



Province of Alberta

UNCONSCIONABLE TRANSACTIONS ACT

Revised Statutes of Alberta 2000
Chapter U-2

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Office Consolidation

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UNCONSCIONABLE TRANSACTIONS ACT

Chapter U-2

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “cost of the loan” means the whole cost to the debtor of money lent, and includes interest, discount, subscription, premium, dues, bonus, commission, brokerage fees and charges, but does not include registration or filing fees prescribed by or pursuant to any statute;
- (b) “court” means a court having jurisdiction in any action for the recovery of a debt or money demand to the amount claimed by a creditor in respect of money lent;
- (c) “creditor” includes the person advancing money lent and the assignee of a claim arising or security given in respect of money lent;
- (d) “debtor” means a person to whom or on whose account money lent is advanced, and includes every surety and endorser or other person liable for the repayment of money lent, or on an agreement or collateral or other security given in respect thereof;
- (e) “money lent” includes money advanced on account of any person under a mortgage or in a transaction that, whatever its form may be, is substantially one of money-lending or securing the repayment of money so advanced.

RSA 1980 cU-2 s1

Powers of court

2 When, in respect of money lent, the court finds that, having regard to the risk and to all the circumstances, the cost of the loan

is excessive and that the transaction is harsh and unconscionable, the court may

- (a) reopen the transaction, take an account between the creditor and the debtor and relieve the debtor from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of the principal and the cost of the loan;
- (b) notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, reopen an account already taken and relieve the debtor from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of the principal and the cost of the loan;
- (c) order the creditor to repay any such excess if it has been paid or allowed on account by the debtor;
- (d) set aside either wholly or in part or revise or alter any security given or agreement made in respect of the money lent, and, if the creditor has parted with the security, order the creditor to indemnify the debtor.

RSA 1980 cU-2 s2

Exercise of powers

3 The powers conferred by section 2 may be exercised

- (a) in an action or proceeding by a creditor for the recovery of money lent;
- (b) in an action or proceeding brought by the debtor, notwithstanding any provision or agreement to the contrary and notwithstanding that the time for repayment of the loan or any instalment of the loan has not arrived;
- (c) in an action or proceeding in which the amount due or to become due in respect of money lent is in question.

RSA 2000 cU-2 s3;2009 c53 s181

Saving rights

4 Nothing in this Act affects the rights of a bona fide assignee or holder for value without notice, or derogates from the existing powers or jurisdiction of any court.

RSA 1980 cU-2 s4



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