

INFiN BEST PRACTICES

INFiN Members Must Abide by the Following Best Practices:

- 1. COMPLIANCE.** A Member will conduct its business in full compliance with all federal and state laws and regulations, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, those applicable to federally registered Money Services Businesses (“MSB”), and all other applicable federal consumer financial laws. A member will not charge a fee or rate for a financial product or service that is prohibited by applicable law.
- 2. LICENSING/REGISTRATION.** A member will register with the appropriate government agencies and hold and maintain all necessary business licenses to operate legally in the jurisdictions in which it offers financial products. A member that offers financial products through the Internet or other electronic modes shall be licensed or registered in each state where its customers reside (as required by applicable law) and shall comply with all requirements imposed by each such state.
- 3. TRUTHFUL ADVERTISING AND FULL DISCLOSURE.** A member will not knowingly advertise a financial product or service in any unfair, deceptive, or false manner. Additionally, a member will fully disclose the fees and costs of financial products and services in a clear and conspicuous manner in compliance with all state and federal laws and regulations. A member will comply with the applicable disclosure requirements of each state in which its products and services are offered and with applicable federal disclosure requirements including the Federal Truth in Lending Act and the Electronic Fund Transfer Act (Regulation E).
- 4. RESOLVING CUSTOMER COMPLAINTS.** Each member company shall maintain and post its own toll-free consumer hotline telephone number in each of its physical locations and on its website, as well as provide electronic means for consumers to submit complaints about a member company’s product or service. A member commits to responding to and resolving consumer complaints in a timely and appropriate manner.
- 5. MAINTAINING PRIVACY.** A member who possesses any non-public, personally-identifiable information about a consumer shall maintain the privacy of such information in accordance with all applicable state and federal privacy laws and regulations.
- 6. APPROPRIATE COLLECTION PRACTICES.** A member must collect past due accounts in a professional, fair and lawful manner. A member will not use unlawful threats, intimidation, harassment, or the threat of criminal action to collect accounts. The collection limitations contained in the Fair Debt Collection Practices Act (FDCPA) should guide a member’s practice in this area.
- 7. INDUSTRY MONITORING.** A member will assist the Association in monitoring the industry and will be expected to report suspected violations of these Best Practices to the Association.
- 8. VENDOR MANAGEMENT.** A member will manage its relationships with its outside vendors in order to promote compliance with all applicable laws and regulations and these Best Practices.
- 9. SUPPORT BALANCED LEGISLATION.** A member will work with legislators and regulators to support responsible legislation and regulation of the industry that is consistent with these Best Practices.
- 10. DISPLAY OF THE MEMBERSHIP SEAL.** A member shall prominently post the Association Membership Seal in all stores and on all member websites to alert customers to the member’s affiliation with the Association and adherence to the Association’s Best Practices.

11. SMALL-DOLLAR LOANS. Members that offer small-dollar loan products (“small-dollar loans”), including single payment loan products (“single payment loans”) and multi-payment products (“installment loans”), shall abide by the following additional Best Practices:

- a. **REQUIRED DISCLOSURE.** For all small-dollar loans, a contract between a member and the customer must fully and completely set forth the terms of the transaction. Members shall disclose the cost of the service fee both as a dollar amount and as an annual percentage rate (“APR”) in accordance with the Federal Truth in Lending Act, and other applicable law.
- b. **ENCOURAGE CONSUMER RESPONSIBILITY.** A member will implement procedures to inform consumers of the appropriate and responsible use of small-dollar loans. These procedures may include the placement of a “Customer Notice” in the form provided below or substantially similar, on all marketing materials.

***CUSTOMER NOTICE:** There are a wide variety of financial products available in the marketplace, so your choice should match your financial needs. Small-dollar loans used over a long period of time can be expensive.*

- c. **RESPONSIBLE REPAYMENT OF SINGLE PAYMENT LOANS.** For an unsecured single payment loan, a member shall comply with state law regarding repayment. In such cases where rollovers are authorized, a member will limit rollovers of an unsecured single payment loan to four (4) or the state limit where not otherwise limited by law. (A rollover is the extension of an outstanding advance by payment of only a fee.)
- d. **AMORTIZATION OF INSTALLMENT LOANS.** A member shall ensure that all unsecured installment loan products provide customers with a structure to reduce the principal balance over the term of the loan.
- e. **EXTENDED PAYMENT PLAN -- SINGLE PAYMENT LOANS.** For a single payment loan, a member will make available to customers who are unable to repay according to the original contract terms, the option of repaying the loan over a longer period (“Extended Payment Plan”) unless otherwise prohibited by state law. Such an Extended Payment Plan will be offered in compliance with any requirement in state law to provide an Extended Payment Plan or, in the absence of such a requirement in state law, in compliance with the Association’s Best Practice “Guidelines for Extended Payment Plans.” A member will adequately disclose the availability of the Extended Payment Plan to its customers in compliance with any requirement in state law for such a disclosure or, in the absence of such a requirement in state law, in compliance with the Association’s Best Practice “Guidelines for Extended Payment Plans.”
- f. **DEFERRED PAYMENT(S) INSTALLMENT LOANS.** A member that offers an installment loan shall ensure that a consumer who is unable to repay in a timely manner may be afforded options to deferred payment(s) in compliance with applicable State law without incurring prohibitive costs or penalties.
- g. **USE OF AUTOMATED CLEARING HOUSE (ACH) SYSTEM.** A Member will comply with all Rules of the National Automated Clearing House Association (NACHA), and any additional law or regulation related thereto, when using the ACH system.
- h. **MILITARY.** To the extent that any member does business with a Military "Covered Person" as defined by federal law, members will comply with all federal and state laws applicable to doing business with the military and related "Covered Persons."
- i. **RIGHT TO RESCIND.** Unless state law requires otherwise, a member will give its customers the right to rescind a loan, at no cost, on or before the close of the following business day.
- j. **ABILITY TO REPAY.** A member, before extending credit, shall undertake a reasonable, good-faith effort to determine a customer’s ability to repay the loan.

INFIN Best Practices are intended to cover all small-dollar loans made by members to the fullest extent that such practices are allowed by applicable laws and regulations. State or local laws and regulations may not permit implementation of some Best Practices for certain types of small-dollar loans.