



ALABAMA CONSUMER FINANCE ASSOCIATION

Best Practices

Advertising and Solicitation

ACFA members use a variety of advertising media to acquire and attract business and are committed to avoiding any advertising methods that are deceptive. The same applies to advertising aimed at the solicitation of repeat business. ACFA members do not use high pressure sales tactics. Refinancing will only be offered to a consumer where there is a direct tangible net benefit to the borrower from the transaction.

Loan Origination

ACFA members practice responsible underwriting, attempting to assess the borrower's stability, ability and willingness to repay the loan. Responsible underwriting includes examining factors like credit bureau reports, monthly free income available for debt service, the length of time the consumer has been gainfully employed, and the amount of the consumer's debt compared to assets and income. ACFA members take care to explain the terms of a possible loan transaction in as clear and transparent a manner as possible.

Loan Products

Except for our Associate Member companies, all ACFA members make installment loans which are considered the safest kind of loan for any small loan borrower and the easiest to pay off. All loans are payable in equal periodic installments of principal and interest: that is, they fully amortize over the life of the loan and do not have a balloon payment at the end. ACFA member companies are supported by our Associate Members who provide products and services to help us to meet the demands of our customers with top grade loans and ancillary products. Our member companies pride themselves in providing a broad segment of the consumer loan market, which is underserved by banks and other institutions, with prompt and confidential value added service and loans.

Ancillary Products

ACFA members may also offer optional ancillary products that hold real value to the consumer in the event of some unfortunate or catastrophic situation. Such products will only be offered where there is a tangible net benefit to the borrower, which will be carefully and thoroughly explained when the loan is made. It will also be explained, where appropriate, that such products are voluntary and are not sold as a condition of the loan.

Collections

ACFA members support and observe all applicable state laws regarding collection practices. ACFA members are direct, first party lenders and they value their relationship with their borrowers including those borrowers who may be experiencing financial difficulties. Because ACFA members are first party lenders, they have the ability to work with borrowers who are experiencing temporary financial difficulties and to offer those troubled borrowers meaningful opportunities to reestablish their good credit with the ACFA member. It is the practice of ACFA members to "go the extra mile" with the borrower to cure a delinquent account. ACFA members also support the activities of the non-profit Consumer Credit Counseling Services, but will repudiate and, where appropriate, report to law-enforcement authorities, the activities of Debt Management firms that prey on troubled consumers.

No Connection To Payday Loan and Title Pawn Lenders, Or Mortgage Brokers

ACFA member companies are not engaged in nor licensed in the lending practices of check-cashing payday loan lenders. In addition, ACFA lenders are neither licensed for nor engaged in the practices of title pawn lenders or mortgage brokers.

Community Involvement and Financial Literacy

ACFA members' branch offices are encouraged to be a vital part of the communities in which they operate and are active in many community activities and charitable endeavors. ACFA members fully support and participate in financial literacy programs.