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**HEADLINE:** 'Code' protects payday loan customers in Canada

**SOURCE:** The Canadian Press

**DATELINE:** TORONTO

**BODY:**

Most of the payday loan outlets in Canada have signed on to a code of practice aimed at forestalling complaints about exploitation of vulnerable borrowers.

The new rules -- "designed to protect payday loan customers and unify industry business practices" -- cover 90 companies operating about 900 of the roughly 1,200 payday loan outlets across Canada, providing unsecured short-term cash advances, typically of a few hundred dollars for less than two weeks.

The Canadian Association of Community Financial Service Providers said yesterday that its code "establishes standards in the areas of disclosure of information, business practices and consumer education."

It also prohibits rollover loans -- extended loans for an additional fee.

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