



FINANCIAL SERVICE CENTERS OF AMERICA, INC.
A NATIONAL TRADE ASSOCIATION

BEST PRACTICES FOR THE FINANCIAL SERVICE CENTER INDUSTRY

FINANCIAL SERVICE CENTERS OF AMERICA ("FISCA") MEMBERS MUST ABIDE BY THESE BEST PRACTICES FOR ALL FINANCIAL SERVICES:

1. **LICENSING.** A Member must hold an active license issued by each state in which the Member is doing business and for each product or service offered that requires licensing.
2. **COMPLIANCE.** A Member will conduct its business in full compliance with all federal and state laws and regulations, including all laws and regulations applicable to federally registered Money Services Businesses ("MSB") and all applicable federal Consumer Financial laws, and will establish a compliance management system commensurate for the size of the business to ensure compliance. A Member will take appropriate steps to ensure employees are trained and knowledgeable about laws and regulations applicable to the business.
3. **PRIVACY.** A Member will take reasonable steps to protect its customers' non-public personally identifiable information, in paper and electronic formats.
4. **TRUTHFUL ADVERTISING.** A Member will not knowingly advertise any financial product or service in any false, misleading, or deceptive manner.
5. **DISCLOSURE OF FEES.** A Member will disclose its fees in compliance with state and federal laws and regulations, and make available to every customer a printed receipt showing the transaction details.
6. **APPROPRIATE COLLECTION PRACTICES.** A Member must collect past due accounts in accordance with the collection limitations contained in the federal Fair Debt Collection Practices Acts ("FDCPA").
7. **SELF-POLICING OF THE INDUSTRY.** A Member will participate in self-policing of the industry and will be expected to report violations of these Best Practices to FISCA.
8. **VENDOR MANAGEMENT.** A Member will manage its relationships with its vendors in order to ensure compliance with all applicable laws and regulations.

9. **CONSUMER COMPLAINTS.** A Member will post a consumer hotline number in each of its business locations. A Member will promptly and thoroughly track and respond to consumer complaints.
10. **NOTICE REQUIREMENTS.** Members shall post FiSCA's Best Practices, or the Best Practices of another established industry association that are consistent with FiSCA's Best Practices, in a visible and conspicuous location in all business locations. A link to the Best Practices should be included on all company websites.
11. **PAYDAY LOANS.** Members that offer payday loans, also known as deferred deposit loans, payday advances, cash advances, and deferred deposit loans ("Payday Loan"), shall abide by the following additional Best Practices for Offering Credit:
 - a. **FULL DISCLOSURE.** A Member will comply with the disclosure requirements of each state in which the Member is doing business, and with federal disclosure requirements including the Federal Truth in Lending Act. A contract between a Member and the customer must fully outline the terms of the transaction. Members agree to disclose the cost of the service both as a dollar amount and as an annual percentage rate ("APR").
 - b. **RIGHT TO RESCIND.** A Member will give its customers the right to rescind a payday advance transaction at no cost, on or before the close of business on the following business day, or as required by law, whichever is longer.
 - c. **LIMITATION ON ROLLOVERS.** A Member will not allow customers to rollover a payday loan (the extension of an outstanding advance by payment of only a fee) unless expressly authorized by state law, but in cases where authorized, the Member will limit rollovers to four (4) or the state limit, whichever is less.
 - d. **NO CRIMINAL ACTION.** A Member will not threaten, or pursue, criminal actions against a customer as a result of the customer's check being returned or the customer's defaulting on a debt.
 - e. **EXTENDED PAYMENT PLAN.** A Member will provide customers who are unable to repay a payday loan according to their original contract the option of an extended payment plan in compliance with any requirement in state law or, in the absence of such a requirement in state law, in compliance with FiSCA's "Guidelines for Extended Payment Plans" (available at www.fisca.org), or the Guidelines for Extended Payment Plans of another established industry association that are consistent with the FiSCA Guidelines.
 - f. **CUSTOMER NOTICES.** A Member will provide customers notice of their option to rescind a payday loan and to an extended payment plan in a reasonable manner, including in a written disclosure as permitted or required by law.

- g. **INTERNET LENDING.** Members that offer payday loans through the Internet shall be licensed in each state where its payday loan customers reside and shall comply with applicable laws and regulations, including limitations on rates, rollovers, disclosures and other requirements imposed by state law, unless such state does not require the lender to be licensed or to comply with such provisions.
- h. **USE OF AUTOMATED CLEARING HOUSE (ACH) SYSTEM.** A Member will comply with all of the Rules of the National Automated Clearing House Association (NACHA) when utilizing the ACH system.
- i. **MILITARY.** To the extent that any Member does business with a Military "Covered Person" as defined by federal law, Members will comply with any federal and state laws on doing business with the military and related "Covered Persons."