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Contact: Lyndsey Medsker
202-296-0263

Payday Lending Industry Announces Unprecedented Fee Disclosure Policy *National Association Requires Poster-size Fee Displays in All Stores*

Washington, DC – Community Financial Services Association of America (CFSA), the national association of responsible payday lenders, is requiring all member companies to present consumers with fees on poster-size displays in all stores and on company websites. CFSA represents about 60 percent of all payday advance locations in the U.S.

“Consumers have a right to know all of the fees associated with a financial product so they can make informed financial decisions,” said CFSA President Darrin Andersen. “CFSA’s new policy ensures that customers know, in simple terms, exactly what the fees are before they enter into any transaction.”

“CFSA members already follow rules governing full disclosure, including the cost of the payday advance expressed both as a dollar amount and APR,” said Andersen, “Now, we are going a step further by mandating poster-size fee displays in every member store and fee disclosures on every member company website,” Andersen said.

“The steps taken by CFSA will help achieve one simple, but critically important, goal: To make sure that every customer who enters a CFSA member company store or visits its website will have access to all the fee information they need to make an informed choice before they begin the transaction process,” Andersen said.

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.

To inform consumers of the change, CFSA has sponsored 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 and the TV ad can be viewed at http://www.cfsa.net/knowyourfee/know_your_fee_tv.html.

In addition, CFSA has established a new website to provide consumers with information about how to use payday advances responsibly. The site, www.knowyourfee.org, will 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 also sponsored a national consumer education campaign aimed at providing consumers with information about how to use payday advances responsibly.

The latest policy follows a series of “Best Practices” enhancements that have been implemented over the past year.

CFSA board member and past president D. Lynn DeVault said, “CFSA has a long-standing commitment to responsible lending, beginning with the adoption of industry Best Practices in 2000.” DeVault added, “Earlier this 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 DeVault.

This fee disclosure enhancement to CFSA’s Best Practices was unanimously adopted by the CFSA Board of Directors and will be fully implemented in member stores by January 1, 2008.

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The Community Financial Services Association of America (CFSA), 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.”