

STANDARDS FOR MARKETING AND ADVERTISING DEBT RESOLUTION SERVICES

1. Marketing Standards

1.1 Business Names. Business names under which debt resolution services are marketed to consumers in a given state shall, if required by law or regulation, be registered with the appropriate agency(ies) in that state.

1.1.1 Disclosure of Service Provider: Advertisers of debt resolution services (including for this purpose lead generators) (“Advertisers”) shall not misrepresent the identity of the actual provider of the services offered to consumers. A debt resolution services provider (“DRSP”) may market its services under a “doing business as” (“DBA”) designation (i.e., a name other than the legal name of the business), provided that the DBA is not (i) registered to another business, (ii) substantially similar to the business name used by another business or (iii) otherwise deceptive or misleading with respect to either the products or services offered to consumers or the identity of the DRSP offering those products or services.

1.1.2 DBAs Shall Not Mislead: DRSPs shall not use any DBA that falsely implies that the DRSP is a financial institution or a government agency, or a name substantially similar to the name of another DRSP, any financial institution or any government agency.

1.2 Marketing Materials. DRSPs are responsible for the marketing efforts of any Advertiser engaged in the offering of debt resolution services on behalf of that DRSP and, as such, shall use reasonable efforts to ensure that all marketing materials used by both the DRSP and such Advertiser(s) comply with the provisions of these guidelines. “Reasonable efforts” means, at the minimum, (i) requiring Advertisers marketing debt resolution services on behalf of such DRSP to adhere to these marketing guidelines and (ii) performing a retrospective review of substantially all marketing materials used by any Advertiser marketing debt

resolution services on behalf of such DRSP, with reviews occurring not less frequently than once every six months.

1.2.1 *Program Representations.* If an Advertiser or a DRSP makes a specific program representation in a marketing piece, the material terms and limitations of the representation must be clearly and conspicuously¹ disclosed. These terms may not be contradicted by other statements, representations or disclaimers. By way of illustration, if a DRSP makes a specific representation regarding the time it will take to settle one or more debts, any material term or limitation relating to that specific representation must be clearly and conspicuously disclosed.

1.2.1.1 *Plain Language Usage.* Using plain language where possible, Advertisers and DRSPs shall clearly and concisely describe the debt resolution service offered, including, without limitation, the amount of money a consumer must regularly dedicate to the offered program, the cost to the consumer of the offered program and the anticipated term of the offered program. Where ranges exist, a clear explanation must be given. Examples of ranges are fees, which may vary state-by-state, and term of the offered program, which will vary depending upon a consumer's particular situation.

1.2.1.2 *Description of Services.* Advertisers and DRSPs may not, directly or by implication, indicate that legal, tax, accounting or other services are being provided unless the DRSP can lawfully provide such services in the state in which the offer is being made. DRSPs should avoid making any credit repair or credit improvement claims unless they take the necessary steps to comply with applicable state and federal credit repair laws.

¹ The FTC defines "clearly and conspicuously" as (1) placing the disclosure as close to the claim as possible, (2) taking into account the various devices and platforms consumers may use to view the marketing piece, whether it be in print or online, (3) when a space constrained ad requires a disclosure, incorporating the disclosure in the ad whenever possible, (4) when using a hyperlink, make the link obvious, label the link appropriately to convey the importance, place the hyperlink as close as possible to the relevant information, and (5) using plain language and syntax so that consumers understand the disclosures.

- 1.2.1.3 No False Affiliations. A DRSP may not falsely state or imply that the DRSP is in any way associated with a bank or a specific creditor.
- 1.3 Guarantees. For purposes of these Marketing Standards, a “guarantee” means a promise (i) to perform in a specific manner or (ii) that a specific outcome will be achieved.
- 1.3.1 Honor All Promises. If a DRSP makes any program or performance guarantee (including but not limited to a “no worse off” provision or an undertaking to provide refunds under certain circumstances) the DRSP must perform according to the promises made.
- 1.3.2 Good Faith Estimates. A “good faith estimate” of program terms is not a “guarantee.” “Good faith estimates” are addressed in greater detail below.
- 1.4 Program Performance Claims. For purposes of these Marketing Standards, the term “performance claim” means any statement made with respect to an historic program outcome (i.e., an outcome previously secured by the DRSP with respect to either an individual client or a specific cohort of clients). By way of example, “performance claims” include, without limitation, any reference to (i) settlement percentages, (ii) client savings, (iii) program duration and (iv) program completion rates.
- 1.4.1 Source. If, in any marketing material, an Advertiser or a DRSP makes a performance claim the source of that performance claim (i.e., historic data, third-party studies, etc.) shall be fully and completely disclosed. DRSPs must have (and be prepared to provide for verification purposes) appropriate substantiation for any performance claim.
- 1.4.2 Good Faith Estimates. A “good faith estimate” is a type of performance claim and, as such, must be (i) identified as an estimate and (ii) supported by the DRSP’s program data.
- 1.4.3 Performance Claims and Identification of Data Source. When making performance claims, a DRSP (including, for this purpose, any Advertiser) should use actual experience data from their client base. DRSPs new to the industry may use industry data for their first two

years, provided that the DRSP clearly and conspicuously discloses (i) the source of the data used and (ii) that such outcomes are not based on the DRSP's own client experience and may not be indicative of actual client experience.

- 1.5 Intention to Offer Products. DRSPs shall not, directly or through a third party, market a product or service to a consumer without the bona fide intention of offering, and ability to offer, that specific product or service.
- 1.6 Compliance with FCRA. Marketing materials (including but not limited to "mailers") that target prospective clients by means of "prescreened data" or other information obtained from consumer credit reporting agencies must comply with all relevant provisions of the Fair Credit Reporting Act, including, but not limited to, the "prior authorization" and "permissible purpose" requirements.
- 1.7 References to Creditors. If an Advertiser or a DRSP states, directly or by implication, that it is able to settle debts with a specific creditor(s), the DRSP must (i) be able to substantiate such claim and (ii) disclose in a clear and conspicuous manner that it is not affiliated with such creditor(s).
- 1.8 References to Government Agencies. DRSPs and Advertisers may not state or imply, either in the text of any marketing material or through the use of logos, seals, or graphics, that the DRSP is associated in any way with a federal, state, local or municipal government agency.
- 1.9 False Sense of Urgency. DRSPs and Advertisers shall not use language that states or implies that, unless the consumer takes some action within a relatively short period of time, the consumer will suffer a negative financial or other consequence.
- 1.10 False Sense of Exclusivity. DRSPs and Advertisers shall not make an offer that gives a false sense of exclusivity by using terms such as "prequalified" or "preselected" unless that is a true statement and the DRSP only makes the offer to a select group of potential clients.
- 1.11 Opt-out Requests. DRSPs and Advertisers shall enable a consumer's ability to opt out of receiving additional marketing solicitations and shall honor any such opt-out request. The opt-out process shall adhere to all relevant federal and state opt-out laws and regulations.

- 1.12 Retention of Marketing Materials. A DRSP and Advertisers shall retain, for a period of not less than two (2) years (or greater if state or federal law or regulation so require) from first use, copies of all mail pieces, general media advertisements and/or lead generation materials, including URL addresses.

Advertising Standards

- 1.13 Truthfulness and Clarity. A DRSP shall only post or employ complete, truthful, and legitimate reviews or ads, and must be able to substantiate the origination of all such reviews, including those comparing its service to that of other DRSPs. All relationships between the DRSP and a Review Site (as defined below) should be disclosed in a clear and conspicuous manner.
- 1.14 Substantiation. DRSPs must possess and retain adequate substantiation for any performance claim.
- 1.15 Use of the Term “Free”. When using the term “free” or “complimentary” or other similar terms, DRSPs shall ensure that such claims are truthful and accurate and ensure that proper disclosures are made in proximity to the term if some form of action is required of the consumer.
- 1.16 Common Ownership of DRSP and Review Website. Common ownership of a DRSP and a review website carries an inherent risk of misleading consumers. Accordingly, a DRSP that directly, or indirectly through a parent or affiliate, owns, controls or operates a website or other public-facing resource that presents or purports to present rankings or reviews (individually a “Review Site”) of DRSPs shall: (i) adopt procedures to ensure reliable and objective reviews free of the influence of common ownership with or relationship to a DRSP; (ii) at a minimum, disclose clearly and conspicuously the nature of the relationship between the review site and the DRSP; and (iii) prohibit non-voluntary or coerced reviews by staff, misleading reviews, nonobjective reviews, and any reviews not grounded in personal experience.
- 1.17 Compensation of Review Websites. To the extent that compensation impacts the ranking of a DRSP on a review site, that fact must be disclosed on the review site.
- 1.18 Reviews on Third Party Websites.
- 2.6.1 Transparency. A DRSP shall not assist or engage in the manipulation of reviews posted on third party websites (such as the Better Business

Bureau, Google Reviews, etc.), including but not limited to posting fake reviews, reviews that are edited to alter meaning, and/or undisclosed incentivized reviews. If employee reviews are used, they must be based on personal experience and the employer/employee relationship with the DRSP clearly and conspicuously disclosed. Employees cannot be used to post misleading or fake reviews not grounded in personal experience.

2.6.2 Reviews of Other DRSPs. The prohibitions in Section 2.6.1 shall apply to any reviews of other DRSPs, negative or otherwise. Factual comparative advertisements supported by data are permissible.

1.7 Mailing Lists and Lead Generation Materials. DRSPs must have reasonable certainty that mailing lists they purchase contain legally obtained consumer information and that all leads have been generated in a lawful manner. Reasonable due diligence includes contractually requiring consumer data to be obtained in a lawful manner from list providers and/or lead generators and having them certify that the consumer data provided was obtained in a lawful manner.

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