay a debt down and the real cost of carrying it."

"Considering a Payday Loan as a way to make ends meet may be an indication that you are spending more than you are earning," says Eisner. "What may be a short-term solution has definite long-term ramifications if the loan isn't paid back as agreed."

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For further information contact:

John D Eisner
President
1-888-753-2227 Ext 14

john@solveyourdebts.com