



For Immediate Release:  
Tuesday, January 15, 2008

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## **Payday Lending Industry Implements Unprecedented Fee Disclosure Rules** *Poster-size Fee Displays Now Found in 14,000+ Store Locations*

Washington, DC – Starting this month, Community Financial Services Association of America (CFSA)-member companies are required to display their fees on easy to read posters in all store locations.

CFSA, the national association of responsible payday lenders, represents more than half of the payday advance locations in the nation. The new fee transparency rules were adopted by the Board of Directors in October 2007 and required to be fully implemented by January 1, 2008.

“While CFSA members have historically surpassed even the toughest state laws when it comes to fee disclosure, we have now gone even further,” said CFSA President Darrin Andersen. “To ensure that our customers understand the fee structure of a payday advance before they enter into the transaction, they will now see the fees posted in large type on posters. Fees are displayed as both a dollar amount and annual percentage rate.”

This unprecedented reform requires members of CFSA to prominently display the fees and annual percentage rates for at least five different loan increments on posters that are at least 18” X 22” in size in all stores and on their company websites. Potential customers will be clearly aware of all fees before they enter the transaction process.

Andersen added, “The best way to protect consumers is to give them the information they need to make an informed choice. That is true for all products and services – whether it’s nutritional information for foods, safety information on medicines, or rating information for movies, TV shows and video games. Consumers demand and deserve full disclosure of relevant information before they make a purchase. With this step, we are helping ensure that every customer of a CFSA-member store understands the fees involved before they enter into the transaction. They are then to decide for themselves if the product is right for them.”

To inform consumers of the change, CFSA is sponsoring a multi-million dollar public education campaign including TV, print and on-line advertising. The print ad is available at [http://www.cfsa.net/downloads/know\\_fee\\_print\\_ads.pdf](http://www.cfsa.net/downloads/know_fee_print_ads.pdf) and the TV ad can be viewed at [http://www.cfsa.net/knowyourfee/know\\_your\\_fee\\_tv.html](http://www.cfsa.net/knowyourfee/know_your_fee_tv.html).

In addition, CFSA has a website to provide consumers with information about how to use payday advances responsibly. The site, [www.knowyourfee.org](http://www.knowyourfee.org), include a user-friendly, interactive map

to make sure consumers are aware of the maximum fees and rate caps allowed by law in individual states.

“CFSA has a long-standing commitment to responsible lending, beginning with the adoption of industry Best Practices in 2000.” Andersen added, “Last year we instituted a number of major reforms, including an extended payment plan, giving customers additional time to pay back their payday advance, at no charge, if needed.”

“Taken together, these initiatives will ensure that CFSA member companies hold themselves to a higher standard of responsible service and will help our customers make better financial decisions,” said Andersen.

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*The Community Financial Services Association of America (CFSA), [www.cfsa.net](http://www.cfsa.net) is the national trade group of the payday advance industry. Representing 164 member companies with more than half of the payday advance outlets nationally, CFSA promotes laws and regulations that protect consumers and preserve their access to credit options. The association also works on behalf of members to support and encourage responsible industry practices. Membership is contingent upon compliance with CFSA’s mandatory “Best Practices.”*