



The California Financial Service Providers Association has established the uniform code of ethical business practices below, which we call Best Practices, to let our members' customers know how they can expect to be treated. All regular CFSP members are required to follow these Best Practices and to re-commit to follow them annually. CFSP's Best Practices ensure that our members conduct themselves responsibly and protect customers' rights. CFSP publishes these Best Practices as part of our leadership efforts in self-governance of the check cashing and payday advance industry in California and to assure the customers that they will be treated fairly and ethically by our members. If you have any questions about these Best Practices, please contact us.

## Best Practices

1. **Licensing.** To provide check cashing services, a member will hold an active check cashers permit issued by the Department of Justice. To provide deferred deposit loans either directly or as an agent in the state of California, a member will hold an active license issued by the Department of Corporations.
2. **Compliance.** A member will comply with all applicable state and federal laws governing money services businesses and those offering financial products as well as all local ordinances including signage ordinances.
3. **Privacy.** A member will take reasonable steps to protect its customers' non-public personal information.
4. **Truthful advertising.** A member will not advertise any service in a false, misleading, or deceptive manner.
5. **Disclosure of fees.** A member will post its fees in a conspicuous manner and in compliance with state law, and provide every customer with a printed receipt showing the transaction details.
6. **Appropriate collection practices.** A member will collect past due accounts in a professional and fair manner in compliance with accepted collection standards and laws. A member will not use threats, intimidation, or unlawful harassment to collect accounts.
7. **Self-policing of the industry.** A member will participate in self-policing of the industry by reporting violations.
8. **Consumer Hotline.** A member will maintain and post its own consumer hotline number in each of its Sites.
9. **Deferred Deposit Loan (Payday Loan/Payday Advance/Cash Advance).**
  - (a) **Encourage consumer responsibility.** A member will, in its written promotional materials, inform consumers of the intended use of deferred deposit loans, including notifying consumers that this type of loan is short-term cash –flow tool not designed as a solution for longer term financing.
  - (b) **Full disclosure.** A member will comply with all applicable state and federal disclosure requirements. A contract between a member and the customer must fully outline the material terms of the transaction, including disclosure of the cost of the service fee both as a dollar amount and as an annual percentage rate (APR).
  - (c) **Compliance.** A member will not charge a fee nor engage in any practice that has the effect of imposing a fee when such fee is not authorized by state law.
  - (d) **Right to rescind.** A member will give its customers the right to rescind, at no cost, a deferred deposit loan on or before the close of the following business day.
  - (e) **Prohibit roll-overs.** A member will require customers to repay a deferred deposit loan in full prior to making another loan to the same customer.
  - (f) **No criminal action.** A member will not threaten or pursue criminal actions against a customer as a result of a default on a deferred deposit loan.
  - (g) **No treble damages.** A member will not collect treble damages for a returned deferred deposit loan check in compliance with state law.
  - (h) **Repayment arrangements.** A member will accept and enter into reasonable repayment arrangements with customers in default. Upon acceptance of a repayment arrangement negotiated through a third party credit counselor, a member will honor the terms of repayment arrangement.