

Policy for the Offering of Third-Party Products/Services

The following policy addresses the offering of products and services from third-party vendors (other than third-party payment processors) to a consumer both at the time of enrollment in a debt settlement program and after enrollment.

1. **Enrollment Standards.** A debt settlement company (“DSC”) may allow third parties to offer products/services to a program applicant at the time of enrollment if it is reasonable to conclude that such third-party products/services will provide a significant client benefit.
 - a. In the context of a debt settlement program, “a significant client benefit” means (i) improving the client experience, (ii) improving client outcomes and/or (iii) improving settlement outcomes.
 - b. Third-party products/services offered at the time of enrollment may only be offered by providers that are independent of and unaffiliated with the DSC and must comply with all applicable federal and state laws, including UDAAP.

2. **Compensation.** A DSC may not charge any fee or receive any compensation for third-party products/services offered to an applicant at the time of enrollment. A prohibition on compensation is necessary to avoid a conflict of interest in the offering of third-party products/services at the time of enrollment.

A DSC may not receive compensation for any post-enrollment third-party product/service unless and until:

- a. the DSC or third-party has renegotiated, settled, reduced or otherwise altered the terms of at least one debt pursuant to a settlement agreement; and
 - b. the consumer has made at least one payment pursuant to that settlement agreement.
3. **Consumer Choice & Disclosure.** Enrollment by an applicant in a third-party product/service offering at any time must be completely voluntary. It must be made clear in writing that:
 - a. enrollment in the debt settlement program is NOT contingent on the purchase of a third-party product/service.
 - b. any third-party product/service is being supplied/performed by a third party, not by the DSC (or an affiliate).
 4. **Disclosure; Invoicing; Pricing.** The cost of a third-party service offered at the time of enrollment must be clearly disclosed as an expense (this expense item has been given a separate and prominent disclosure line in the Monthly Cash Flow Summary section of the PCFA).
 - a. While a third-party provider may collect its fees directly from the dedicated account, the third-party provider should invoice the client directly for the services provided.
 - b. If the cost of the third-party product/service is aggregated with the client’s periodic deposit draft and collected through the dedicated account, the remittance must be clearly disclosed on the dedicated account statement.

5. **Post-Enrollment Offering(s).** Post-enrollment in a debt resolution program, a DSC may receive compensation in connection with the offering to a client of third-party products/services provided that (i) such products/services are described in a separate agreement between the client and the third-party provider, and (ii) purchasing the product/service would not be required to remain in the debt settlement program.
 - a. A post-enrollment offering of a third-party product/service may be made no earlier than 90 days following the first successful program draft.
 - b. The third-party product/service provider must independently set the fee to be charged to the client. A DSC may not “markup” or otherwise alter the price of a third-party product/service.