

YES. The right way to use
payday advances

ALWAYS:

**ALWAYS REMEMBER THAT PAYDAY
ADVANCES ARE FOR SHORT-TERM
CREDIT NEEDS ONLY.**

If you need long-term financial assistance, please seek credit counseling services through the National Foundation for Credit Counseling at 800.388.2227.

**ALWAYS BORROW AN AMOUNT YOU
FEEL ABLE TO REPAY ON TIME.**

If you find yourself unable to repay your advance, ask about our Extended Payment Plan*, which provides additional time to repay your advance.

*Extended Payment Plan not available in all states.

**ALWAYS USE A REPUTABLE PAYDAY
ADVANCE COMPANY.**

Look for the CFSA Member Seal on store windows or on company Web sites to ensure that a company adheres to CFSA's industry-leading Best Practices.

NO. The wrong way to use
payday advances

NEVER:

**NEVER USE PAYDAY ADVANCES AS A
LONG-TERM SOLUTION FOR FINANCIAL
CHALLENGES.**

**NEVER BORROW MORE THAN YOU FEEL
COMFORTABLE PAYING BACK BY THE
DUE DATE. AND NEVER TAKE OUT AD-
DITIONAL ADVANCES TO PAY OFF YOUR
PREVIOUS ADVANCE.**

**NEVER DO BUSINESS WITH A PAYDAY
ADVANCE COMPANY THAT DOES NOT
HAVE A CLEAR BEST PRACTICES POLICY.**

CFSA BEST PRACTICES AND GUIDELINES FOR EXTENDED PAYMENT PLANS

For a list of all the CFSA Best Practices, ask your payday advance company or visit CFSAA.com.

Subject to applicable state laws and the availability of an Extended Payment Plan (EPP) in your state, each member shall provide an EPP for customers who are unable to repay an advance. The member shall adopt a plan that offers the customer at least the following provisions:

1. A customer shall be allowed to utilize an EPP at least once in a 12-month period.
2. Generally, you [the customer] must request the EPP by close of business on the last business day before the advance due date by returning to the office where you obtained the advance or by using whatever method you used to obtain the advance. However, your state may have specific requirements that affect when you may request the EPP (see the office where you obtained your advance for more details). To request the EPP, you must sign an amendment to your agreement reflecting the new payment schedule.
3. You must pay the transaction balance in four equal payments coinciding with your periodic pay dates.
4. We will not begin collection activities while you are under an EPP as long as you meet all obligations under the EPP.
5. There is no charge for you to enter into an EPP. However, if you default on an EPP, we may charge you an EPP fee and accelerate payment on the balance remaining, as authorized by applicable law.

Community Financial Services Association of America

515 King St., Suite 300
Alexandria, VA 22314
888.572.9329 (p)
703.684.1219 (f)
LoanQuestions@CFSAA.com
CFSAA.com



YOUR GUIDE TO RESPONSIBLE USE OF PAYDAY ADVANCES





Who We Are

The Community Financial Services Association of America (CFSA) is the national organization dedicated to advancing financial empowerment for consumers through small dollar, short-term loans.

We believe consumers deserve choices with simple, understandable loan terms and to be treated fairly throughout the process. We've raised standards throughout the industry with our Best Practices. We believe that payday advances are designed for short-term use only. Like any advance or credit account, payday loans should always be used responsibly. CFSA members guarantee customers who cannot pay their loan back on time an Extended Payment Plan at no additional fee.

Used the right way, payday advances can be a useful service. But used the wrong way, they can create new financial challenges.

That's what this guide is all about: Making sure you understand how payday advances should be used, and providing you straightforward and clear answers to questions to help you make informed decisions about using our service.

FAQs ABOUT PAYDAY ADVANCES

Many people have questions about payday advances. Here are some facts that might be useful to you in determining whether a payday advance is right for you.

» Q&A

Q: HOW OFTEN IS IT ADVISABLE TO USE PAYDAY ADVANCES?

A payday advance is designed to provide short-term financial assistance. Only use a payday advance to solve a cash shortfall between paydays. It is not a long-term solution. Repeated or frequent use of payday advances can cause serious financial hardships.

Q: WHAT SHOULD I DO IF I NEED FINANCIAL ASSISTANCE TO REPAY MY PAYDAY ADVANCE OR OTHER TYPES OF CREDIT?

First, check to see if you are eligible for a CFSA Extended Payment Plan (see the details that follow). If you need long-term assistance, seek credit counseling through the National Foundation for Credit Counseling at 800.388.2227. NFCC is a national network of nonprofit credit counselors. With one toll-free call they can connect you to a local credit counseling service.

Q: WHAT SHOULD I DO IF I AM HAVING A HARD TIME PAYING BACK MY PAYDAY ADVANCE?

First, know that taking out additional payday advances to pay off previous advances can lead

to new and bigger financial challenges. Instead, talk to your payday advance company. All CFSA member companies offer an Extended Payment Plan (subject to applicable state law) that allows you additional time to repay your advance. If your state has a statutory-mandated Extended Payment Plan that is the plan that will be offered. If you need long-term assistance, please seek credit counseling.

Q: WHAT HAPPENS IF I CHANGE MY MIND AFTER TAKING OUT A PAYDAY ADVANCE?

CFSA's Best Practices guarantee that you can rescind your payday advance at no cost before the end of the following business day simply by returning the full amount of the advance.



Q: HOW DO I KNOW IF A PAYDAY ADVANCE PROVIDER ADHERES TO CFSA'S BEST PRACTICES?

Every CFSA member company is required to prominently display the CFSA Member Seal in all its store entrances. Just look for the seal—it is your guarantee that the store adheres to CFSA Best Practices.

CFSA Customer Notice: A single payday advance is typically for two to four weeks. However, borrowers often use these loans over a period of months, which can be expensive. Payday advances are not recommended as long-term financial solutions.

