

2023

Policy – Process Manual

BIXEL ENTERPRISE

JUSTICE - CITY- MAIN – PERSONAL – EL CENTRO

Introduction	6
Personnel Guidelines.....	7
Office Hours and Holidays Hours.....	7
Compensation and Additional Compensation	8
Pay Periods	8
Timesheets	8
Benefits	9
Insurance.....	9
Vacation Days.....	9
Parental Leave	9
Attendance and Tardiness.....	9
Company Time Missed	9
Family and Medical Leave Act	10
Excessive Absenteeism and/or Tardiness	11
Professionalism	12
Dress Code	12
Non-smoking Policy	12
Personal Calls	12
Prohibited Actions and/or Behaviors.....	12
Use of Vehicle for Company Business	13
Weapons	13
Complaint Handling Policy.....	14
Customer Service.....	16
Introduction	16
Best Practices!.....	16
In the office	16
Telephone	16
Verifying Information.....	16
Change in address.....	17
Change in Employment and/or income.....	17
Return Mail	17
Customer Payments.....	18
Check Payments.....	18
Debit Cards.....	20

Courtesy Payments for another Office	22
Evaluating Payment for High Credit Increase	23
Solicitation	24
Existing Business-Refinance	24
Former Borrower (FB)	24
New Business -New Loans	25
New Customer Direct Mail.....	26
Lending/Credit Extension	27
Introduction	27
General.....	27
Criteria to qualify for a loan must be met.....	27
Disbursement of Loans	27
Restricted Loans.....	27
New Loans.....	28
Types of New Loans	28
Credit Application	29
Booking the New Loan in the Computer.....	36
Loan Closing	37
General Lending Policy for Existing Customers.....	39
\$400 - \$500 Loans	39
\$600+ Loans	39
Increase Loans & Former Borrowers	39
Refinancing	40
Current Accounts	40
30+ Days Past Due.....	40
E-Mail Loan (Instant Funding)	41
Mail Loan.....	43
Increase Loan	45
Former Borrower	46
Cash and Asset.....	47
General Office Security	47
Cash Drawer Security	47
Shortages/Overages.....	48
Expenses	48

Process	49
Expense Code Account Numbers	50
Office Checking Account	50
Deposits	51
DCS/ICS Checks	51
Bank Charges.....	52
Courtesy Payments Received.....	52
Transfer Account from Another Office	52
Replacement Check.....	52
Void a Check.....	52
Daily Balancing and Closeout.....	54
Counting and Balancing Cash Drawers	54
Balancing and Closing out the Office	55
Review of Daily Work.....	59
End of the Month Closeout.....	62
End of Delinquency	64
Record Retention and File Maintenance	65
Collections.....	66
Introduction	66
Collection "Dos" and "Don'ts"	67
Collection Dos	67
Collection Don'ts.....	67
Proactive Prevention of Delinquency	68
Loan Closing	68
When taking Payments	68
Promises.....	68
Refinances/Increases	69
Managing Delinquency	70
Recording Contact.....	70
Special Circumstances.....	73
Welfare Visits	75
Quality Control.....	78
Delinquency Category Definitions, and Collection Classification	79
Delinquency Category Definitions	79

Delinquency Classifications in the Computer	80
Company Standards and Operational Goals	81
Lending and Growth.....	81
Delinquency Control	81
Delinquency Standard.....	81
Legal and Compliance	82
Introduction	82
Third Party Relationships and Customer Information	82
Privacy and Safeguarding Customer Information.....	83
Customer Information Safety & Security Policy	85
Safeguarding Our Customer's Information.....	86
Customer Information Security Measures.....	87
Service Providers.....	88
Information Breach or Compromise	88
Federal Laws	89
Gramm-Leach-Billey Act (GLBA).....	89
Identity Theft Prevention Program	89
Fair Lending Policy	90
Statement of Credit Denial Regulations	90
Fair Credit Reporting Act (FCRA).....	90
Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act.....	91
Truth in Lending Act (TILA).....	92
Truth in Caller ID Act	92
Labor Laws	92
State Laws	93
Governing Agency	93
State Audit Examination	93
Management Reports	94
Computer System Reports.....	94
Manual Reports.....	96
Appendix	97
A-CFS and Unite Tech Safeguards Rule Due Diligence Packat-LP3	97
Appendix A	98

The personnel policies and procedures in this handbook are not a binding contract but a set of guidelines for the implementation of the personnel policies of the Company. The Company expressly reserves the right to change any of these policies or procedures at any time and without notice. Employment may be terminated at any time, either by the employee or the Company with or without cause. Nothing contained in this handbook is to be construed, read, or implied as a contract of employment or an offer of employment.

CONFIDENTIALITY

This document is confidential.

The Company will prosecute any violations of its confidentiality policy to the full extent of the law. For reference, the company's policy is printed below:

COMPANY POLICY ON CONFIDENTIALITY

All employees must keep confidential, except as the company may otherwise consent in writing, and not disclose or make any use of any confidential information, knowledge, data, computer reports or other information of the company relating to products, processes, know-how, designs, mailing lists, solicitation lists, present or paid out customer lists, business plans, marketing plans and strategies and pricing strategies or any subject matter pertaining to any business of the company or any of its clients, licensees or affiliates, which employees may produce, obtain or otherwise acquire during the course of their employment.

Further, employees may not deliver, reproduce, or in any way allow any such trade secrets, confidential information, knowledge, data, computer reports, all meetings, meeting booklets, leaflets, or other information, or any documentation thereto, to be delivered or used by any third parties without specific direction or consent of a duly authorized representative of the company. This information in the written form must remain within the confines of each office location unless otherwise approved.

Introduction

Justice is a family-owned business that originally began in 1972 in Dallas, Texas with one office. Since that time, we have expanded our operation to over 19 locations throughout the DFW Metroplex. We believe in a close personal relationship with all our customers and look forward to serving the financial needs in the communities in which we operate.

We specialize in signature personal loans that fit the budget of our customers. We are not a payday or title loan lender. Justice Finance is governed by the State of Texas and is a Licensed Texas Lender.

As a company we have proven goals to guide us in successful daily business operations.

Obtain and maintain sound loans, i.e., loans that are:

- Complete and include current customer contact information,
- Properly closed, and
- Serviced with excellence and respect.

Maintain a profitable business by:

- Executing efficient business operations,
- Meeting profitability standards,
- Training, developing, and retaining successful employees, and
- Effectively communicating with the customers.

Facilitate continuous growth.

We attribute our success to the quality of people we employ! We do not just offer jobs; we create careers for future-minded employees. We seek out, hire, and promote only the best people!

Customer Service Excellence: We provide a personal touch to customer service in a relationship building atmosphere. We understand that our customers are the reason we are here.

Commitment to Community: We believe in the communities we serve. By offering loans from \$400 up to the state maximum amount to clientele that would likely be turned down at a bank or other financial institution, we are able to meet the needs of our customers. Helping our customers meet their financial obligations and giving them the opportunity to build their credit improves the quality of life for our customers, and therefore the communities in which we serve.

Personnel Guidelines

Employment With Justice Finance

We are pleased to have you with us. These guidelines are to be used as a reference to give you some general information about the company and its policies. More detailed information is available in the Policy Manual, from your supervisor, manager, or the Headquarters in Dallas, Texas.¹⁴

Please! Feel free to ask questions about anything you do not understand.

Introductory Period

The first three (3) months of employment should give Management an opportunity to evaluate the new employee's performance. Completion of the introductory period, however, does not in and of itself guarantee employment or continued employment, nor does it alter your at-will status.

Statement of Employment Practices

We are an Equal Employment Opportunity employer committed to providing equal opportunity in all our employment practices, including recruitment, selection, hiring, assignment, re-assignment, placement, promotion, transfer, compensation, discipline, and termination. The Company prohibits discrimination, harassment, and retaliation in employment based on race; color; religion; national origin; sex (including same sex); pregnancy, childbirth, or related medical conditions; age; disability or handicap; citizenship status; service member status; or any other category protected by federal, state, or local law. Violation of this policy will result in disciplinary action, up to and including immediate termination.

Office Hours and Holidays Hours

Non-Holiday time hours: Monday-Thursday 8:30a to 5:30p, Friday 8:30a-6:00p

Holiday Hours (begin after Thanksgiving through Christmas)

Monday-Thursday 8:30 to 5:30p, Friday 8:30a to 6:00p, Saturday 10:00a to 4:00p

Observed Holidays

There are six holidays observed by the Company.

~New Year's Day	~Labor Day
~Memorial Day	~Thanksgiving Day
~Independence Day	~Christmas Day

Holidays are paid days given by the Company as an added benefit. (Paid holidays are not required to be given). You must work the day before and the day after the holiday to be eligible to be paid for the holiday unless it is a planned vacation.

Compensation and Additional Compensation

You are paid a set monthly salary, which is broken down into a basic weekly and/or daily salary amount to be used in calculating any additional compensation due or reduction of salary for unpaid absences.

For work required by the company for more than 40 hours in any work week you will be paid additional compensation for the time worked more than 40 hours at the hourly rate of one half of the weekly rate for such week. This is computed by dividing the weekly salary by the number of hours worked in such a week, provided that rate is not to be less than the minimum wage under applicable law. You will be provided a salary memorandum from headquarters providing an example of this for your individual salary. Additional income earned will be paid on the 20th of the month check the following month.

Bonuses and Special Incentives are available to be earned monthly, up to \$700 each month. Your supervisor will communicate what the bonus is based on, as the area of focus changes. To qualify for a bonus or incentive compensation, you must be employed for the entire period for which the bonus is based. If you leave the company prior to the bonus being paid, all bonuses are forfeited.

Pay Periods

Justice Companies have three pay periods each month that salary or bonuses and additional income are paid.

- 15th of the month-First pay period, based on the days worked between the 1st and 15th of each month. All salaried employees meeting the required worked days will receive a check for $\frac{1}{2}$ of their base monthly salary.
- Last Day of the Work-Second pay period, based on the days worked between the 16th and the last working day of the month. All salaried employees meeting the required worked days will receive a check for $\frac{1}{2}$ of their base monthly salary.
- 20th of the month-Any employee due Additional Compensation from the previous month or that has earned and is eligible to receive a bonus, will receive a check.

Timesheets

A timesheet must be maintained by all non-exempt salaried employees. The timesheet is ONLY used to compute additional compensation to be paid.

- Employees should accurately record their times of arrival and departure for the designated workday, including lunch and/or personal time and breaks.
- Minutes are to be recorded to the nearest 5 minutes.
- Do NOT use military time. Remember there are 60 minutes in one hour.
- Any time that is missed due to tardiness, personal problems, etc. must be documented on the timesheet.
- Any time missed by employees for any reason must be brought to the Home Office's attention, immediately, and reported on the office Financials and a Daily Attendance Record sent to HQ with the Daily Work.
- Each employee will total their own hours.
- The manager will review and verify accuracy before signing and submitting to payroll each week.

Timesheets and records must accurately reflect hours worked; falsifying timesheets is cause for immediate discharge.

Benefits

Insurance

Life Insurance and Long-term disability insurance is provided to all employees at no cost. There are also many available insurance options for you to choose, at little to no cost, and purchase options for your spouse and your dependents. Payroll will send the insurance documents to the office for you to complete and return. If you do not accept the insurance at the time of hire you must wait until open enrollment to apply, unless you have a qualifying life event, and may be required to show evidence of insurability. Available policies include Medical, Prescription, Dental, Vision, and Short-Term Disability.

Vacation Days

Vacation is a benefit given to you by the company.

Vacation time is determined at the rate of $\frac{1}{2}$ day earned for each calendar month worked to be used the FOLLOWING year. A maximum of 10 days can be earned for one (1) calendar year of continuous employment. Days earned are calculated from January through December.

Example: If someone is hired in June, in January they would have earned 3.5 vacation days to use. In January of the next year, they would have earned 10 full vacation days.

- Vacation time cannot be taken one day at a time using Friday or Monday. You have a maximum of 2 Mondays and two Fridays to use for vacation days.
- Vacations cannot be taken November 15th through December 31st.
- Employees working at an office with only 2 employees are generally required to take a full week of vacation at a time. This is to be determined by your supervisor.
- Vacation days cannot be rolled over to the next year, however the Company will pay for unused vacation days, unless the employee leaves our employment without notice.
- Unused vacation days will NOT be paid if you are discharged for cause or resign without notice.

Parental Leave

Time out for any paternity reason, including the birth of a baby or adoption, will need to be filed under your Short-Term Disability Insurance after any accrued vacation time has been utilized.

Attendance and Tardiness

We are in the service business. Our customers deserve great customer service. For an office to run efficiently and effectively it must be fully staffed. If employees are absent or tardy, due to whatever reason, it could jeopardize the office's ultimate goal of achieving Excellence through Customer Service and the very life blood of our business—OUR CUSTOMERS.

If you find it necessary to be absent or tardy, you must notify your manager directly, prior to 8:30a. Calls from relatives or friends are not acceptable, nor are text messages and voicemail.

Employees are expected to be at work on time and ready to go to work. The actual time you are expected to be in your office in the morning is at the discretion of the office manager. An employee who reports two or more hours late without an acceptable reason may be sent home for the day without pay, at the discretion of management.

Company Time Missed

Planned absences such as routine doctor or dentist appointments are occasionally expected.

- If possible, appointments should be made Tuesday through Thursday.
- You should come to work, leave for your appointment, then come back to work.
- A note from the doctor or dentist is required to the time off to be paid.

Sick Time

Sick time means the period during which base pay is continued to an employee who is unable to perform his or her duties with the company for reason of illness of the employee, employee's spouse, dependent child, or dependent elderly parent.

After three months of continuous employment, you earn ten (10) days sick time for the present calendar year. On January 1 of each year, all full-time employees will be given ten days sick time. Unused sick time from the previous year will not be carried over to the New Year. Unused sick time is not paid when employment terminates for any reason.

At the discretion of management, a doctor's statement WILL BE required to be paid sick time, and the company's decision as to the eligibility or ineligibility for any payment of sick time shall be final. Illness allowance will be coordinated with any payments under the provisions of the Workman's Compensation laws.

Death in the Family

Full-time employees will be given paid time off due to a death in their immediate family.

- Local, in town services- $\frac{1}{2}$ day.
- Out of town services-1 full day.

Jury Duty

The company recognizes that employees need to fulfill their civic duty in serving as a juror. Therefore, employees will be provided paid leave when required to serve on a jury. Employees who must serve as jurors will be paid their regular rate of pay, less any compensation paid by the court, up to one full week of jury duty. A statement from the clerk of the court should be obtained showing dates and times of jury duty and the amount of compensation. Employees excused from jury duty before 12:00 noon are expected to report to work for the remainder of the day.

Adverse Weather Conditions

If the decision is made by the President of the Company to not open for business or to open late, you will be contacted by your manager, otherwise the company opens and closes at the normal working hours regardless of weather conditions. While it is anticipated that most employees will report to work on such occasions, no employee should endanger their personal health and safety by doing so.

Unpaid time off

If you miss work and do not have available vacation time to utilize or a doctor note required to be paid sick time, your pay will be docked the next pay period by a day's salary amount, or half day salary amount, based on the amount of time missed.

Family and Medical Leave Act

The Family and Medical Leave Act ("FMLA") provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either 12 or 26 weeks within a 12-month period depending on the reasons for the leave.

To be eligible for FMLA leave, you must:

1. have worked at least 12 months for the Company in the preceding seven years (limited exceptions apply to the seven-year requirement).
2. have worked at least 1,250 hours for the Company over the preceding 12 months; and
3. currently work at a location where there are at least 50 employees within 75 miles.

Leaves of Absence - General

The Company may, at its sole discretion, allow leaves of absence for other reasons depending on business conditions and individual circumstances.

If an employee is on leave of absence for any reason, holiday, vacation, personal, and sick pay are not provided until the employee returns and has resumed full time employment. This includes leaves of absence for a disability.

Excessive Absenteeism and/or Tardiness

Even if an employee's absences or tardies are planned, they can become excessive. Excessive absence and lateness place an unfair burden on the remaining staff and interferes with the company's operations. The company maintains records of all employees' absences and tardies.

If local management determines that attendance problems are creating an undue burden on the operations of the office, they will address each situation on an individual basis as a performance problem, subject to all available disciplinary action up to and including termination of employment.

Job Abandonment/Voluntary Resignation

An employee who is absent for two (2) days without providing proper notice to the company will be considered to have voluntarily resigned from (abandoned) his or her job. Job abandonment will be considered the same as termination for cause.

Sepations and Terminations

Employees who voluntarily terminate employment are requested to submit a written resignation to their immediate supervisor at least two weeks prior to the last day worked. This will allow time for a replacement to be hired. In addition, an exit interview may be conducted.

Professionalism

Dress Code

We must strive to look and dress in a manner that offends the least number of people. Use good judgment and common sense in deciding what to wear to work. Always remember, you are representing the 'Company'. So, set high standards and dress as a professional businessperson.

If you come to work dressed inappropriately you will be asked to return home to change.

- No jeans or casual wear
- Hair should be of normal color.
- Your body should be clean and free of odor.
- Males must always wear a tie.

Non-smoking Policy

Justice Companies must set the highest standard and strive to offend the least number of people possible. To protect our professional and business-like attitude and appearance, employees are not permitted to stand outside of the office smoking. This does not send a professional message to our customers.

Personal Calls

Personal Calls must be kept to a minimum. If a personal call is necessary, the manager should be informed, and the call should be placed from the back of the office to not disturb business.

Prohibited Actions and/or Behaviors.

Prohibited Actions or Behaviors-will not be tolerated by the company. Any violation or violator of the below must be reported to your immediate supervisor or to the next level of management.

Solicitation or Selling of Non-Company Items

It is prohibited to sell or solicit to sell any non-Company items to other employees or customers. (Example: raffle tickets, cookies, candy, etc.)

Personal Lending or Borrowing of money.

It is prohibited:

- For any employee-to-employee relationship to lend or borrow funds, in either small or large sums.
- to lend or borrow funds on a personal basis from a customer of the Company.
- to ask a customer to use their credit account for your own personal use.

Dating Relationships

Inter-office dating is prohibited.

Customer relationships outside of a business relationship is prohibited. A close association on a personal level could possibly jeopardize the Company's business relationship with our customer.

Harassment

Our company has zero tolerance for harassment of any kind. If you perceive any type of harassment has occurred, report it to your direct supervisor, immediately. If you are unable to report it to your direct

Supervisor, then report it to the next level of management. The Company is strongly opposed to harassment and is your obligation and your right to report it, even up to the Company President.

Profanity

The use of profanity or racial slurs in any form or fashion is strictly prohibited.

Use of Vehicle for Company Business

Any employee that uses a vehicle for company business must:

- Have a valid Driver's Licenses
- Have valid automobile insurance and provide proof of insurance to Headquarters.
- Follow all traffic laws.
- Wear their seat belt while driving.
- NEVER text while driving.

Weapons

A Weapon is defined as any implement of war or combat, as a sword, gun, etc. Figuratively, any means that may be used against an adversary.

PENAL CODE 30.06 AND PENAL CODE 30.07 must be followed without deviation of any kind. Failure to follow is grounds for immediate dismissal.

NO EMPLOYEE OR CUSTOMER WILL BE PERMITTED TO KEEP IN THE OFFICE OR CARRY WITH THEM, OPEN OR CONCEALED, ON COMPANY BUSINESS. WEAPONS SUCH AS A GUN, BRASS KNUCKLES, KNIFES, SWITCHBLADES, AND/OR ANY OTHER DEVICE WHICH IS KNOWN OR MAY BE DESCRIBED AS A LETHAL WEAPON.

Both PENAL CODE 30.06 and 30.07 must be displayed in every location.

PENAL CODE 30.06 (CONCEALED HANDGUN)

Pursuant to Section 30.06, PENAL CODE (Trespass by holder of license to carry a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (Concealed handgun law) may not enter this property with a concealed handgun.

PENAL CODE 30.07 (OPEN CARRIED HANDGUN)

Pursuant to Section 30.07, PENAL CODE (Trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (Handgun Licensing Law) may not enter this property with a handgun that is carried openly.

Complaint Handling Policy

Customer service is a priority, and every attempt should be made to resolve any potential issues by the Office Manager. However, there are times when it is not possible. Therefore, if someone request to speak with someone else or to contact the corporate office:

Immediately give them the Compliance Officer's name and the complaint telephone number. (800-858-9149)

1. When the Compliance Officer receives the complaint, they will record the following information:
 - Date of complaint
 - Complainant's name
 - Office location and naam of the person who is the subject of the complaint.
 - Nature of the complaint
2. The Compliance Officer will investigate the complaint and take actions to deal effectively with the customer's complaint.
3. The compliance Officer will report the findings to the immediate Supervisor.
4. All complaints will be recorded and kept on file.

JUSTICE FINANCE CO. EMPLOYEE PERSONNEL GUIDELINES ACKNOWLEDGEMENT

Effective 4.1.2023

IMPORTANT NOTICE DISCLAIMER: THIS IS NOT A CONTRACT
THIS HANDBOOK IS NOT A CONTRACT. WHILE IT IS THE COMPANY'S GOAL TO PROVIDE INFORMATIVE
EMPLOYEE GUIDELINES, THE COMPANY'S EMPLOYEE HANDBOOK IS DEPENDENT ON THE ECONOMIC
AND OTHER CIRCUMSTANCES THAT CANNOT BE GUARANTEED. FOR THAT REASON, THE COMPANY
RESERVES THE RIGHT TO AMEND, ALTER, OR MAKE EXCEPTIONS TO THE HANDBOOK AT ANY
TIME. THIS HANDBOOK IS ADVISORY IN NATURE, CREATES NO CONTRACTUAL OBLIGATIONS ON THE
PART OF THE COMPANY OR YOU AND DOES NOT ALTER THE AT-WILL RELATIONSHIP OF YOUR
EMPLOYMENT WITH THE COMPANY. THIS MEANS THAT YOU HAVE THE RIGHT TO QUIT AT ANY TIME
AND FOR ANY REASON. THE COMPANY ALSO HAS THE RIGHT TO END THE EMPLOYMENT RELATIONSHIP
AT ANY TIME AND FOR ANY REASON. NO STATEMENT, EITHER WRITTEN OR ORAL, BY ANY EMPLOYEE,
OFFICER, DIRECTOR OR AGENT OF THE COMPANY CONTRARY TO THIS PARAGRAPH OR THESE
GUIDELINES SHALL HAVE ANY FORCE AND EFFECT, UNLESS IT IS SIGNED BY THE PRESIDENT OF THE
COMPANY.

Employee Signature

Date

Print Name of Employee

[Employer Copy]

Customer Service

Introduction

The way customers are greeted and treated reflects wholly on the company.

Best Practices!

- Greet everyone who walks in the door (preferably within 5 seconds). If every employee is busy with other customers, advise them that someone will be with them shortly.
- NEVER discuss a customer's account without having the account pulled up in the computer.
- Confirm the customer's identity before discussing any account information.
- Always keep customer information current and up to date.
- Communication is expected to be courteous, professional, and respectful.
- All customer information is confidential.
 - Do not discuss any information about our customers with third parties.
 - Do not discuss information about our customers while other customers are in the office.

All employees are expected to provide excellent customer service by providing prompt, pleasant, friendly, professional, and diligent service in handling each customer's account.

In the office

Greet and acknowledge every person entering the office, immediately.

The office is to be kept clean and well organized.

Telephone

The telephone is to be answered promptly, by the third ring.

Your SMILE should be heard in your voice.

On Hold or Transferring a Call

- Never 'lose' a customer by keeping them waiting unnecessarily.
- If the person the customer is calling for is unavailable, ASK if you can assist them.
- When placing a person on hold, you are responsible for the call until it reaches the intended employee.

When and How to Take a Message

- Ask who is calling.
- Pull the name up in the computer to determine if it is a customer. If so, verify the phone number, address, and any other relevant information.
- Ask what the call concerns? Determine if you can assist.
- Inform the person when they can expect a return call.
- Put a detailed message on the person's desk or telephone so they can call them back.

Verifying Information

At every contact with a customer, ask the customer to provide you with their current address, phone number, employment and/or income information.

Change in address.

- On a new application obtain the new address, landlord, landlord phone number, and rent or mortgage payment amount.
- Verify the new information.
- Recalculate the budget to verify the customer's ability to repay the loan before refinancing or loaning.
- Update the computer and place the document in the customer's loan jacket.

Change in Employment and/or income.

- On a new application obtain the new employment, start date, position, supervisor, hours, pay amount, and frequency of pay.
- Verify the new information.
- Recalculate the budget to verify the customer's ability to repay the loan before refinancing or loaning.
- Update the computer and place the document in the customer's loan jacket.

Return Mail

- Call the customer to obtain the correct address information.
- If unable to make contact.
 - Replace the address in the computer to 'Rtn mail mm/dd/yy' and employee initials.
 - Add an alert in the computer to 'Update new address'.
- Once the new address is obtained, follow the change in address policy above.

Customer Payments

Prior to accepting payments on customer accounts, the customer's contact information must be verified in the computer and updated if necessary. Our goal is to always maintain accurate customer information for future lending opportunities and to ensure our money is secure.

- Accuracy is expected in account postings on customer accounts and handling of monies.
- ALWAYS verify and update customer information prior to accepting the payment.
- Payments are expected to be paid on or before the customer's due date.
- Any extension of a payment requires the customer to contact the office on or before the due date to request an extension. The management may require the customer to visit the office before authorizing any extension, if they feel it is necessary.
- If a payment is over 10 days late, a late charge of \$10.00 is charged to the customer's account.
 - The next payment due date is to be discussed and a promise set for when it will be made. (The promise should be based on when the customer gets paid.)
 - If you are unable to get cooperation from the customer, the account should be referred to the manager.
- Final payment. The account is to be reviewed by the account representative and/or the manager to determine the future high credit for the account.

Forms of Payments accepted are Cash, Personal Check, Money Order, and Debit Cards in the office and by phone. We ONLY accept checks made payable to our company's name.

Check Payments

All accepted checks (or money orders) are to be immediately stamped "For Deposit Only" and documented with the customer's account number.

We only accept checks (money orders) made payable to our company's name. We do not take 3rd party checks (money orders).

Customer payroll checks may be cashed if a payment is made on their accounts. We do NOT cash two party checks, handwritten checks, and small business checks when giving more than \$5.00 change. If an exception is made the office manager's approval is necessary with their initials on the check. However, if funds are lost by advancing more than \$500, the office manager will be held responsible.

NSF Checks

All checks returned for non-sufficient funds (NSF) are sent to the office or to HQ. If HQ receives notice, they will contact the office and advise them that a check has been returned and needs to be posted to the account that day. (The actual check will be delivered to the office on your normal delivery day.) Under no circumstance is the check to be re-deposited.

If your branch receives notice of a return check:

- Attempt to reach the customer as soon as the check is charged back to the account.
- DO NOT waive the return check fee. State law provides for such a fee.
- If one check was used to pay on two or more different accounts, you can only charge the fee to one account.
- DO NOT Accept another check as payment for the return check.
- If a customer has two checks returned NSF on the same contract, place an alert on the customer's account "NO CHECKS". We will no longer accept personal checks from this customer.

Process for posting NSF check.

1. Pay Reverse appropriate payment (*If the account has refinanced since the payment was made, see below.)
2. Is NSF check-YES (will automatically charge NSF fee)
3. Document Cash Statement: Opening and Receiving, N.G. Checks
 1. Acct #-Last Name: Amount of Check
 2. Acct #-Last Name: Amount of NSF fee
4. Document Checkbook as WITHDRAWAL: Acct # Last Name-**Amount of Check ONLY**
5. Document Period Report (PG 1 above withdrawal) NSF, Acct # and Amount of the check.
6. **COPY of Return Notification is to be included in BOTH H.O. and Branch daily work.**
If notified by phone you can request a copy to be faxed to the branch to include in the paperwork that goes to HQ.

*Payment on a REFINANCED account.

1. Post a negative payment to the NEW contract for the amount of the check.

2. Answer (Y) to is this an NSF Check. The fee auto populates.

If you answer NO it WILL cause your cash drawer to be SHORT!

Debit Cards

- Only 'DEBIT CARDS' can be used to process payments.
- Absolutely NO 'Credit Cards'.
- Any use of Debit Card information, other than authorized payments on a customer's account, will be grounds for immediate termination.
- Payments can be made in the office or over the phone.
- There is a convenience fee charged for each debit card payment. The fee will be shown as MISC on the customer's payment area.
 - If the customer pays in the office, the fee is paid by the company.
 - If the customer pays by phone, the fee is charged to the customer.
 - If a customer is paying for multiple accounts with the same debit card, only one fee will be charged to the customer.
- Card information is securely stored in the computer, showing only the last 4 digits and expiration date.
- You MUST speak to the customer to authorize EVERY payment. You CANNOT process a payment automatically.
- ALWAYS verify the last 4 digits of the card and/or expiration date to confirm you are posting to the correct card.
- The person whose name is on the card must be PRESENT or spoken to directly by phone to verify they have given permission for the card to be used.
- If a card is used that does NOT belong to the customer is used for a payment, you must speak to THAT PERSON, and their name, phone number and last 4 digits of the card is to be documented in the account contact section verifying they gave permission for a ONE TIME PAYMENT.
- Do NOT EVER post a payment to any customer's account without approval from the CARD HOLDER!

Securing Customer Privacy

NEVER write down, photograph, copy, scan or duplicate in any way the information on any debit card.

ALWAYS make sure all conversations with customers regarding debit cards remain confidential and cannot be overheard by other clients.

Keep customer cards out of view of other clients.

Failure to adhere to these guidelines and policies may result in disciplinary action, up to and including termination of employment.

Troubleshooting

- The name on the debit card must be typed EXACTLY as it appears on the card.

- Correct billing zip code must be entered.
- Verify the CSV 3-digit code on the back is correct.
- If a payment is posted to the wrong debit card or for the wrong amount, the payment must be reversed with the exact amount from the card to which the payment was posted. (This could take up to 2-3 business days). DO NOT inconvenience your customer, ALWAYS verify before posting!

Any questions or concerns should be directed to your supervisor, immediately.

Courtesy Payments for another Office

If a customer comes into your office to make a payment on an account held by another office, suggest and encourage the customer to:

- Make the payment to the other office by using a debit card over the phone.
- If the customer makes two or more courtesy payments in your office offer to have the account transferred to your office.

Accepting the Courtesy payment

- Determine from the customer which office has their loan.
- Contact the office and advise their customer is in your office to make a payment.
- Document a courtesy payment receipt with:
 - Office number where the account is held.
 - Total amount of the payment accepted, the new balance, and next due date.
 - Customers name and account number.
- Record the monies collected on your daily balancing statement.
- Issue a check to the office where the account is held for the amount received. In the memo document: CP Customer's name and account number.
- If the payment is made by the customer with a check, DO NOT mail that check to the office which has their loan. The customer's check will go in your deposit.

Courtesy payment is returned NSF.

- The office that accepted the courtesy payment will:
 - Call the office for which the payment was received to inform them of the NSF.
 - Send the bank notification, documented: CP Office # and the customer's name, with your paperwork to HQ.
 - When the replacement check is received from the branch that holds the account:
 - Deposit the check in your bank account with your deposit for the day.
 - Enter the withdraw in the computer: Accounting>Closing>Withdrawals: amount of check, memo: CP NSF

[Add More Entries](#) [Misc Income](#) [Withdrawals](#) [Deposit](#) [Check](#) [Voucher](#) [Cash-In](#) [*Note on cash/bank](#)

- The office in which holds the customer's account will:
 - Post the return check back to the customer's account.
 - HANDWRITE a check to the office that accepts the courtesy payment, ONLY for the check amount.
 - Enter the check in the Manual Check Register: NSF Courtesy Pmt.
 - Document the daily work:
 - Period Report -Acct # NSF CP.
 - Check Register-HANDWRITE the information from the handwritten check: Check #, amount, Replacement for NSF CP

Evaluating Payment for High Credit Increase

The customer's High Credit amount is to be evaluated at the time of payment to determine if the customer qualifies for an increase of their loan size based on their payment history and number of payments made.

- Payments must be paid on or before the due date, per the loan contract or as agreed based on authorized arrangements made with the office.
- Qualified customer's loan amount can be automatically increased by \$100 by any employee UNLESS there is a change in residence or employment/income.
- High credit amount is to be documented in the computer loan details and the inquiry section of NEW loan size. IF no increase is given, the reason is to be documented in the inquiry section.
 - 4 consecutive payments on one loan contract.
 - 6 consecutive payments, over multiple contracts, on the same loan size.

Solicitation

Every contact is an opportunity to solicit for business, which is expected to be done by all employees.

Existing Business-Refinance

A customer has money available to receive on their loan after sufficient payments have been made to build equity.

- The customer is to be advised on available cash on their loan at every contact.
- Send a Special letter after all payments when there is money available if the customer declines the immediate offer.
- Call customers with money available on their account, a minimum of once per month, to offer them the funds available.
- Send Mass solicitation a minimum of once per month.
- Holiday Special Letters are sent by November 5th and December 5th to every customer that can refinance and/or increase available on their loan.

Former Borrower (FB)

A customer who has done business with us previously, now paid in full.

Call all paid out customers with an existing high credit (HC) on their account.

Adjust your marketing strategy, as necessary.

- Time of the year: Holiday, Seasonal, Back to School, etc.
- New services available: debit cards, etc.
- What can we do to earn back your business?

Send FB Solicitation mail a minimum of once per month.

New Business -New Loans

Customer Referrals/Recommendation

Customer referrals and recommendations are the life blood of our business.

- A referral bonus is paid directly to anyone that sends us a potential customer to whom we make a new loan.
- At every contact with a customer, you must genuinely ask for their help in building your business.
- A business card or flyer is to be given to the customer at every in-office transaction.
- Build a good rapport with your customers so they want to send people they know to do business with you.
 - Spouse/Children-See *lending section*.
 - Family/Friends/Co-workers
 - Flyers or Business cards to their place of employment, social functions, church, etc.

Review of Daily Business/Balancing

The purpose of this program is to make GOOD SOLID new business from our existing customers. This program works extremely well when done correctly and consistently. New Loans made from your existing customers have these facts in common:

- Loans have the highest CURRENT percentage.
- Loans have a longer life span to do business with our company.
- Loans become more profitable much more consistently.
- Loans require minimal collection work.
- Easier to gain accounts.
- Outstanding growth.

Each account should be called to express appreciation of the customer's business, to retain and ensure future business, AND with the intention of obtaining a NEW LOAN.

The approach to each call may slightly vary based on the type of transaction.

- Payment
 - Last payment/Payout
 - 1 or 2 payments remaining
 - Regular payment
- Refinance
- Increase
- New Loan
- Former Borrower

The company expectation is to make a minimum of one Customer Referral/Recommendation EVERY DAY!

Other Sources to Attract New Business

- New Loan References
 - Call within 5 days of making the new loan to introduce yourself and our business.
 - Mail follow up note and flyer after the initial call.
 - Enter in Mail Program to send solicitation.
- Mailing Lists
- Business to Business Marketing
- Special Contests
- Advertisements

New Customer Direct Mail

The most effective known means of attracting new borrowers other than through customer referrals is direct mail. Lists can be obtained from any source permitted by state law, i.e., Customer References, purchased from the credit bureau, Cole Directory, or other retail credit merchants such as tire, furniture, appliance, fixtures, and used auto store dealers.

- The company recommends sending as many pieces needed daily to generate the required number of applications to reach your New Loan goal for the month.
- All direct mail is to be neat and attractive.

Mailing List

- All new lists are to be purified to open accounts and paid-out accounts and maintained current.
- All mailing lists are to be entered in the computer program.
- To purge the list, remove all returned mail and all applications from the list daily.

Lending/Credit Extension Introduction

It is the goal of the company to provide sound loan decisions by properly evaluating each applicant's stability, ability to repay and willingness to be responsible for their obligations. We understand that each underwriting decision is based on many factors and careful evaluation of all factors should be considered.

We are in business to provide loans to customers to help them receive the money they need, when they need it, for the purposes they need it.

We don't require perfect credit. Rather, we view the customer's recent payment history with creditors, employment history and ability to repay. Through making regular payments to us, customers can build or rebuild their credit and have a place where they can continue to borrow the money they need.

This chapter explains our general lending and loan policies for extending credit, including taking and processing applications for new loans, former borrowers, refinancing loans, and loan increases.

General

Criteria to qualify for a loan must be met.

- Valid Driver's license or government issued photo ID.
- A thoroughly completed credit application in the loan jacket.
- Verifiable income that demonstrates the ability to repay the loan.
- Verifiable address.
- Cleared in the Big List (Does not have a loan in another office of the company)
- Clear in MLA (Military Lending Act). Applicant cannot be active-duty military or a dependent of someone on active duty.

Disbursement of Loans

All new loans, former borrower, and mail loan proceeds are paid out by check ONLY.

A check must be written for loans refinanced with proceeds over \$200.

No loan proceeds check may be cashed in the office without supervisor approval.

Every loan processed must be properly closed with the customer, explaining the contract, terms, and expectation of how accounts are to be handled. (*See Loan Closing Talking Points*)

Restricted Loans

Spouses, family, and friends of employees may not have a loan in the office in which the employee works.

Employee loans can be made or refinanced ONLY with supervisor approval.

New Loans

We offer loans to all qualified applicants.

Types of New Loans

In general, we have 5 different types of new loans.

[Guarantee Loan for Spouse/Child of an existing customer.](#)

- Spouse (or parent) must be on the books for 1 year or longer.
- Spouse or parent must be on \$600 loan size or higher.
- Applying spouse (or child) must have their own verifiable income.

[Connected to an existing customer on our books. \(Customer referral/recommendation\)](#)

- Stable and verifiable income (6+ months continuous, or in the same field)
- Stable and verifiable residence (6+ months continuous)
- Credit: 6+ months verified installment or revolving OR based on pay history, HC and relationship to the existing customer with our company.
- Company credit score of 170 (lower score requires supervisor approval)

[Not Connected in any way to our office](#)

- Stable and verifiable income (6+ months continuous, or in the same field)
- Stable and verifiable residence (6+ months continuous)
- Credit: 6+ months verified installment or revolving
- Company credit score of 180 (lower score requires supervisor approval)

[Second Chance Loans](#)-previous delinquent credit or poor performance with our company.

- Stable and verifiable income (6+ months continuous, or in the same field)
- Stable and verifiable residence (6+ months continuous)
- Credit: 6+ months verified RE-ESTABLISHED installment or revolving
- Supervisor approval is required.

[Transfer Account from Another Office](#)

An account in good standing can be made at the same High Credit of the original office. **The proceed check generated is NOT given to the customer.** The proceed check is to be endorsed by the customer and placed in your cash drawer. 2 additional checks need to be generated. *(See Office Checking Account for instructions for issuing checks properly)*

This is still a New LOAN for YOUR office and requires the following:

- Screen print of the account from the original office to obtain the payoff amount.
- Completed application.
- Proof of Income
- Proof of Residence
- Photo ID
- 5 References

Credit Application

It is our goal to provide a credit decision within 15 minutes of obtaining the customer's information. To be successful with this requires technique in taking quality credit applications in a timely manner and excellent customer service skills to take the applicant out of the market for a loan with someone else.

Development

The below information is requested on our credit application. This is your insurance policy. You will never need it until this person does not pay.

- **Amount Requested**
- Purpose-specific
- **Source-how heard about us.** If a Customer Recommend, get the Name & relationship of who referred.
- **Name**
- DOB
- Marital status
- Spouse (significant other) name & phone number
- Phone number to contact (home and/or cell)
- **Address** (get 3 yr. history)
- Landlord name & phone number (to verify)
- Employer (get 3 yr. history)
 - Address
 - How long
 - Phone #
 - Supervisor name & phone number
 - Job position (and department)
 - Hours (including any break times)

Use Personal References section of application to document info as needed

- Spouse employment-name, phone #, how long, payday, net pay
- Bank name (checking/savings)
- Vehicle information (make, model)
- Social Security number
- **Credit references** (name, balance, payment amount and how long open for each)
 - **ASK-is it current.**
 - Needed minimum of 6 mo. credit history, connected to office or co-signer.
- Time IN (time completed taking the application)

Application Source Codes

Every new loan application is to be documented on the Application Source Log indicating how the applicant heard about the company, name and loan amount requested.

Source of Application	Computer Code
• Customer Referral/Recommend	1
• Flyers	4
• Mail from Office	5
• Location/Sign	6
• Other Finance Company	7
• Web/Facebook/Google	9
• Online through JFC.com	10

Processing and Decisioning

All loans are approved by the Manager or qualified employee, or escalated to the Supervisor as he or she directs the office.

Loan decisions are based on the company's scoring model, measuring the applicant's:

Stability—Length of time in the area, length of time at the current residence, and length of employment.

Ability-Free income, taking into consideration the size of loan and monthly payment amounts (if approved).

Willingness-Borrower's past credit history, particularly with financial institutions with installment or revolving credit, with a close evaluation of:

- Length of credit history-Credit is well established or new.
- Amount of total indebtedness-Total balances owed excluding auto or mortgage.
- Remaining balance compared to the original debt.
- Most recent credit rating-An applicant with poor credit several years ago who now has recent good and established credit should still be considered for a loan.

Our goal is to make every possible applicant.

The credit judgement opinion is to be documented by the employee processing the application prior to submitting the processed application to the manager for the final decision.

Immediately upon a final decision being made the customer is to be notified of the decision.

If we are unable to approve an applicant today, the applicant is to be informed of what needs to be done for them to be able to get a loan from our company in the future.

If an applicant is denied credit or approved for less than the amount requested, but rejects the loan or the approved amount, a Credit Denial Notice (Adverse Action) must be sent. See Legal and Compliance for more details.

If approved advise the customer of the details of the loan and any additional information or documents needed.

- Proof of income, if unable to directly verify.
- Proof of address, if unable to directly verify.
- Photo Identification
- References- Obtaining quality references is extremely important. Five (5) references are required for all new loans, including the name, complete address, phone number and relationship. These are a source of future loan opportunities and in keeping in contact with the customer if necessary.

If the applicant was taken by phone, set an appointment for the customer to come to the office and finalize the loan.

Checklist for Processing/Decisioning

- Clear applicant through Big List
 - If they have or previously had a loan at one of our other offices, call and request a screen print.
- Clear applicant through MLA Website
 - If they show active or dependent, you cannot make the loan.
- Calculate tentative Credit Score
- Direct Verification of Residence-call landlord if possible (document on back of application in space above Employment verification.
- Direct Job/Income verification-call employer. (You can ASK for the customer to confirm they DO work there, document on back of appl)
- Direct call to all possible Creditors. If unable to call directly, other verification means can be used, i.e., receipts, statements, online verification. Document on back of application
- Call Customer who referred, if applicable-thank them for the referral and ASK if they felt the applicant would handle the account responsibly, and if needed if they would 'vouch' for or co-sign for the applicant.
 - Screen print the account of the referring customer and attach it to the application.
- Pull Credit report, if necessary
 - Complete credit interview, if necessary. Call the customer to ask any questions you have about the credit report. (Document explanation on report by each questioned item)
- Calculate budget including ALL debt the customer is responsible for from the credit report, the face of the application and RENT.
 - Any debt excluded must be VERIFIED it is paid by someone else.
- Finalize Credit Score (See Credit Scoring Table)
- Document Judgment Decision and/or Manager Decision-be specific on WHY you feel the loan should be approved or denied.
- Time Out-time decision was made.
- Call the customer to advise of the decision.
 - If **approved**, advise of the necessary items to complete the loan and set an appointment time for the customer to get the loan.
 - Photo ID/DL
 - SS Card, if applicable
 - Check stub (most recent) confirm income is what customer STATED.
 - Utility bill or mail w/address
 - 5 References REQUIRED
 - Name
 - Complete address
 - Relationship (at least 2-3 family members)
 - If **denied**, tell the customer what is needed for you to be able to grant credit in the future.
 - Notice of Adverse Action must be generated and mailed at once.
 - The denied application is filed in the current month's turndown file.

Update the Application Source log with the credit decision.

A sample of a completed application can be found on the following pages.

SAMPLE APP
 Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

CLEAR (Big List)
LOAN APPLICATION
 D.O.B. - 4/14/64

Interviewer Noemi G.

Amount Wanted \$ 600 Purpose car repair Date 9/15/15 Source 4P

MARITAL STATUS

Married Unmarried Separated

Time In 9:40 Out 10:05

Name <u>Jones, Mike</u>	Age <u>51</u>	Spouse's Name <u>Sharon</u>		No. Dep. <u>1</u>																														
Address <u>2424 Dok St Dallas Tx 75217</u>	How Long <u>1 1/2 yrs</u>		Tel. No. <u>972-798-1501</u>																															
Landlord <u>Mr Smith 214-529-1141</u>	Payment <u>600 mo</u>		Rent Pmt. <u>Buying</u>	Unit# <u>Own</u>																														
Prev. Address <u>(need 3 years of History) 107 9th St Dallas Tx 75211</u>	How Long <u>2 yrs</u>	Prev. Address <u></u>	How Long <u></u>																															
Employed By <u>Walmart</u>	Address <u>1001 S Buckner Dallas Tx 75227</u>	How Long <u>1yr</u>	Tel. <u>972-285-4300</u>																															
Emp. As <u>Stocker</u>	Dept. <u>DAY</u>	Supervisor <u>Bobby</u>	Pay Days <u>FFri</u>	Net <u>\$ 400 x 4 1600</u>																														
Spouse Employed <u>WHA TABurger</u>	Tel. <u>214-578-1213</u>	How Long <u>4y</u>	Pay Days <u>EThurs</u>	Net <u>\$ 300 x 4 1200</u>																														
Additional Income <u></u>		Net Pay <u>\$</u>																																
Prev. Employed <u>(Need 3 yrs of History)</u>		Job <u></u>	How Long <u></u>	Total Pay <u>\$</u>																														
Bank Account <u>CHASE</u>		Address <u></u>																																
Own <u>Buying</u>	Yr. Model <u>2008</u>	Auto Make <u>Toyota</u>	Lic. No. <u></u>	Yr. Model <u></u>	Auto Make <u></u>	Lic. No. <u></u>																												
Soc. Sec. # <u>461-22-1541</u>	Personal References				Soc. Sec. #																													
Name <u>spouse cell</u>	Address <u>Cell phone: 469-226-2031</u>				Telephone <u>972-798-1502</u>																													
work hours: M-F 9AM-5pm break: 11:00 - 11:15 lunch: 1pm - 2pm																																		
Signature verified by <u></u>		Drivers Lic. # <u></u>	Soc. Sec. # <u></u>	Other <u></u>																														
Height <u></u>	Weight <u></u>	Eyes <u></u>	Hair <u></u>	Dist. Features <u></u>																														
CREDIT REFERENCES <small>List all open accounts first</small> <table border="1"> <thead> <tr> <th></th> <th>Balance</th> <th>Payments</th> <th>How Long Open</th> </tr> </thead> <tbody> <tr> <td>World Finance</td> <td><u>600</u></td> <td><u>85</u></td> <td><u>3 yrs</u></td> </tr> <tr> <td>Capitol One Auto</td> <td><u>15000</u></td> <td><u>550</u></td> <td><u>2 yrs</u></td> </tr> <tr> <td>Discover</td> <td><u>300</u></td> <td><u>20</u></td> <td><u>2 yrs</u></td> </tr> <tr> <td>VISA</td> <td><u>500</u></td> <td><u>50</u></td> <td><u>1 yr.</u></td> </tr> <tr> <td>CONN'S</td> <td><u>1200</u></td> <td><u>77</u></td> <td><u>1 mo.</u></td> </tr> <tr> <td colspan="4"><u>Must have All 3 Answered</u></td> </tr> </tbody> </table>								Balance	Payments	How Long Open	World Finance	<u>600</u>	<u>85</u>	<u>3 yrs</u>	Capitol One Auto	<u>15000</u>	<u>550</u>	<u>2 yrs</u>	Discover	<u>300</u>	<u>20</u>	<u>2 yrs</u>	VISA	<u>500</u>	<u>50</u>	<u>1 yr.</u>	CONN'S	<u>1200</u>	<u>77</u>	<u>1 mo.</u>	<u>Must have All 3 Answered</u>			
	Balance	Payments	How Long Open																															
World Finance	<u>600</u>	<u>85</u>	<u>3 yrs</u>																															
Capitol One Auto	<u>15000</u>	<u>550</u>	<u>2 yrs</u>																															
Discover	<u>300</u>	<u>20</u>	<u>2 yrs</u>																															
VISA	<u>500</u>	<u>50</u>	<u>1 yr.</u>																															
CONN'S	<u>1200</u>	<u>77</u>	<u>1 mo.</u>																															
<u>Must have All 3 Answered</u>																																		
CREDIT SCORE <u>38</u> <table border="1"> <thead> <tr> <th>Age</th> </tr> </thead> <tbody> <tr> <td>Residence <u>3</u></td> </tr> <tr> <td>Telephone <u>26</u></td> </tr> <tr> <td>Residence - Own/Rent <u>30</u></td> </tr> <tr> <td>Occupation <u>13</u></td> </tr> <tr> <td>Years on Job <u>0</u></td> </tr> <tr> <td>Income <u>36</u></td> </tr> <tr> <td>Bank Dealings <u>23</u></td> </tr> <tr> <td>Open Loans <u>24</u></td> </tr> <tr> <td>Indebtedness <u>20</u></td> </tr> <tr> <td>Credit Rating <u>-20</u></td> </tr> </tbody> </table>							Age	Residence <u>3</u>	Telephone <u>26</u>	Residence - Own/Rent <u>30</u>	Occupation <u>13</u>	Years on Job <u>0</u>	Income <u>36</u>	Bank Dealings <u>23</u>	Open Loans <u>24</u>	Indebtedness <u>20</u>	Credit Rating <u>-20</u>																	
Age																																		
Residence <u>3</u>																																		
Telephone <u>26</u>																																		
Residence - Own/Rent <u>30</u>																																		
Occupation <u>13</u>																																		
Years on Job <u>0</u>																																		
Income <u>36</u>																																		
Bank Dealings <u>23</u>																																		
Open Loans <u>24</u>																																		
Indebtedness <u>20</u>																																		
Credit Rating <u>-20</u>																																		
<u>199/10</u>																																		

VFO Res. w/ Landlord - good pay history - no late fees.

52 weeks in a year
If customer gets paid weekly
 $400 \times 52 \div 12$
If customer gets paid bi-weekly
 $400 \times 52 \div 12$

Employment Verification		Budget	
Empl. Date	Applicant 08-01-14	Spouse	
Salary			
Position	Stockier		
Reg. Temp.	Pt. Time Seasonal	Reg. Temp.	Pt. Time Seasonal
Remarks			
Verified by		James	

My judgement is

Has good stability @ residence @ job. PAA w/world.
would open for \$16.00

should always have 2
Signatures - interviewer &
managers

09|15|15

Investigator

Instruction
for completing
or
Reasons for TD

Loan approved in amount of 600 for 12 mos. based on pay history w/ WF security

* manager makes final decision & signs.

12 mos. based on pg history w/ WF SECURITY
09/15/15 U/A (Same) Date Manager

CREDIT SCORING TABLE

CREDIT SCORING TABLE

APPLICANT'S AGE		BANK DEALINGS		
45 and Over	47	Checking and/or Savings Accounts	23	
40 - 44	38	Bank References	19	
35 - 39	31	No Bank Dealings	9	
30 - 34	24			
less than 30	20			
YEARS AT RESIDENCE		OPEN LOANS -- OTHER LOAN COMPANIES		
6 Years, 6 Months and Over	24	0	34	
3 Years, 6 Months -- 6 Years, 5 Months	9	1	26	
2 Years, 6 Months -- 3 Years, 5 Months	8	2	15	
1 Year, 6 Months -- 2 Years, 5 Months	3	3 or more	0	
Less than 1 Year, 6 Months	0			
TELEPHONE		TOTAL INDEBTEDNESS (Excluding financed Automobiles and Home Mortgages)		
YES	26			
NO	0	Less than \$2500	24	
		\$2500 - \$5000	14	
		\$5000 and Over	0	
RESIDENCE - OWN/RENT		APPLICANT'S CREDIT RATING		
Own	30			
Rent	20	2 or More Satisfactory	10	
All Other	0	Report Giving No Ratings	-10	
		2 or More Derogatory	-20	
		All Other Ratings	0	
APPLICANT'S OCCUPATION		CREDIT SCORE	# OF LOANS MADE	# UNPROFITABLE
Executive/Professional/Retired	23			
Guards/Outside	23	140-149	100	29
All Other (see C, reverse side)	21			
Sales	19	150-159	100	21
Production	17			
Labor	13	160-169	100	17
Office Staff/Manager/Semi-Professional	13			
Drivers	8	170-179	100	12
Service	0			
Trades (Construction)	0	180-189	100	9
Unemployed	0			
APPLICANT'S YEARS ON JOB		190-199	100	6
1 Year, 6 Months and Over	6			
Less than 1 Year, 6 Months	0	200-209	100	5
APPLICANT'S MONTHLY INCOME		210-219	100	3
\$2500 and Over	36	220-249	100	2
\$2000 - \$2499	27			
Less than \$2000	20	250-289	100	1

Booking the New Loan in the Computer

After obtaining all the required information from the customer and agreeing to move forward with the new loan the account is to be created in the computer. Thorough and accurate information is necessary for us to effectively service the customer and collect the loan.

- All contact information must be entered correctly into the computer.
 - Frequency of pay DAY.
 - EMAIL address.
 - Primary reference entered in computer with relationship.
- Remarks properly documented.
 - Credit Score Calculated (ex. C.S. 195)
 - On what the loan was based:
 - Credit
 - C.R. Name, Acct # and relationship
- Source Code entered.
- High Credit (HC) removed. Four (4) payments must be paid as agreed to enter a HC.
- Screen Print of NL for Jacket
- Verify Privacy Status is correct in the computer.
- 1st payment set up based on payday PRIOR to due date.
- Complete all blanks on the outside of jacket.

Loan Jacket

The loan jacket is where all customer information is kept and must be set up for all new customers at the time the loan is made. The outside of the loan jacket is documented each time a customer pays off, reopens the loan, or increases their loan size with the date, transaction type and employee's initials that handled the transaction.

Each new loan jacket requires:

- Application-thoroughly completed.
- Credit report/Screen print of referring customer's account.
- Supporting documents for verification, if applicable
- Copy of Identification documents
- Signed contract (verify numbers written by customer are ALSO in computer)
- Signed Privacy Policy
- Signed Building Good Credit
- Screen print of new loan customer's account
- References (5 - including name, address, phone # and relationship)

Loan Closing

A loan properly closed is 90% collected!

Prior to closing a loan with a customer, you must verify you have all the required verifications, documents and/or information for the loan jacket.

There are 3 documents that are to be thoroughly reviewed and explained to the customer.

Talking Points

- **Privacy Policy**-we do not share your information with third parties.
- **Building Good Credit**-We are a family-owned business. We do business differently than other companies you may use.
 - All your payments are expected to be paid on or before the due date. We do not have a grace period.
 - You are expected to call the office if you have an emergency and are going to be even 1 day late.
 - If you are going to be more than 5 days late you must come to the office and speak with the manager.
 - If you receive a call or notice from us, call us back.
 - We are required by law to document all contact activity on your account.
 - Consequences for not handling credit as expected.
 - Negative impact on your credit score
 - Stays on your credit report for 7 years!
 - Could prevent you from getting loans from us, or others in the future, as well as the ability to rent an apartment, buy a home, or get a job you want.
 - Benefits of handling as expected.
 - Increase in amount we can lend you after 4-6 payments.
 - Positive reporting on your credit report -Experian
 - Allow us to guarantee your spouse/children a loan.
 - Forms of payments-cash; check or money order in the office, by mail or night drop, and debit card payments, for which there is a \$2.25 convenience fee to pay over the phone.
- **Contract**-If you agree with what we have discussed, we will review your contract, then the manager will complete your loan. (Customer initial each of these areas)
 - The amount you are receiving is: _____
 - Your payments will be _____ for _____ months.
 - You will be paying back a total of: _____ with interest & fees.
 - Your payments are due on or before the _____ of each month.
 - You will be able to refinance your loan and receive money from your account after paying the necessary number of payments.

Finalizing the loan-Manager

All New Loans are to be finalized by the manager, or qualified employee! The proceed check is not given to the customer until they have spoken with the manager, or qualified employee!

You have already determined the job, residence and credit is acceptable. Now your main concern is their ATTITUDE acceptable. If you have ANY HINT of ATTITUDE, don't make the loan! The loan is not made until the manager hands over the check!

- Did they bring everything you asked them to bring?
 - If they did, thank them and proceed with the loan.
 - If they didn't then you must decide if you want to cancel the loan decision or reschedule a different appointment. They are already not doing what you ask them to do. You cannot start a relationship at a disadvantage.
- Be clear in your expectations. We don't make loans that don't pay. Are you going to have a problem with that? *Gage the customer's response.*
- Ask the question! When is your payment due? What are you going to do if you can't be in on that date?
- INFORM THEM. If we must call you, we can't do business with you. Do you understand that? If you do not pay on time or call me, I will have to call you on your job and possibly come see you. *Gage the customer's response.*

Does this customer have an attitude that will make a long-term customer? If not, DO NOT MAKE THE LOAN!

General Lending Policy for Existing Customers

\$400 - \$500 Loans with **4 payments made** are to be evaluated on their creditworthiness for the high credit (HC) at the time the 4th payment is made. The new HC, or reason for ZERO HC, is to be noted in the Inquiry section **AND update the HC in the loan details**.

- **\$400 to \$500**
- **\$500 to \$600**

\$500 loans can be refinanced 1 time on same loan size. They either go UP or COLLECT OUT.

\$600+ Loans Automatic \$100 increase criteria (NO or limited collection calls):

4 payments on the same loan contract.

OR

6 PAYMENTS on multiple contracts on the SAME loan size.

Supervisor approval is required for any increase not within these parameters.

IMMEDIATELY, when the criteria is met the NEW high credit should be noted in the Inquiry section and the loan details edited to solicit the customer for the larger loan. If the customer declines the increase at that time, then that day or the following day a special letter is to be sent to the customer.

Increase Loans & Former Borrowers

All loans that have properly handled their previous account with the company are automatically approved to be increased or reopened unless there has been a change in source of income or address, OR if the paid-out account has been paid off more than 6 months. If there have been any changes or paid out more than 6 months an updated application must be approved by the manager or qualified employee.

Paid off/Final payment accounts are to be evaluated to decide the next HC. The new HC is to be noted in the Inquiry Section, edit the loan details to solicit the new HC, and a special letter sent that day or the next to notify the customer.

Refinancing

Current Accounts

Accounts that are up to date on all payments are automatically approved to be refinanced by any employee in the office **UNLESS** there are:

- Alerts on the account by the manager or supervisor not to refinance.
- Changes in Employment, Residence, or Income, which could affect the customer's ability to pay.
 - Any change in Residence, Employment and/or Income requires an updated application to be completed for the information that has changed. [See Verifying Information](#).
- The account is 30 days or more past due.

30+ Days Past Due

The manager, or qualified employee, must approve the refinance of all customers 30+ days past due to ensure it is in the best interest of the company to continue doing business with the customer and the customer has a clear understanding of expectations going forward. The account is to be notated in the computer.

Fresh Start Program-Rewrite

In some cases, we offer a Fresh Start to help a customer in getting their account back in good standing. This program does require supervisor approval, and to be considered for the program specific criteria should be met.

Criteria required:

- \$700+ loan size and/or Dash 4+ loan
- 3 or more payments due
- Customer must make a minimum of 1 full payment.
- Copy of current proof of income
- Updated application and calculated budget to verify customer's ability to make payments going forward.
- Willingness and commitment from the customer to make regular on time payments going forward.
- Manager is to handle and close the loan with customer.

After the supervisor approves the accounts for the Fresh Start Program and the customer accepts the offer and agrees to the terms.

- Collect and post a minimum of one full payment.
- Post necessary credit to the account to refinance the customer's current.
- Note in Inquiry: Fresh Start
- Refinance on SAME or lower loan size.
- Missing Income Report-Document credit amount w/reason, Fresh start.

E-Mail Loan (Instant Funding)

Instant Funding is the ability to fund your customer's renewal or Former Borrower loan proceed amount directly to their debit or credit card, without the customer having to be in the office.

For all types of instant funding the email address must be unique within the company, if a customer has used their email to get instant funding at one office, a different email address would be required to get instant funding from a different office within the company.

Renewals, Increases and Former Borrowers can all be processed using Email Loan (Instant Funding). Increase and Former Borrower policy must still be followed.

Instant funding will not impact your bank balance. You will see funding for online banking under Bank 3.

Requirements:

Accurate email address and cell phone number

*\$600+ loan size

*Current or 1 status delinquency

**Any exception requires supervisor approval.*

No Cash (NC) renewal: Any payment required to process a pay to refinance renewal MUST be processed with the customer's debit card PRIOR to renewing the loan.

Cash proceed to the customer MUST be a minimum of \$2.00.

The document MUST be e-signed by the customer PRIOR to the end of the business day in which the loan was processed. If the customer does not e-sign by the end of the business day, the office MUST CANCEL THE OFFER that day prior to close-out.

BEST PRACTICE: Stay on the phone with the customer until the process is complete to reduce and prevent errors, delay in funding and/or need to reverse renewals.

Process:

- Prior to processing the loan:
 - Verify and update all information by phone.
 - Close the loan, explain terms and due date.
- Click Renew by Email
 - Once clicked it will turn blue and change to 'Cancel Email Offer' until the document has been signed and returned.
- Verify the amount of the loan and the terms are correct.
- Hit OK
- Click 'Print Loan Documents'-to send the documents to the customer. It is NOT necessary to print documents UNTIL you receive the electronically signed documents back.
 - The customer will be sent an email with the document to e-sign. The email will come from donotreply@justiceloans.com.
 - Advise the customer to check their email and complete the e-signing steps as quickly as possible so you can fund the money as quickly as possible.

- The account will revert to reflect the balance prior to renewal until the electronically signed document is received back from the customer.
- Once the borrower electronically signs the document, an email will notify the branch and the signed contract will be uploaded to the Customer Record.
 - Exit the account and re-load to access the electronically signed document in the account.
 - If the customer says they have sent it back, but you cannot view it, please call HQ to retrieve it and email it to the branch.
- Print the electronically signed contracts for your daily work. The employee processing the loan is to sign or initial the contract on the appropriate line.
- The 'Renew by Email' button will also indicate it is ready for the next steps.
- Click 'Renew by Email' for 3 Options available. This is your LAST CHANCE to 'Cancel' the loan.
 - 'Cancel Email Offer'-customer did not sign on same business day OR changed their mind.
 - 'Process Email Renewal (NO FUNDING)'-for NC loans ONLY
 - 'Process and Fund Email Renewal'-Verify amount is correct.
 - If correct, click YES to initiate the funding to the customer.
 - The process could take up to 60 seconds. Do NOT close the browser or tab anywhere else until it is complete.
- The customer will get an email to Claim the Payout. The email will come from donotreply@payoutnetwork.com. If the customer states they did not receive the email, have them check their 'Spam Folder'.
 - Debit Card payouts will be available in the bank account within 30 minutes.
 - Credit Card payouts will be posted to the customer's statement within 24 hours.
- The payout MUST be accepted within 24 hours, or the loan must be reversed.
 - If you need to verify the payout was claimed, contact HQ to check the Payout Portal.

Any questions or concerns that arise should be directed to your supervisor or HQ.

Mail Loan

Requirements:

10+ loans with good pay history

A check MUST be issued for ALL Mail Renewals

Process:

- Verify and update all information by phone prior to running loan.
- Click Renew by Mail, print documents and proceeds check.
***If proceeds less than \$200, see instructions below for check printing*
- Print Mail Renew Letter (fill in required blanks)
 - Mail>Special Letter>Mail Loan
- Document Account: Contact Code 200 with promise date to hold account for receipt of signed contract from customer.

Write the check number on all copies of the loan contract. (Make 2 additional copies for daily work)
ON DAILY WORK COPIES-Write “MAIL LOAN” across the top of the contract with no signatures.

Prepare envelope to mail to customer, including the following:

1. 3 copies of Loan Contract
2. Special Letter-Mail Loan
3. Loan Disclosure Document
4. Loan Proceed Check
5. STAMPED envelope addressed to the branch (for customer to use to return signed contracts)

Document the account information on the Mail Loan Tracking Report

***If Proceeds are less than \$200*

Print Manual Check

- Accounting>Check Register>Print Check
- Payee-Customer renewing by mail
- Amount-Cash to Customer amount from contract
- Memo-Acct #, Mail Renew

Close out Note: When Printing Manual check you will NOT add this cash advance to renewal total since it is issued by check.

Upon Receipt of Signed Contracts from the Customer-

- **Document the Mail Loan Tracking Report with date received.**
- SEND the Original contract to HQ with HOME OFFICE daily work ATTACHED to the outside package in a separate envelope. Write on the envelope: “MAIL LOAN processed: mm/dd/yy” (DATE loan was BOOKED)
- Branch copy is placed in the daily work of the ACTUAL day the loan was booked.

Mail Loan Log

Increase Loan

Accounts that are up to date on all payments are automatically approved to be increased to their high credit in the computer by any employee in the office **UNLESS** there are:

- Alerts on the account by the manager or supervisor not to increase.
- Changes in Employment, Residence, or Income, which could affect the customer's ability to pay.
 - Any change in Residence, Employment and/or Income requires an updated application to be completed for the information that has changed. [See Verifying Information](#).
 - Approval is required to be documented by the manager or qualified employee.

Review payment history and contact activity to verify on time payments and limited or NO collection work. If it is acceptable to continue:

Process for Increase Loan

- Print Screen Account
- **PULL LOAN JACKET**
- Verify Valid ID
- Review the last complete application for which we have verified information.
 - **If there is any change in address, employment, or income, update a NEW application to obtain all necessary information. (Direct verification of any change must be attempted)**
- Inquire if there are any new creditors.
- Pull Credit Report, only if necessary.
- Update budget (document on screen print or application, if needed)
- Verify income/job-if possible, obtain updated copy of income verification (document)
- Document loan decision, amount approved, date and initials on screen print or application.
- Verify quality references in jacket and attempt to get 2-3 new references.
- Update computer with any new information.
- Manager close loan, if possible.

Notate the loan jacket (date, INC, loan amount, employee initials)

File documents in jacket:

- Updated application, if necessary
- Screen print
- Contact Activity printout, if necessary
- Credit Report, if pulled
- Proof of income
- Updated references.
- New ID copy, if needed

File Jacket in Fireproof file cabinet

Former Borrower

Accounts that are paid out, and all payments were paid as agreed, are automatically approved to be reopened to their last high credit in the computer by any employee in the office **UNLESS**:

- The account has been paid out for more than six months.
- Change in address, employment, or income.
 - Any change in Residence, Employment and/or Income requires an updated application to be completed for the information that has changed. [See Verifying Information](#).
 - Approval is required to be documented by the manager or qualified employee.

If paid out more than six months, or anything has changed treat the customer with the same requirement and processing you would for a new loan. Approval is required by the manager or qualified employee.

Process to Open a Former Borrower

Review payment history and contact activity to verify on time payments and limited or NO collection work. If it is acceptable to continue, print collection activity for jacket documents.

Steps for FB Loan

- Print Screen Account
- **PULL LOAN JACKET**
- Verify Valid ID
- Review the last complete application.
 - **If there is any change in address, employment, or income, update a NEW application to obtain all necessary information. (Direct verification of any change must be attempted)**
- Inquire if the customer has any new creditors.
- Pull Credit Report, if necessary, depending on loan amount and/or how long paid off
- Update budget (document on screen print or application, if needed)
- Verify income/job-if possible, obtain updated copy of income verification (document)
- Document loan decision, amount approved, date and initials.
- Verify quality references in jacket, 3 new references.
- Update computer w/new information.
- Manager close loan, if possible.

Notate the loan jacket (date, FB, loan amount, employee initials)

File documents in jacket:

- Updated application, if necessary
- Screen print
- Contact Activity printout, if necessary
- Credit Report, if pulled
- Proof of income
- Updated references.
- New ID copy, if needed

File Jacket in Fireproof file cabinet

Cash and Asset

Cash and asset control is one of the most basic functions of any business. It is imperative that employees are diligent about handling cash and assets according to the Company policy. The procedures explained in this Chapter involve steps to prevent the mishandling of funds and fraud. Supervisors and Head Quarters follow-up to ensure these procedures are executed without flaw.

Failure to adhere to these guidelines and policies may result in disciplinary actions, up to and including termination.

General Office Security

- Always be aware of your surroundings.
- Visible cash in the office should be kept to a minimum. Lock all excess monies in the safe.
- Safes should always be kept locked.
- When employees go to lunch their cash should be bagged and put in the safe until they return.
- If you are uneasy about a customer, you can always ask for an ID.
- If you have an unruly, irate customer and you cannot calm them down, you ask them to leave. If they will not leave, call the police.
- At closing time, when the doors are locked, under no circumstances should anyone be let into the store. NO EXCEPTIONS!
- Under no circumstance should anyone be allowed in your office backroom or bathrooms.
- Check and recheck your safes before leaving the store.
- Make sure your front and back door is secure before leaving.
- All employees should leave the store at the same time.
- If you have problems setting your alarm-DO NOT LEAVE, call your supervisor.

Cash Drawer Security

Each employee is assigned their own cash drawer and Username and Password for access to the computer loan program. Employees must be taught to balance their drawer when assigned.

All activity in the loan program system is tracked by user: therefore, it is essential to properly secure and record all transactions that time place.

For employee protection and the protection of the data, security measures MUST BE TAKEN AT ALL TIMES.

- User log-on information must always be kept private and secure.
- Never use another employees' Username to access the system.
- Change your password if you feel it has been compromised.
- DO NOT share cash drawers.
- Keep money locked at any time you are away from your desk.
- Verify cash proceeds and change before giving it to the customer.
- Count back money to the customer.
- ALL checks taken for payment must be deposited daily.
- NEVER borrow money from the cash drawer

Shortages/Oversages

All cash overages or shortages are to be reported on the Over/Short report on the date it occurred. DO NOT FORCE BALANCE YOUR DRAWER!

Before any overage or shortage is reported, a diligent effort must be made to find it by:

- Recount the cash drawers.
- Recount the deposit.
- Print the Loan Register and review the payments for any errors.
- Verify all checks in the deposit were posted to the correct account.
- Verify any vouchers were entered correctly.
- Verify Courtesy Payments taken were handled correctly.
- Verify any expense checks written had an expense code properly entered.

Oversages

All overages are the property of the company and must be documented on the Over/Short Report with the amount of overage and description.

Shortages

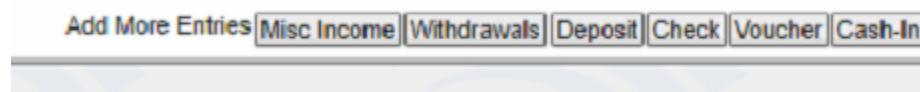
Any shortage is to be reported in the computer, regardless of the amount. All shortages must be repaid no later than the end of the month in which it occurred.

If the shortage is found, or there is an overage of the exact amount the following day, the shortage does not have to be repaid.

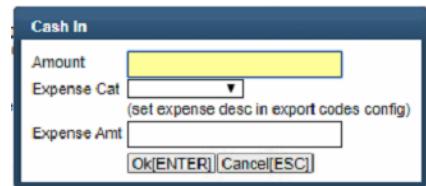
Process for posting and recording repayment of Shortage.

1. Enter in Computer

Accounting>Closing>Y>Cash in



Enter: Amount of Shortage & Expense Cat (15 for short)



2. Document amount repaid on Cash Statement; cash received side with description of repaid short (date)
3. Document on Over/Short Report in Repay Column, amount, and explanation.

Expenses

One of the goals at Justice is to be profitable. To be profitable, it is necessary for everyone to keep tight control over spending. Excessive spending not only affects the Company as a whole, but also the profitability of the branch office, which reduces employee bonus potential.

Most of the office expenses are paid by HQ. The office receives a profit statement each month outlining the expenditure charged to the branch the prior month. The manager should review this each month. If there are any questions, contact your supervisor.

Office supplies, janitorial supplies, and solicitation is ordered through HQ. Each month the office is to complete and send a supply order by the 10th, ensuring you always have a 30 to 60-day supply on hand.

Each office receives \$100 to be used, at the manager's discretion, for any other needs for the office. A check is delivered to the manager by the 10th of each month. This can be used for decorations, candy and/or birthday cards for the customers, special contests, and/or fuel for business use of vehicles, etc.

ALL other expenses required to be paid by the office require a receipt or invoice, and can be paid by cash or check, depending on the amount of the expense. If paid by cash, a petty cash voucher must also be completed.

Customer Referrals' Vouchers are to include the name of who is receiving the money, the account number of the New Loan made, and attached to a screen print for the NL for which the fee was paid.

Process

Paid by Check-

1. Post in the computer: Accounting>Check Register>Print Check
2. Enter information prior to printing check: payee, amount of expense, Expense Code Number (refer to Expense Chart of Account), and Memo description.
3. The Receipt/Voucher is to be attached to HQ copy of the check issued.

Paid by Cash

1. Complete Petty Cash Voucher.
 1. **Document the voucher with:** Description of expense, Expense Code Number (from Expense Chart), and Date.
 2. **Signatures** of person approving expense and person receiving cash.
2. **Document Cash Statement for drawer from which cash was given. ('Closing and Paid Out' side)**
3. Enter Voucher in Computer. Accounting>Closing>Yes>Voucher (on bottom of screen)
 - Payee, amount of expense, Expense Code Number and Memo Description
4. Petty Cash Voucher, ***and receipt/voucher if applicable***, is to be attached to HQ. copy of Period Report Daily Work, stapled facing outward.

Expense Code Account Numbers

1. Advertising	Cust Referral
2. Bad Debt	HQ use ONLY.
3. Audit/Legal	Bank Charges
4. Exam Fee	HQ use ONLY.
5. Credit Bureau	HQ use ONLY.
6. Car Allowance	HQ use ONLY.
7. Utilities & Security Sys.	HQ use ONLY.
8. Repair & Maintenance	Window cleaning, etc.
9. Collection Expense	Low balance payoff, CCCS fees, etc.
10. Office Supplies	Supplies bought.
11. Postage	USPS Stamps
12. Rent	HQ use ONLY.
13. Property Taxes	HQ use ONLY.
14. Cash Over & Short	Balancing amount as reported at closeout.
15. Employee Pay Back	Employee Repay Shortage
16. Telephone	HQ use ONLY.
17. Supervision	HQ use ONLY.
18. Unused Area	HQ use ONLY.
19. DCS/ICS	Cash Surplus/Insufficient

Office Checking Account

- Each office uses a separate bank account, which is balanced daily.

- The office will keep a manual check register that MUST match the computer balance at the end of the day before closing out for the day can be completed.
- All checks are to be kept secure and out of sight from customers during the day and locked in the safe before leaving for the day.
- All persons authorized to sign on the company account MUST be approved by the Manager or Supervisor, who will request a new Signature Card from HQ.

Deposits

Deposits are done daily during the close out process in the computer and must be manually documented and calculated in our manual Check Register.

- Debit Card deposits are automatically processed by the computer.
- Cash and checks deposits are combined, totaled, and entered in the computer at the end of each day during daily close out.
 - Each deposit slip written must be entered separately in the computer.
 - The deposit is to be locked in the safe before leaving for the day.
 - Deposits are to be taken to the bank and processed the following business day.
 - A copy of the validated deposit slip is to be placed in your daily work for the office and HQ.
 - The amount of the validated deposit to the bank MUST match the amount you entered in the computer! If not, TAKE IT BACK and correct it!

DCS/ICS Checks

The bank account is to be kept at a balance established for each office, based on the average volume of each office. When the office checking account exceeds the established balance, excess funds are sent to HQ in increments of \$1000, by issuing a DCS check to Justice Finance. If your account balance gets too low, HQ will send more monies in the form of an ICS check.

[DCS-Decrease Cash Surplus from bank account.](#)

- Create a check in your computer.
- Payee: Justice Finance
- GL Code: 19
- Memo DCS

The check is to be placed in an envelope, labeled with your office number and DCS, and attached to the outside of your daily work that is sent to HQ.

[ICS-Increase Cash Surplus in bank account.](#)

- Contact HQ to start the request. If your office uses the same bank as HQ an electronic transfer can be done. If you use a different bank than HQ, an actual check will have to be delivered to your office to be deposited and entered separately from your NORMAL daily deposit.
- Enter the deposit in the computer AND your manual check register.
 - Accounting>Closing>Deposit (Memo ICS)
- Enter 'Cash In' in the system.
 - Accounting>Closing>Cash-in>Expense Category: 19>Expense Dollar amt: leave BLANK.

Bank Charges

You will receive notification from HQ each month of the amount of bank charges to be posted for your office. This is to be posted THE DAY received and entered into your manual check register. If you have not received it by the 26th of the month, follow up with the HQ.

Process

1. Enter in Computer
 - Accounting>Closing>Yes>Check (at bottom of screen)
 - Complete: **Payee (MM/YY Bank Chg.)** Amount, Expense Category (3), Memo (MM/YY bank chg.)
 - OK
2. Document in Checkbook register as withdraw (MM/YY bank chg.)

Courtesy Payments Received

A check must be created and issued to the office where the account is held for the exact amount of each courtesy payment received. If you do not issue a check for a courtesy payment received your office WILL NOT balance.

- Do NOT enter an expense code number.
- Document the memo with: CP, Office #, Customer's name and account number.

Transfer Account from Another Office

The original proceeds check generated when the new loan was booked is to be endorsed by the customer, stamped 'For Deposit Only' and placed in the Cash Drawer.

Two more checks will need to be created to finalize the loan.

1. Payable to the office in which the loan is being transferred for the PAYOFF.
2. Payable to the customer for the difference in the total loan proceeds amount and the payoff.

Replacement Check (i.e., check lost in the mail)

In the event a check needs to be reissued, the check is not entered into the computer. Doing so will cause your balancing to be incorrect.

- Handwrite a check.
- Document the manual check register with the check number and description, however, DO NOT deduct the check amount when balancing the manual checkbook, as it has previously been deducted.
- Make a record of the replacement check information on both the branch and HQ copy of the Check Register by handwriting the check number, amount, description, and the check number being replaced.

Void a Check

In the event it is necessary to void a check you must have the check in your possession, or you have verified the check has not been cashed and have cancelled it in your positive pay banking system.

Process

- Void the check in the computer.
 - **Proceeds checks** can only be voided by reversing the loan for which the check was generated. This will cancel the loan and return it to the balance before the check was issued.
 - Customer Information Screen>Old Records>Account Reverse>Type: REVERSE and hit OK (enter).
 - **Other than Proceeds:**
 - Accounting>Check Register>Click Void next to the check you wish to void.
- Document the check and both stubs with VOID.
- Staple the voided check on the back of the HQ copy of the stub.
- Document the manual check register.

Daily Balancing and Closeout

Counting and Balancing Cash Drawers

Drawers are to be counted at the end of each day, beginning no earlier than 30 minutes prior to closing. At least one cash drawer must be open until the door is locked at closing time.

Each employee will complete a Cash Statement for their drawer.

- Run and print Today's Business for the individual Cash Drawer from the computer.
- Pull all the day's business from the individual cash drawer (CASH payment receipts and loan documents).
- Separate the documents:
 - Payment receipts CASH separately from debit CARD.
 - Loan contracts- NLs 1, FBs 2, Refinance 2
 - 1 copy of EVERY contract MUST go to HQ with your daily work.
 - 1 copy of FBs and refinances are filed with your daily work.
 - 1 copy of NL contract is maintained in the customers loan jacket.
 - Privacy policy-for ALL NLs & ALL FBs
 - New Loan screen prints.
- From the CASH Payment Receipts:
 - Calculate Cash Payments collected (TOTAL PAID)
 - Document the total CASH COLLECTED on the Cash Statement (Opening and Receiving Column).
 - The total of the receipts should match the CASH COLLECTED from the Today's Business report previously pulled. If not, verify you have a receipt for each payment on the report.
- From the Loan Contracts (HQ copy):
 - Calculate the proceeds given in cash (less than \$200).
 - Document the CASH proceeds disbursed on the Cash Statement (Closing and Paid out Column).
 - Organize the Loan Contracts in numerical order, by account number.
 - Calculate the GROSS LOAN amount of all the contracts.
 - The total of the GROSS LOANS should match the GROSS from the Today's Business report previously pulled. If not, verify you have the contract(s) for each loan run.
- Remove all checks, money orders, large bills, and any excess monies from the cash drawer to be deposited. Document the deposit amount on the Cash Statement.
- Count the remaining monies in the cash drawer and document each denomination on the Cash Statement.
- Document any remaining necessary transactions on the Cash Statement.
 - Vouchers paid for by cash.
 - Courtesy payment
 - Overage or Shortage repayment
 - Drawer to Drawer transfers
- Total both columns, Opening/Receiving and Closing/Paid out. They MUST match. If not, there is an overage or shortage that must be investigated.

Balancing and Closing out the Office

Verify:

- All employees have balanced their drawer and printed their Today's Business Report
- All Loan contracts have been verified. The address and phone numbers written down by the customer on the contract are IN the computer.
- Submitted their deposit and daily work.

Deposit

- Count and verify each deposit.
- Once verified individually, total the office deposit, and fill out deposit slips with all checks, money orders, and cash to be deposited.
- Fill out the total cash amount.
- Document each check with acct # and the amount of payment.
- Run a tape and verify it matches your original calculation. If so, document the total amount.

YOUR COMPANY NAME YOUR STREET ADDRESS YOUR CITY, STATE AND ZIP		DATE _____		DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL ENDORSE & LIST CHECKS SEPARATELY OR ATTACH LIST	
CURRENCY	COIN	TOTAL CASH	600	DOLLARS	CENTS
CHECKS					
1	#3745	115	16		
2	#2794	190	92		
3	#374	100			
4	#849	400			
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
TOTAL FROM OTHER SIDE OR ATTACHED LIST		1406 08			
TOTAL ITEMS		1406.08			
YOUR FINANCIAL INSTITUTION CITY, STATE AND ZIP					
0000000000 123 456 789					

Run and print Daily Letters for the current day. Print the Daily letters report and set aside.

Computer Closing

Start closing for the day.

Account>Closing>Yes to users logged out.

- Enter any Cash Voucher for the day, using the proper Expense Code Number.

Frequently Used Expense Code Numbers

- 1-Customer Referral
- 3-Bank Charges
- 8-Window Cleaning
- 10-Office Supplies
- 11-Postage

- Enter the Office Deposit total of Cash and Checks/Money orders. In the memo document the date. Click OK.

- Document the Office Deposit amount and the Debit Card Deposit amount in the Manual Check Register.

Collect	9,691.51	Outstanding	795,450.20
Payment Coll	4,900.00	# of Accounts	712
Cash Coll	2,004.00		
ACH Coll	0.00	Starting Cash	2,005.44
		Start+New Cash	4,009.44
Check Coll	0.00	Item Sales Tax	0.00
Card Collect	2,896.00	Net Prod	1,002.49
		Chk Prod	888.76
Money Order Coll	0.00	-Live Chk	0.00
Other Funds Coll	0.00	-Instant Fund	0.00

- Click Continue Closing to balance the checkbook and the cash count.

Balancing the Checkbook

- Subtract all the checks issued and withdrawals for the day.
- Add the deposits to the balance from the previous day.
- Your total MUST match the total bank cash. If not, you must find and correct the error before moving forward.

Total Cash/Bank/Bank3	
0.00 / 34,454.16/0.00	
2,047.10	35,459.15/0.00

Balancing the Cash Count

- Add all employees ending drawer total cash (and office bank cash, if applicable)
- Enter total in Cash Count. Verify it is not Over or Short. If it is, investigate. See *Shortages/Overages*

Cash Count		
	Drawer 1(Master)	All Drawers
Cash Count	2025	2,025.00
Cash Should Be	2,047.10	2,047.10
Cash Short	-22.10	-22.10

Cash Count		
	Drawer 1(Master)	All Drawers
Cash Count	2047.10	2,047.10
Cash Should Be	2,047.10	2,047.10
Cash Short	0.00	0.00

Once everything balances, you are OK to close the day.

DO NOT CLOSE THE MONTH until the LAST WORKING DAY of EACH MONTH.

DO NOT CLOSE THE YEAR until the LAST WORKING DAY of August. Our fiscal year-end.

Daily Reports

Two copies of each report, dated today, are to be printed. One copy is for the office, and one is for HQ.
Reports> Acc Reports>

- Period Report-verify your accounts and outstanding match what is shown on the Daily Letter report printed earlier. Report any discrepancy to your supervisor.
- Loan Register
- Significant Events2

Accounting>

- Check Register-Document, by hand on BOTH copies, any necessary information from replacement checks or corrections, as needed.

Organization of Reports

The printed reports are to be trifold wrapped around the documents to be kept with the reports. On the outside of each set of the combined reports document: Office number, Date and the Initials of the employee that completed closeout for the day.

HQ Copy of Daily Reports and Document are to be placed in your HQ envelope daily, to be picked up by a representative from HQ as scheduled for each office. DO NOT hold daily work for ANY reason. If something needs to be sent later, it can be placed in an envelope noted with what is inside and attached to the outside of your HQ Envelope.

Staple together in the left corner: the Period report, Loan register and Significant events2. Place the Check register at the back. The following documents are to be included with the reports for the day.

- Original signed copy of every contract for the day, in order by account number
- Privacy Policies generated for the day, in order by account number.
- Screen print of all NLs made for the day, in order by account number.
- Check stubs for all checks written for the day. Receipts for checks written for an expense are to be stapled to the back of the check stub.
- Validated deposit slip, upon receipt from the bank.

Office Copy of Daily Reports and Document are to be filed daily by month and kept for 4 years.

Staple all reports together: Period report, Loan Register, Significant Events2 and Check Register. The following documents are to be included with the reports for the day.

- Cash Statement completed for each cash drawer, with their receipts and contracts for the day.
- Check stubs for all checks written for the day.
- Validated Deposit Slip
- Daily Letter Report

Complete Delinquency and Financials Figures

This can be done in the morning if desired, AFTER posting and Night Drop payments.

You will need the Period Report and **2 different Delinquency/Movement Reports** to complete.

Total Delinquency-Past due Category Status account.

Reports>Mgmt.>Delinquency Movement

- Date-Enter first day of next month, Pull Past Due
- Pull Report: View/Print Delinquency Report

Delinquency / Movement Report

File Name	Loan Type	Age	Loan Amount	Date
<input checked="" type="checkbox"/> AD	<input checked="" type="checkbox"/> Regulated Loan	Past Due	From <input type="text" value="0.00"/> To <input type="text" value="0.00"/>	12/01/2022
<input checked="" type="checkbox"/> EJ		Aging Method	Loan Number	<input type="checkbox"/> Exclude Accounts with Promise
<input checked="" type="checkbox"/> KR		Contractual (# of pays)(LP2K)	From <input type="text" value="0"/> To <input type="text" value="0"/>	<input checked="" type="checkbox"/> Include Newer Payments When Back-Dating
<input checked="" type="checkbox"/> SZ				

- Print Only the last page w/ the ending numbers for 1M, 2M, 3M, 4M.
 - Ending 1s = 2mon outstanding \$ balance
 - Ending 2s = 3mon outstanding \$ balance
 - Cut = 4mon outstanding \$ balance-Current delinquent period open 4s

This month's 1 (Mispays) Promised. The goal is to have over 85% of these accounts promised.

- Pull Daily Mispays (Reports>Mgmt. Reports>Delinquency/Movement Report)
 - Change date to yesterday, 1 month, include newer payments.

Delinquency / Movement Report

File Name	Loan Type	Age	Loan Amount	Date
<input checked="" type="checkbox"/> AD	<input checked="" type="checkbox"/> Regulated Loan	1 Month	From <input type="text" value="0.00"/> To <input type="text" value="0.00"/>	11/15/2022
<input checked="" type="checkbox"/> EJ		Aging Method	Loan Number	<input type="checkbox"/> Exclude Accounts with Promise
<input checked="" type="checkbox"/> KR		Contractual (# of pays)(LP2K)	From <input type="text" value="0"/> To <input type="text" value="0"/>	<input checked="" type="checkbox"/> Include Newer Payments When Back-Dating
<input checked="" type="checkbox"/> SZ				

- Print all page to report:
 - Total number of accounts that are 1-29 days past due.
 - Total number of accounts promised that are 1-29 days past due.

Review Daily Letters Printed-Mail prints for accounts that have promise dates. Do not mail unnecessary letters.

- Reminder-Generated 7 days prior to due date to be mailed at once.
- Past due-Generated 1 day after due date. *Confirm the account is NOT already promised and/or call those not promised to make contact and get promised before mailing, to save postage cost.*
- P.O. Letter-Generated the day after pay-off to invite customer to reopen. *Call personally.*
- Refinance-Generated to customers with cash available in lieu of paying a pmt. *Call to solicit.*
- Happy Birthday-7 days prior to their birthday. Personally call and/or send a card.

Review of Daily Work

Each employee reviews their own work for the prior day, using Today's Business to ensure each account was handled properly.

- Did you update customer's information? INCLUDING EMAIL ADDRESS
- Did you review/discuss the due date? *Thank them for on time payment or correct late payment and/or not calling the office.*
- Did you set up the next payment, based on the customer's pay date?
- Did you take a FINAL Payment? Did you evaluate the account to decide the next HC amount, if any, and notate the account properly? ***Note in the Inquiry and edit the loan details HC?***
- **Did you review the account for an available increase in HC? If qualified, did you note in the Inquiry and edit the loan details HC?**
- Did you solicit cash available by exact dollar amount and properly notate the account?
- Did you explain and offer family recommend program to spouse, adult children, and/or parent, grandparent/grandchild relationships?
- Did you take out HC on any New Loan you booked?
- Did you verify EACH of your contracts to confirm the address and phone numbers written on the contract by the customer are the same that we have in the computer.
- Did you print and send a special letter, as necessary?
 - Renewal not accepted, send #43 Renew same (English) or #44 (Spanish)
 - Increase not accepted, send #23 Inc (English) or #24 (Spanish)
 - One payment left on \$400-\$500 loan, determine new HC, document Inquiry of next HC (ex. 700 after final pmt.-CB), Edit loan details with the new HC amount, send Last Payment Letter #15 (or #16 Spanish)
 - Paid Off loan and didn't reopen, determine appropriate new HC, document Inquiry of next HC (ex. 1000-AP) & edit loan detail to solicit, send #21 (PO Avail-English) or #22 (Spanish)

When completed, give it to the manager to be reviewed and verified. Keep these in a file for supervisor review upon visits.

Automatically increase 1 loan size:

4 payments on the same loan contract.

OR

6 payments (No or limited collection calls)

*When the criteria is met the NEW HC should be immediately noted in the Inquiry section (ex. \$800-AP) and the loan details edited to **solicit the customer** for the larger loan. If the customer declines the increase at that time, then that day or the following day a special letter is to be sent to the customer.*

\$400-\$500 loans with 4 payments are to be evaluated on their next HC at the time the 4th payment is made. The next HC, or reason not increased, is to be noted in the Inquiry section. (ex. HC \$600 or Re-eval after PO, too many calls, etc.) **Update the HC in the loan details.**

Paid Off final payment accounts are to be evaluated to decide the next HC. The new HC is to be noted in the Inquiry Section, edit the loan details to solicit the new HC, and a special letter sent that day or the next to notify the customer.

The Office Manager must review the work for the day and provide any necessary coaching and training:

- Review Significant Events2-This report shows important activity by employee, i.e., change of address or phone number, changes in HC, Screen Prints, FBs reopened after being paid out

over 6 months, waived or reduced fees, etc. (Discuss any necessary findings with employee).

- Verify policy was followed.
- Waived Late Charges-MUST be document on Missing Income Report
- Reduced fees/charges-MUST document on Missing Income Report
- Verify ALL employees' daily work for the office.
- Review Delinquency Movement to verify:
 - The account was handled properly.
 - Marked off your delinquency list.

End of the Month Closeout

What to Do	When to be Done	Description
Application Log	Last Day	<ol style="list-style-type: none"> 1. Count # of appl taken for each source and document on Summary Sheet 2. Pull all TD applications from binder and file with Application Log in A-Z file 3. Set up Application Log for NEXT Month.
Source Sheet Summary	Last Day	<ol style="list-style-type: none"> 1. Count and document # of Applications taken from each Source 2. Pull NL list made for current month. (Mgmt. Reports>Loan Analysis) 3. a. Count and document # of NL from each source. b. Keep NL List to use the following month to confirm/follow up 1st pmts. 4. Maintain copy with the branch EOM Reports 4. UPDATE Source Sheet Summary form in Google Drive
Shortage Report	Last Day	<ol style="list-style-type: none"> 1. Verify all shortage/overages noted on Financials is documented by date 2. Confirm all employee shortages for the month have been repaid. 3. Each Employee & Manager sign, verifying accuracy. 4. Make copy for the branch EOM Reports 5. ORIGINAL to be sent to HQ w/Month end package in E.O.M envelope.
Missing Income Report	Last Day	<ol style="list-style-type: none"> 1. Verify all credits and/or waived LC are documented accurately. 2. Make copy for the branch EOM Reports 3. ORIGINAL to be sent to HQ w/Month package in E.O.M envelope.
Financials Current Month	1st Wk. Day (by 9:30a)	<p>AFTER ALL DROP PMTS are posted</p> <ol style="list-style-type: none"> 1. Update last working day of the month's numbers 2. PRINT a copy to keep with YOUR copy of EOM reports
Financials NEXT Month set up (SET UP)	1st Wk. Day after 4p or 2nd Wk. Day AM	<ol style="list-style-type: none"> 1. Delete all Data 2. Enter data for 1st wk. day of month on morning of 2nd working day.
601 Delq. Report (Mr. B's Report)	1st Wk. Day (by 10a)	<p>AFTER ALL DROP PMTS are posted</p> <ol style="list-style-type: none"> 1. Use Delq. Movement Report to Obtain Info <ul style="list-style-type: none"> a. Age: ALL; Date: 1st of CURRENT MONTH b. Loan No: (change based on data needed) 2. SEND completed form to HQ & Supervisor
Employee Monthly Goal Current Month	Last Day	<ol style="list-style-type: none"> 1. Each employee update their numbers @ close out. 2. Make copy for the branch EOM Reports

		3. <i>ORIGINAL to be sent to HQ w/Month end package in E.O.M envelope</i>
Employee Monthly Goal NEXT Month (SET UP)	1st Wk. Day	Calculate each employee daily goal in NL, FB and volume based on branch goal
Predicted Charge Off Report	Last Day Part of Closeout	Print after Closeout is completed a. Reports>Management Reports>Predicted/Charge off b. Date: FIRST DAY of NEXT MONTH - Pull Predict Report-Print 2 Copies c. Keep (1) with YOUR end of month reports. d. Send (1) to HQ w/Month end package in EOM Envelope
Charge Off Report	Last Day Part of Closeout	1. Print after Closeout is completed a. Reports>Management Reports>Predicted/Charge off b. Date FIRST of NEXT MONTH -Pull Charge Off Report- Print 2 Copies c. Keep (1) with YOUR end of month reports d. Put (1) with HQ DAILY WORK for last day of month 2. Pull Jackets of accounts a. Document each w/ P&L MM/YY b. Rubber band together with label MM/YY c. File in designated P&L file (cabinet or storage box)

End of Delinquency

What to Do	Due Date	Description
Bonus Report	1st day by 9:30a	<ol style="list-style-type: none"> 1. Document each employee & the amount of bonus earned 2. Send it to the supervisor to approve and send it to HQ for processing. 3. The office copy will be kept with your office's Monthly Reports
Print Delinquency Report	1st Day MONDAY by 9:30a	<p>AFTER ALL DROP PAYMENTS ARE POSTED</p> <ol style="list-style-type: none"> 1. Pull Delq Movement Report (Age: Past due; Date: 1st of CURRENT MONTH) 2. ON BOTTOM OF LAST PAGE DOCUMENT: <ol style="list-style-type: none"> a. Branch # b. BNK/Dec/CCCS/Skip 3. Document the total # and \$ of each category. 4. Send the last page, with totals, to HQ AND your Supervisor 5. Make a copy of ALL pages for the office's Monthly Reports 6. <i>Place original of ALL pages in envelope marked "Delq MM/YY" stapled to daily work envelope that goes to HQ.</i>
Print Delinquency Report by Category AGE	1st Day MONDAY by 9:30a	<p>AFTER ALL DROP PAYMENTS ARE POSTED</p> <ol style="list-style-type: none"> a. Pull Delq Movement Report b. COLLECTION SHEET (Age: 1, 2 & 3: 1st of CURRENT MO). c. View/Print Delinquency report (Age 4: 1st of CURRENT MO) <p><i>Used to document detail and make projections for your delinquency.</i></p>
Detail List of 1's 2's & 3's	2nd Day TUESDAY by 3p	<ol style="list-style-type: none"> a. Review accounts in each category to decide which you will move to calculate projections for where your delinquency will end. b. Each account is to be documented either to move or with a plan or explanation for those not projected to move. <p>SEND the Detail list to your Supervisor with your Projections.</p> <p><i>You will use your list during the month to mark out accounts as they pay.</i></p>
Projections Sheet	2nd Day TUESDAY by 3p	<ol style="list-style-type: none"> a. Complete all requested information based on your review of accounts. b. Send copy to supervisor with your detailed delinquency collection report. c. The office COPY to be keep with your Monthly Reports.

Record Retention and File Maintenance

JFC requires that the office follows established procedures with specific guidelines directing the proper retention, storage, and destruction of Business Records.

All loan jackets are to be filed NUMERICALLY, by account number, in a fireproof filing cabinet before leaving the office each evening.

ALL documents having customer information are to be kept securely filed in a filing cabinet or desk. NEVER left out in the open.

Our document destruction policy must be followed to comply with various Federal regulations and to reduce any possible risk to our customers' information.

Exception: Any documents associated with pending litigation or governmental investigations.

- Daily Work must be kept in your office for 4 years.
- Turn Down Credit Applications must be kept in your office for 25 months.
- P&L Jackets must be kept in your office for 7 years.
- Paid out jackets must be kept in your office for 4 years.

Proper disposal of ALL documents having customer information is REQUIRED.

All purged files and documents to be disposed of are to be shredded. **DO NOT THROW AWAY!**

Customer Mailing List (Open and Paid out)

JFC's present or paid out customers' personal information is assets of the company and should always be treated as Confidential Information. This information is not to be shared with anyone else outside the company. Any employee found to have given, loaned, sold, or otherwise made available a list of present or paid out customers to a competitor, or anyone else outside the company shall be at once dismissed and held liable for a breach of trust and subject to prosecution by the company.

Collections

Introduction

JFC can only exist if the customers repay the money they borrow. The ideal customer will make prompt payments without the need for collection activity. However, when a customer does not make timely payments, collections activity must begin per the company's policies, procedures, and guidelines.

Collection activity will be consistent, diligent, and progressive. It will include the following steps.

- Payment reminder mailed 7 days prior to the due date.
- Telephone calls to the customer, at the place and time they can be reached.
- Telephone calls to the customer after normal office hours.
- Telephone calls to references provided by the customer for contact.
- Welfare visits (in-person) to the customer

Texas Credit Code, Chapter 392, Debt Collection

As representatives of Justice Company, it is your responsibility to read, understand and abide by the Texas Credit Code, Chapter 392, Debt Collection. A copy of the Credit Code is provided to every employee at their time of employment and is also available in the office's copy of the Office of Consumer Credit Commission Code.

Collection “Dos” and “Don’ts”

Collection Dos

- Train the customers to call the office when they are going to be late.
- Identify the person to whom you are speaking.
- Ask the customer to verify their information.
- Update and verify any information that has changed.
- Call at the correct time and place.
- Find out the reason for the delinquency.
- Control the conversation.
- Be business like.
- Be firm, but reasonable.
- Use good judgement.
- Be persistent.
- Use ONLY company approved collection letters.
- Set a commitment with the customer to get and keep the account in good standing.

Collection Don’ts

- Mention legal action.
- Lose your temper-getting the last word in doesn’t collect the account.
- Be sarcastic.
- Make derogatory remarks about the customer or discuss their account with anyone else.
- Use threats or get in an argument with the customer. If you can’t talk to the customer, you can’t resolve the account.
- Leave a message on voicemail or home answering machine that discussed information account the customer’s account that someone else can listen too.
- Represent yourself as an attorney or someone other than yourself.
- Say “I’m going to call you until you pay.”
- Call a number back numerous times a day.
- Not provide the HQ 800 number to customers when they request it.
- Leave a business card or outside visit notice anywhere that isn’t in a protected envelope.
- Send collection letters to the place of employment.
- Send handwritten collection letters.
- Use texting as a form of communication with a customer.
- Use social media as a form of communication with a customer.

Proactive Prevention of Delinquency

The best way to control delinquency is to prevent as many accounts as possible from becoming delinquent in the first place.

Loan Closing

- Explain the terms of the contract and company expectations clearly on EVERY loan.
- Ask the customer if they understand and AGREE on how the account is expected to be handled. WAIT for a response.
 - If they say YES, you must hold them accountable for what they agreed.
 - If they say NO, do not make the loan!!

When taking Payments

- Keep GOOD INFORMATION: ASK the customer to provide YOU with information.
 - Address
 - Phone #
 - Paydays
- What is the due date?
 - If paying early-Say “THANK YOU!”
 - If paying late, review CONTACT activity.
 - Were they promised for today?
 - Did they CALL US on or before the due date?
- SOLICIT cash available-DON’T miss increase opportunities based on # of payments and handling of accounts.
- Next Payment should be set for a promise, BASED ON PAYDAY. (Exception is a customer that ALWAYS calls/pays by due date)
- EXPECT CURRENT or a PLAN for CURRENT!

Promises

- INFORMATION: ASK the customer to provide YOU with information
- What is the due date?
 - Did THEY call us? THANK YOU!
 - WE CALL them? ASK WHY they did not call! CORRECT FUTURE!
- Do they have \$\$\$ available?
 - YES: SOLICIT cash available to SAVE PAYMENT! and keep account from being past due.
 - IF Customer declines: Can extend to NEXT payday and advise if they are unable to make that payment, we will still expect the account current that day by refinance.
 - NO: Can extend to NEXT payday. Anything further out is to be referred to the manager.
- Does the promise MAKE SENSE to when the customer GETS PAID? If not, an explanation must be provided in the contact notes.
- EXPECT CURRENT or a PLAN for CURRENT!

Refinances/Increases

Accounts should not be refinanced or considered for an increase in their high credit amount if they do not handle the account as agreed on their existing contract. There should be limited collection efforts needed for repayment of their existing loan.

We have strict requirements on how the first 3 loans a customer has with our company are handled to be eligible to be refinanced or to be considered for an increase in their high credit amount.

It has been proven through the many years that we have been in business if a customer handles the first year of doing business with us as expected they will generally be a long-term and profitable investment for the company.

- **Loan 1**-The 1st loan the customer has ever had with our company.
 - Cannot be refinanced unless and until 4 payments are made on time.
 - We WILL NOT make a 2nd loan to a customer that does not make the payments on their 1st loan ON TIME or CALL US before their due date if they need to be late.
 - If/when the 1st loan is refinanced, fully explain the transaction to the customer and verify they understand:
 - They are receiving a second loan from the company.
 - A part of the proceeds from the second loan is being used to pay off their first loan.
 - They will ONLY receive the proceeds amount remaining.
 - The total balance they will be responsible for paying.
- **Loan 2**-The 2nd loan the customer has ever had with our company.
 - Should not be refinanced until 3 full payments are made on time.
 - IS NEVER allowed to pay to refinance (aka- a NO CASH refinance)
 - We WILL NOT make a 3rd loan to a customer that does not make the payments on their 2nd loan ON TIME or CALL US before their due date if they need to be late.
- **Loan 3**-The 3rd loan the customer has ever had with our company.
 - Cannot be refinanced until 2 full payments are made on time.
 - Is NEVER allowed to pay to refinance (aka-a NO CASH refinance)

Managing Delinquency

Accurate customer information and expecting customers to honor their due date are most essential to managing delinquency.

The further past due the account becomes, the more difficult it is to collect. Expectations should be set up when the loan is made, so accountability for honoring how they agreed to handle their account must start the first day the account becomes past due.

- When speaking with any customer, always verify and update information.
- Ask the customer to provide YOU with information. This allows you to verify you are speaking to the customer. Pull the correct account up in the computer and confirm that we have the correct information. (Including Pay Date frequency and BRING HOME PAY, per pay date)
- Say the ACTUAL DUE DATE during conversations with the customer. This reinforces the importance of the DATE the payment was or is expected.
- THANK every customer that DOES pay OR CALLS the office on or before the due date!
- An extension is a privilege we CAN grant to a customer that honors the agreement made at the time the loan was processed, by calling the office on or before the due date. We are under NO obligation to extend a payment; we can do so as a courtesy.
- Ask for and expect the customer to pay the total amount past due. If the customer is not able to pay the total amount due, special arrangements will need to be made with the manager which includes a PLAN to get the account CURRENT).
- Offer the refinance possibility when it is available, to get a past due account current.
- Do NOT set a promise date for a customer that you do not **AGREE** to grant. **A promise must make sense with the information we have on the customer's account, AND you BELIEVE the customer will keep it.** If not.... ASK questions until it does OR advise the customer, they will need to visit the office and speak with the manager to discuss any possible extensions. **A Broken Promise is NOT acceptable!**
- **ALWAYS DOCUMENT EVERYTHING:** the details of agreements and any other information you obtained during the conversation, i.e., additional income, second job, change in job or pay date, etc. This allows you to better hold the customer accountable if the commitment is not kept.

Recording Contact

All attempts and contacts with or about a customer must be thoroughly documented with specific detail in the account.

We are required by law to document all income and outgoing communication with a customer. Contact codes are used to ensure consistency throughout the company. Accurate and detailed documentation is expected on all accounts. You **MUST** document all communication using the correct contact codes.

Contact Codes

	Promises										
	Customer Initiated Contact			WE call				OTHER			
	CALL from CUSTOMER	CALL from SPOUSE	OFFICE VISIT	To CELL	To JOB	to RES	to SPOUSE	Mail Loan	200		
pay in office	127	139	128	320	220	120	135				
pay or renew	131		130	123	123	123					
renew	229			322	222	122					
mail	227	140	228	321	221	121	136				
drop	129			324	224	124					
advise	142	138		326	226	126	137				
Letter	134										
Refused Arrg.				207	107						

COLLECTION EFFORTS						
	Cell	Job	Res	Spouse	Relative	N.B Ref
LM w/person	303	203	103	104	109	108
LM on vm	311	211	111			
NA	301	201	101		209	208
# Disc	105	205	105			
# Busy		202	102			
Refuses call		241	141			
Off/Vacay		210				
NLE		206				
No Msgs		242				

Confirm Promise	125
Call from Cell	89
Call from Home	190
Jacket Work	99
Home Visit	60
Job Visit	70

SOLICITATION	
LM vm	159
NA	160
Not Interested	161
DNC-not interested	162
Maybe-no promise	163
YES-with promise	164

Accounts that are further past due require more specific and diligent effort to make contact. Each account MUST be worked with URGENCY and to conclusion. All your ability, skill and total imagination must be called upon to contact and collect every account that is collectible-NO EXCUSES!!

- Call when & where customers can be reached. Home-Cell-Job-Spouse-Parents-Children
- Leave the type of message that will get a RESULT.
- Take accounts home to be worked, as often as needed, if you cannot make contact during business hours. (Code 190)
 - Monday - Saturday 8a-9p
 - Sunday Noon - 6p
- Welfare Visits, as necessary. (Code: 60-Residence/70-Job)
- Review and use ALL information IN THE COMPUTER
 - Local Creditor Inquiry-call for updated rating and/or other contact information.
 - Referring Customer or family members that are customers-call for HELP, not to leave a message.
 - Can they help the customer with paying the account?
 - Can they get the customer on the phone for you?
 - Employer
 - Still employed attempt to obtain shift, dept, direct contact number. Something that will help you figure out the BEST TIME to attempt contact.
 - NLE-get termination date and ask if they know where they may be working now.
- Pull the last loan contract from the DAILY WORK the day the loan was made to see if the customer wrote down a different residence or job phone number.

When you get to this point, you don't STOP until you reach the customer and get them promised or they tell you they are not going to pay; you are confident you got quality information that will get you in touch with the customer; or you have completed everything with no success and determine the account uncollectable! You GENERALLY should not have to work a jacket multiple times.

- Work the Jacket- (Screen print & document all efforts/results to keep in the jacket.) Summarize your efforts in the computer using code 99.
 - Review ALL applications for any information that is not already in the computer.
 - Call creditor for updated rating and/or contact info.
 - Call Landlord-verify residence and ask questions for possible information about the situation, job, spouse, etc.
 - Call references. ASK QUESTIONS and/or leave the type of message that will result in a CALL BACK. Enter good/quality references in the computer for future reference/follow up.
 - CALL previous jobs-did the customer return to this job? Anyone at that job knows the customer or how we could reach them.
 - Pull update Credit report-with DIRECT Checkbox marked.
 - Review for possible address, job, or phone number
 - Review credit and compare with prior reports pulled. (Call any available creditors for information)
 - Are other creditors being paid?
 - New creditor or inquiry?
 - Web Links on Bixelweb.com, i.e. Fastpeoplesearch.com-call all relevant available numbers.

Special Circumstances

During a relationship with a customer, circumstances may arise that require the account to be handled in a special manner. Outlined below are some of these special circumstances. If you meet any other situation that you are unsure how to handle, ALWAYS contact your supervisor or HQ before continuing with additional collection efforts.

Attorney Representation

If a customer says they are represented by an attorney for any reason, OR a letter is received from an attorney saying they represent the customer, confirm the representation and the type of representation (regarding the account, bankruptcy, or some other matter).

- Ask the customer for the attorney's name and contact information.
- Cease any form of communication with the customer until the representation and type of representation can be confirmed.

NOTE: If the customer is represented by an attorney for **any reason other than bankruptcy**, refer the account and all documentation of the audit department at HQ.

Bankruptcy

When a customer files for bankruptcy, all collection activity must cease. The bankruptcy laws impose an automatic stay on such collection activity.

If a customer or attorney notifies the office that the customer has filed bankruptcy:

- Make one final attempt to resolve the account with the customer. Does the customer want to re-establish their credit?
- **Obtain** from the customer or attorney the:
 - Case number.
 - Type of bankruptcy (Chapter 7 or 13).
 - Attorney's name and contact information.
- **Cease all collection activity.**
- **Confirm the bankruptcy with the customer's attorney.**
- **Once we receive confirmation, submit the information to HQ.**
- **Upon completion, HQ will make required entries to the account and notify the office the account will be charged off at the end of the month as bankrupt.** Your cut will increase by the amount of the bankrupt account charging off, if the account was not previously in your cut or 4s.

NOTE: If the bankruptcy cannot be confirmed, collection activity may be resumed.

Debt Consolidation

If a customer says they are filing debt consolidation, OR a letter is received from a company saying they represent the customer.

- Ask the customer for the name and contact number of the company; and if the company is charging them a fee to consolidate their debt. It is preferred to work with not-for-profit companies.
- Ask the customer if they are aware how debt consolidations can negatively affect their credit and if the customer is willing to work with us directly instead.
- Attempt to resolve the account with the customer. If necessary, make special payment arrangements to allow the customer to keep their credit with the company.

- If the customer chooses to continue with debt consolidation, refer the account and all documents to the audit department at HQ.

Cease and Desist Letter Received

If a customer sends you a cease-and-desist letter, all collection activity must be STOPPED.

- Notate the customer's account and place a copy of the document in the customer's loan jacket.
- Refer the account and all original documents to the audit department at HQ.

Deceased

If you are notified of one of your customers is deceased. Contact the spouse or relative to:

- Request obituary or documentation for verification to be placed in the customer's loan jacket.
- Determine if the customer had insurance and will pay the account.

Notate the account in the computer:

- Edit:
 - Customer Information Screen:
 - Last Name: Add 'Dec' or '85' at the end of the name.
 - DO NOT CHECK the deceased box!
 - Mail Setting: Change to NO MAIL
 - Loan Details: Change HC to ZERO
- Contact/Promise Section
 - Collection Code 85: Deceased
 - Date to charge off.

Welfare Visits

There are times when it may be necessary to visit customers in the field to check on the customer's welfare and/or to re-establish contact.

The safety of our team is our top priority.

- Do not stop anywhere you do not feel is safe.
- NEVER go inside a customer's home
- If you are unable to speak to the customer
 - Attempt to obtain information to contact the customer.
 - Only leave a business card (or pre-approved visit letter) in a SEALED envelope with the customer's name written on the outside of the envelope.
 - Do not leave anything IN or ON a customer's mailbox!

Outside Visit Sheets must be completed to ensure the safety of the person going out into the field. (See example)

PRIOR to leaving the office:

- A complete list of the customers you plan to visit is to be documented on the Daily Call Sheet, in the order you are going to visit, along with the time leaving the office.
- The list is to be kept in the office to ensure the manager/team is aware of where the employee is. This allows us to know your route in the event there is any issue.

At EACH stop

- Call the office to update them on the results of the visit.
- The office manager (or team member) is to DOCUMENT the account (Code 60) in the computer AND on the Daily Call Sheet, at the time of the call in.

Upon RETURN

- Document time back in the office
- Scan completed document to the supervisor.
- A copy of the Daily call sheet is to be placed in the daily work of BOTH the office & HQ.

Sample of Completed Daily Call Sheet

DAILY CALL SHEET						
Sam Williams Field Representative			Date 12/9/22 F22 Office Identification Stamp			
			(Original only. Retain in office files for Supervisor's review. Do not destroy for twelve (12) months.)			
ACCOUNT NUMBER	NAME OF ACCOUNT	UNPAID BALANCE	CLASS OF DELINQUENCY	NO RESULT	PHONE:	IMMEDIATE RESULTS
						CALLED OFFICE
SPECIAL REPORT ON DELINQUENT ACCOUNTS WORKED. APPLICATIONS LOOKED UP. MISCELLANEOUS CALLS.						
1 1237	Joe Dirt	2317.58	3	X	spk to cust PVO 12/10 Left card w/Minnie got new # no cars home LL in door	
2 1458	Micky Mouse	1873.25	2			
3 1385	Clark Kent	873.15	3			
4 1025	Peter Parker	1528.17	1	X	Called office & Pd w/DC	
5						
6						
7						
8						
9						
10						
11						
12					CALL office @ EACH STOP to update	
13					Office complete at time of visit & document the account in computer	
14	Complete PRIOR to leaving the office. Accts should be listed in the order they will be visited					
15						
16						
17	Leave on desk to be updated at each visit by office					
18						
19						
20						
21						
RECAP OF DELINQUENTS WORKED		#	TOTAL IMMEDIATE RESULTS	% TOTAL RESULTS		
DELINQUENTS WORKED (Excluding SKIPS, 2 & 3 MONTH ACCOUNTS)			XXXX	# APPLICATIONS LOOKED UP	XXXX	
STATUS ACCOUNTS WORKED			XXXX		XXXX	
TOTAL DELINQUENT CALLS & RESULTS			Fill in time returned to office			XXXX
LOSS ACCOUNTS WORKED			XXXX		XXXX	
TOTAL INQUIRIES ON SKIPS			XXXX	MISCELLANEOUS CALLS	XXXX	
TOTAL ALL DELINQUENT CALLS			XXXX	TOTAL ALL CALLS	XXXX	
LEFT OFFICE LEAVING	2:15p	RETURNED RETURN	LEFT OFFICE MILES DRIVEN FOR BUSINESS	RETURNED MILES THIS MONTH	LEFT OFFICE TOLLS \$	RETURNED BUS FARE \$
APPROVED Field Representative		APPROVED Collector Manager		APPROVED Manager		

Welfare Visit Letter

This letter can be printed on your 'From the Desk of' tablet, in either English or Spanish.

A representative from our office came by today for a Welfare Check visit.

Unfortunately we have lost communication with you, and would like to re-establish communication to discuss options to assist you in resolving your past due account and salvage your credit with our company.

Please call or come by our office today.

Thank you.

Due Date:

Amt Past Due:

Un representante de nuestra oficina lo visito el dia de hoy
com a visita de bienestar.

Desafortunadamente, hemos perdido comunicación con usted, y quisieramos re-establecer la comunicación su cuenta vencida y salvar su crédito con la compañía.

Por favor llame o visite la oficina hoy.

Gracias.

Fecha de vencimiento ____/____/____

Cantidad vencida \$_____

Quality Control

The office manager must ensure that all employees are meeting expectations by reviewing the quality of the work performed by their team, providing coaching and training, as necessary.

To ensure quality is met, the manager must:

- Listen to the quality of phone conversations with customers.
- Review the collection efforts each day to verify the quality of work and an urgency to contact the customer.
 - Are broken promise fall outs worked as required?
 - Are New Loans being worked as required?
 - Are the calls made at the right time, to the right place?
 - Are calls being made to the spouse? Job?
 - Does a PM call need to be scheduled?
 - Do References need to be called?
 - Does a welfare visit need to be scheduled?
 - Does the Loan Jacket need to be pulled and worked?
- Review the promises set up each day to verify the quality of the promise.
 - Does the promise make sense?
 - Have there been previous promises not kept?
 - Was the account over-extended?
 - Was the possibility of refinance discussed, if available?

Delinquency Category Definitions, and Collection Classification

Justice uses the contractual method of classifying delinquency. The delinquency period for the month does not end on the last day of the calendar month, it is extended until 8:30a on the first Monday after the first Friday of each month to allow time to achieve or exceed company standards.

Delinquency Category Definitions

1's for the current month (*aka. Mispay*)-a borrower who has any part of a payment due for the current month, and will become delinquent at the end of delinquency, if a payment is not received. (Example: It is January. Any customer due for the month of January would be in this delinquency category).

Next Month's 2 (*aka 1's-1 PAYMENT is past due*)-a borrower who has any part of a payment due from the previous month, at the end of the current month's delinquency period. (Example: It is January. Any customer with a payment due for the month of December would be in this delinquency category)

Next Month's Cut (*aka 2's-2 PAYMENTS are past due*)-a borrower who has any part of a payment due for 2 months previous at the end of the current month's delinquency period. (Example: It is January. Any customer with a payment due for the month of November would be in this delinquency category).

Opening Cut (*aka 3's-3 PAYMENTS are past due*)-a borrower who has any part of a payment due for 3 months previous at the end of the current month's delinquency period. (Example: It is January. Any customer with a payment due for the month of October would be in this delinquency category).

4's +-4 or more PAYMENTS are past due)-a borrower who has any part of a payment due for over 4 months previous at the end of the current month's delinquency period. (Example: It is January. Any customer with a payment due September or prior would be in this delinquency category).

Ending Cut-Remaining amount of Opening Cut, minus any account that has paid from your 4's+ at the end of the current month's delinquency period.

NOTE: Ending cut is a DIRECT EXPENSE to the office. The office profit is reduced by this amount.

Delinquency Classifications in the Computer

Accounts are classified in the computer based on the actual contractual due date. Account ageing is calculated DAILY and advances classification based on the date the payment was due.

The collection work is sorted in the computer using this classification.

Collect Account

Basic Options File (Max Record) AG (423) <input type="button" value="▼"/> Record 1 <input type="button" value="▼"/> Direction forward <input type="button" value="▼"/> Age 1 <input type="button" value="▼"/> <input type="button" value="Work Basic Option"/>		Advanced Options <input type="button" value="show/hide options"/> Payment Due On 02/28/2023 <input type="button" value="Display All"/> Promise Made On 02/28/2023 <input type="button" value="Display All"/> Promises promises due 1-2 days ago <input type="button" value="Work Promises"/> Last Stop <input type="button" value="Work Last Stop"/>																																									
Last Called <table border="1"> <thead> <tr> <th>Age</th> <th>Last</th> </tr> </thead> <tbody> <tr><td>1 Month</td><td>Never</td></tr> <tr><td>2 Month</td><td>Never</td></tr> <tr><td>3 Month</td><td>Never</td></tr> <tr><td>4 Month</td><td>Never</td></tr> <tr><td>5 Month</td><td>Never</td></tr> </tbody> </table>		Age	Last	1 Month	Never	2 Month	Never	3 Month	Never	4 Month	Never	5 Month	Never	Accounts Worked Today <table border="1"> <thead> <tr> <th>Current</th> <th>1 Month</th> <th>2 Month</th> <th>3 Month</th> <th>4 Month</th> <th>5 Month</th> <th>Total</th> </tr> </thead> <tbody> <tr><td>AG 326 4%</td><td>emp# 15 58 101%</td><td>emp# 07 5 80%</td><td>emp# 07 4 75%</td><td>emp# 07 3 100%</td><td>emp# 07 8 62%</td><td>emp# 07 89/404 22%</td></tr> <tr><td>HO 278 6%</td><td>emp# 11 43 102%</td><td>emp# 37 9 100%</td><td>emp# 37 7 100%</td><td>emp# 37 2 50%</td><td>emp# 37 2 100%</td><td>emp# 37 82/341 24%</td></tr> <tr><td>PZ 307 17%</td><td>emp# 15 45 100%</td><td>emp# 15 3 100%</td><td>emp# 15 4 25%</td><td>emp# 15 6 100%</td><td>emp# 15 115/371 30%</td><td>emp# 15 266/1116 25%</td></tr> </tbody> </table> <p>Note: totals include accounts that will be skipped (demanded, bankrupted, deceased and promised)</p>		Current	1 Month	2 Month	3 Month	4 Month	5 Month	Total	AG 326 4%	emp# 15 58 101%	emp# 07 5 80%	emp# 07 4 75%	emp# 07 3 100%	emp# 07 8 62%	emp# 07 89/404 22%	HO 278 6%	emp# 11 43 102%	emp# 37 9 100%	emp# 37 7 100%	emp# 37 2 50%	emp# 37 2 100%	emp# 37 82/341 24%	PZ 307 17%	emp# 15 45 100%	emp# 15 3 100%	emp# 15 4 25%	emp# 15 6 100%	emp# 15 115/371 30%	emp# 15 266/1116 25%
Age	Last																																										
1 Month	Never																																										
2 Month	Never																																										
3 Month	Never																																										
4 Month	Never																																										
5 Month	Never																																										
Current	1 Month	2 Month	3 Month	4 Month	5 Month	Total																																					
AG 326 4%	emp# 15 58 101%	emp# 07 5 80%	emp# 07 4 75%	emp# 07 3 100%	emp# 07 8 62%	emp# 07 89/404 22%																																					
HO 278 6%	emp# 11 43 102%	emp# 37 9 100%	emp# 37 7 100%	emp# 37 2 50%	emp# 37 2 100%	emp# 37 82/341 24%																																					
PZ 307 17%	emp# 15 45 100%	emp# 15 3 100%	emp# 15 4 25%	emp# 15 6 100%	emp# 15 115/371 30%	emp# 15 266/1116 25%																																					

Current-Borrower's payment is NOT due.

1 Month-Borrower's payment is 1 day to 29 days past due based on the date the payment was due.

2 Month-Borrower's payment is 30 days to 59 days past due, based on the date the payment was due.

3 Month-Borrower's payment is 60 days to 89 days past due, based on the date the payment was due.

4 Month-Borrower's payment is 90 days to 119 days past due, based on the date the payment was due.

5 Month-Borrower's payment is 120+ days past due, based on the date the payment was due.

This means that a customer could be in your 3 Month classification in the computer but be included in your Next Opening Cut (aka. 2's) Delinquency Category.

Example: It is January's delinquency period, which does not end until the first Monday at 8:30a after the first Friday of the NEXT MONTH. On February 3 you are still in January's delinquency. Your customer is due from November 30th and December 30th (2 payments) placing them in the Next Opening Cut (aka 2's) Category of Delinquency. However, the payment is 63 days past due placing the account in the 3 Month Collection Classification.

- November 30th the customer was Current Classification in the computer.
- December 1st the customer moved to the 1's Classification in the computer.
- December 31st the customer moved to the 2's Classification in the computer.
- January 31st the customer moved to the 3s Classification in the computer.

Company Standards and Operational Goals

The company has proven operational goals and standards to ensure that each office is profitable and are expected to be consistently met.

Lending and Growth

New Loans Made Monthly Goal is a minimum of 1 per working day.

Former Borrowers Made Month Goal is a minimum of 25 each month.

Volume-Gross total of all Loans Made: Standard varies per month based on historical seasonal business flow. The monthly standards for each month of the year are provided to the office at the beginning of each year.

Account gain-The goal is to have an annual minimum growth in accounts of 5%.

Delinquency Control

New Loans Made: The Current Rate Goal is 80%+ of all new loans made for the month.

Former Borrower Made: The Current Rate Goal is 90%+ of all FB loans made for the month.

Dash 1 (1st Loan) Current Rate Goal is 80%+ current of all dash 1 loans in the office.

Dash 2 (2nd Loan) Current Rate Goal is 85-90%+ current of all dash 2 loans in the office.

Dash 3 (3rd Loan) Current Rate Goal is 90-95%+ current of all dash 3 loans in the office.

1's for the current month (aka. Mispay) Promise Rate Goal is 80%+ of all 1's for the current month.

Delinquency Standard

All standards are based on the Outstanding Balance of the office at the beginning of each quarter. (January, April, July, October).

- Cut- 0.83%
- 2's (aka: Next Month's Cut): Cut standard x 1.5
- 1's (aka: Next Month's 2's): Cut standard x 2

Example: Outstanding balance beginning January 1 is \$500,000.

- Cut standard calculation: $\$500,000 \times 0.83\% = \$4,150$ standard
- 2's (aka: Next Month's Cut): $\$4,150 \times 1.5 = \$6,225$ standard
- 1's (aka: Next Month's 2s): $\$4,150 \times 2 = \$8,300$ standard

Legal and Compliance

Introduction

The consumer finance industry is governed by both State and Federal Laws. Justice Finance Company requires all employees to abide by both State and Federal mandates.

The Corporation has designated the head of the Compliance Department as the **Privacy Officer, Shelley Webster**, to coordinate the information security program.

Every employee must familiarize themselves with both State and Federal laws and regulations. This section will cover the Federal laws by which we operate and the State regulations we are required to follow in the State of Texas.

For greater detail of the legal and compliance environment in which the company operates, see our Compliance Manual.

Third Party Relationships and Customer Information

The Corporation takes customer information security very seriously. The Corporation also takes our customers' privacy very seriously. The Corporation goes to great lengths to protect our customers' account information as well as our customers' personal information. Therefore, the Corporation expects all of its vendors and third-party service providers to take our customers' information security and privacy equally as seriously. If an employee fails to follow the Corporation's policy regarding customer information security and privacy it will be grounds for termination. In addition, if a vendor or third-party service provider fails to protect our customers' information and privacy it may result in the severance of that relationship.

When entering into a contract with a vendor or service provider, the Corporation will ensure that they are compliant with Corporation standards regarding the protection of our customers' information and privacy. The Corporation may require vendors to complete a "Vendor Checklist" prior to the Corporation entering a contract. As necessary, each vendor will provide the Corporation its privacy policy, its procedures for protecting customer information, licenses, registrations, audit reports, hiring and training practices, and other compliance information as requested. Vendors that do not meet the standards of JFC will be requested to change their policies or procedures. Failure to do so will result in severing the Corporation's relationship with the vendor. Vendors must also allow the Corporation to conduct audits periodically to ensure that the vendor is not jeopardizing the customer's information or privacy.

Privacy and Safeguarding Customer Information

Maintain Policies

The Corporation maintains policies and procedures to protect our customers' information and privacy. These policies and procedures include administrative, technical, and physical safeguards.

Safeguard Sensitive Information

Information is safeguarded under such policies and procedures, regardless of whether such information pertains to individuals with whom the Corporation has a customer relationship or pertains to the customers of other organizations that have provided such information to the Corporation.

Provide Safeguards Related to Confidentiality, Information Threats, and Unauthorized Access

The Corporation's Customer Information Safety and Security Policy is designed to do the following:

- Ensure the security and confidentiality of our customers' personal information and their account information.
- Protect against any anticipated threats to the security of our customers' personal information or their account information.
- Protect against unauthorized access to our customers' personal information or their account information.
- The Corporation will **identify risks** to our customers' security through management procedures, supervisor review, auditing, and employee feedback. Measures will be taken to eliminate or minimize any risks that could cause any unauthorized disclosure, misuse, alteration, destruction, or compromise of our customers' personal or account information.

Assess the Sufficiency of Safeguards

The safeguards put in place by the Corporation to protect our customers' private information will be routinely assessed in several ways including:

- Employee training, management, and monitoring.
- Monitoring information systems including computer network and software design, information processing, storage, and transmission.
- Monitoring disposal and deletion of customers' private information.
- Detecting and preventing unauthorized access to our computer systems and customers' private information.
- Monitoring measures used to prevent or mitigate harm to the customer when any private information may be compromised.

Oversee Service Providers

The Corporation oversees service providers by:

- Selecting and retaining service providers that have appropriate safeguards to protect our customers' private information.
- Requiring our service providers to change their policies or procedures if they do not meet the Corporation's standards.

Evaluate and Adjust the Corporation's Customer Information Safety and Security Policy (CIS- SP) and the Business

The Corporation will evaluate and adjust our CISSP as a result of monitoring, circumstance, or regulation requirements. Adjustments will also be made to our operations or business arrangements if it is known that such adjustments will improve the security of our customer's private information.

Customer Information Safety & Security Policy

Generally, JFC makes consumer loans for personal, family, or household purposes. The Corporation also allows customers to finance the purchase of credit products in connection with some loans, uses vendor and service providers to conduct our business, and the Corporation may also engage in cashing checks for our customers.

To receive a loan from JFC, the customer provides an Application for Credit and other documents to the Corporation. These documents contain non-public information. This non-public information provided to the Corporation is necessary to investigate the customer's creditworthiness.

During the time in which a customer has a loan with the Corporation and after it is paid off, the customer and the Corporation may have many communications and related transactions through which the Corporation will obtain the customer's information that will be kept in the customer's loan file or will be stored in our computer system. The Corporation **MUST** protect the customer's privacy by safeguarding the customer's non-public information and their account information. The Corporation will do this by adhering to these general rules:

- The Corporation will not share or disclose customer information to third parties except as allowed by law.
- The Corporation will use customer information only for the purposes for which it was disclosed to the creditor by the customer.
- The Corporation will protect and safeguard the customer's non-public and account information from identity theft by third parties.

Safeguarding Our Customer's Information

During the Corporation's daily business, it collects personal information from our customers. The Corporation has a responsibility to protect the customer's private information and their account information.

The Corporation has determined that the highest security risks to the customer include:

- Forms, documents, reports, and loan files vulnerable to office break-ins after hours.
- Paper forms and computer systems left unattended or accessible during business hours to third parties.
- Paper forms, loan files, reports, customer information sheets carried from the office by employees.
- Paid out loan files, rejected applications, and paper forms with customer information not properly secured in the office.
- Loan files, rejected applications, reports, and paper forms with customer information that are improperly disposed of.
- Privacy of the customer during loan closings, making payments, or during telephone conversations when third parties are within the office.
- Computer system vulnerable to office break-ins after hours.
- Computer system vulnerable to electronic break-ins.

Customer Information Security Measures

To protect the customer from the above security risks, the Corporation has put in place the following policies and procedures to safeguard our customers' private information:

- Keep customer information secured in filing cabinets and clear of areas with public access.
- Keep reports and forms containing sensitive customer information secured in file cabinets or desks after hours.
- Loan files and any other documents that contain customers' private information are accessible only to staff in the office that has a need to know.
- No employee is authorized to take customer personal information from the office in any form without the approval of management.
- No employee is authorized to disclose customer non-public information to any third party without approval of management.
- Customers that contact the office for account information must be identified prior to disclosing the account information.
- Employees are responsible for making sure that unauthorized access to customer information is prevented when their work area is left unattended.
- Employees must ensure that telephone conversations that may contain customer information cannot be heard by any third party.
- Employees must ensure that any customer interviews and conversations in the office that may contain any customer information cannot be heard by any third party in the office.
- Only employees have access to computer records and files.
- Properly dispose of any information containing customer information in the designated shred bin.
 - Screen-print or other documents containing customer information: **IMMEDIATELY** upon determining we have no further business need.
 - Denied Credit applications: **25 months** from application date.
 - Paid out accounts: **4yrs** from payout.
 - Daily work: **4 yrs.**
 - P&L accounts: **7yrs** from date of charge off.
- Our computer systems can only be accessed by USERNAME and PASSWORD.
- Computer usernames and passwords are not to be posted and they are not to be disclosed to other employees.
- When any employee that has authorization to connect to the Corporation's network is terminated, that employee's username and password are blocked.
- Computer systems that contain customer information and account information shall be securely protected from unauthorized internet access.
- Anti-virus protection will be maintained on all computer systems with Internet access.
- Spyware programs will be maintained on all computer systems with Internet access.
- Firewalls are installed on the Corporation's computer network.
- Inventories of all computer systems and programs will be maintained.
- Backups of all customer and data files will be made each night and stored off-site for retention of critical documents, reports, and customer information.
- Data files and informational files will be erased when disposing of computers, disks, magnetic tapes, hard drives, or any other electronic systems that contain customer information.

- Management is to oversee procedures to detect improper disclosure or theft of customer information.
- The Corporation shall select appropriate Service Providers and contract with them to implement customer information safeguards.

The Corporation will continue to evaluate and adjust the Program in light of relevant circumstances, including changes in our business arrangements or operations or the results of testing and monitoring of the safeguards put in place.

Service Providers

This section applies to service providers who are provided access to the Corporation's customer information through the provision of services directly to us. When a service provider has access to our customers' information, the Corporation will:

- Exercise appropriate due diligence in selecting our service providers.
- Require our service providers to sign a service provider agreement. This agreement requires the service provider to take appropriate measures to meet the Corporation standards for securing our customers' information.
- Require service providers to return or properly dispose of customers' information when the relationship is terminated.
- Review the Information Security Program of any service provider that is already subject to Security Guidelines or other standards for safeguarding information as directed by their regulators. These programs must be reviewed and approved by the Corporation's management and copies of their programs must be kept in the service provider's file along with a copy of the Service Provider Agreement.
- Monitor our service providers to confirm that they have satisfied their obligations under the service provider agreement with us.
- The Corporation will make periodic on-site visits to our service providers to confirm that the service provider is fulfilling their obligations under their service provider agreement and complying with their own Information Security Program.

Information Breach or Compromise

Although our corporation maintains high standards in the protection of our customers' information, a breach of our security could result in a compromise of secure information and could potentially damage or harm our customers. The CISSP deals with how the Corporation will respond to security breaches.

Federal Laws

Gramm-Leach-Billey Act (GLBA)

The GLBA governs how financial institutions use, disclose, and protect non-public personal information. The GLBA prevents lenders from impermissibly sharing any of the customer's personal information that is non-public with third parties. The act also requires that each consumer receive a copy of our Privacy Policy at the time their relationship is established with the Company, and once per year thereafter.

Identity Theft Prevention Program

In response to Federal Trade Commission's "Red Flag Rules" for combating identity theft in connection with new, renewal and subsequent loans to former customer, institutes the following policy and procedures for detecting, preventing, and mitigating identity theft. These policies and procedures are in addition to standard operating procedures that are currently in place for new, renewal, and subsequent loans to former customers. The current standard operations procedures include positive and current identification by requiring current driver license with picture, current home, work, address, telephone numbers corresponding with Justice records and credit bureaus' records; social security number; date of birth; personal identification resulting from an on-going business relationship; comparison of pictures taken at the time of disbursement of the original loan and the person applying for a renewal or subsequent loan. The policies are interrelated with and are incorporated as a part of the Identity Theft Prevention Program/Policy & Procedures. These current stand operation procedures will help prevent and/or detect identity theft.

Employee General Awareness for Identifying Potential Identity Theft Behavior

It is the policy of JFC that all employees in each loan office have a heightened sense of alertness of action, behavior and activities of customers related to identity theft. The following categories are meant to serve as a general guide in observing actions, behaviors and activities of customers relating to identity theft. These are termed by the FTC as "Red Flag Categories."

- Alerts, notifications, or warnings from a consumer reporting agency
- Suspicious documents
- Suspicious personally identifying information, such as a suspicious address.
- Unusual use of suspicious activity relating to a covered account; and
- notice from customers, victims of identity theft, law enforcement authorities, or other businesses about possible identity theft in connection with covered accounts.

Employee Response to Potential Identity Theft Behavior

Loan Employees in verifying customer's identity, authenticating customers, monitor transitions or verifying changes of address, etc. may come across puzzling or suspicious circumstances. It is the policy of JFC that upon detection of such puzzling or suspicious circumstances or potential, threatened, or attempted or actual identity theft, the matter is to be brought immediately to the attention of the Office Manager. **No employee under the direction of an Office Manager has authority to respond to potential, threatened, attempted or actual identity theft on behalf of Justice Finance Company.** The office Manager will immediately contact and inform senior management and follow up with an email outlining the reported circumstances.

Preventing and Mitigating Identity Theft

It is the policy of Justice Finance that Managers and Loan Office Employees receive in-house education and training on Identity Theft. Educating the employees on identity theft and what to be aware of will help to prevent such activity. When puzzling, suspicious circumstances of potential, threatened, attempted or actual identity theft is discovered, the Office Manager, in conjunction with senior management shall determine the appropriate response to make, which may include but is not limited to: contacting the customer, monitoring an account, closing an account, not opening an account, and/or reporting the activity to law enforcement, etc.

Fair Lending Policy

JFC's Fair Lending Policy is based on the laws set forth in the Equal Credit Opportunity Act (ECOA) and Regulation B. Our Fair Lending Policy prohibits discrimination against any individual regarding race, color, religion, national origin, age, marital status, sex, receiving public assistance, or because the applicant has, in good faith, exercised any right under the Consumer Protection Act.

Statement of Credit Denial Regulations

Per ECOA, a decision on any loan must be made within 30 days, However Company policy dictates a decision is to be made within 1 hour or less from the time the application is submitted.

When credit is denied, follow these guidelines:

- A Credit Denial notice must be sent if:
 - A loan request is denied.
 - The application is incomplete.
 - An applicant rejects any loan offers when approved for a loan of a lesser amount than the amount for which they applied.
 - An existing customer rejects a loan refinance after being denied an increase in their loan amount.
NOTE: Approved for a lesser amount.
- Written notification must be given within 30 days. A customer may not be provided oral notification in lieu of written notification. It is the Company policy to send credit denial notices on the day of the decision.
- A Statement of Credit Denial must include ALL the following information:
 - Name and address of who is being denied.
 - An explanation of what action is being taken.
 - The ECOA notice clause explaining the FTC enforces this law.
 - The source from which the information was obtained resulting in the denial of credit.
 - Name and address of the credit bureau if a credit report was pulled.

Fair Credit Reporting Act (FCRA)

All customer accounts of Justice Finance Company are reported via computer to Experian Credit Information Services. With this, it places the responsibility of accuracy on our shoulders. If a customer disputes the accuracy of the information reported to the credit bureau by the Company, an investigation must be conducted. All disputes must be investigated, and a response must be provided within 30 days. If necessary, any information will be updated with the credit bureau. All disputes are handled by headquarters.

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Title X overhauled consumer financial services regulation, imposed authority to regulate “unfair,” “deceptive,” and “abusive” activity, and transferred regulatory authority to the Consumer Financial Protection Bureau (the CFPB).

The CFPB has authority to define and prohibit unfair, deceptive, and abusive acts or practices (UDAAPs) with respect to interactions with consumers. UDAAPs can cause significant financial injury to consumers, erode consumer confidence, and undermine fair competition in the financial market.

Standards for Assessing UDAAPs

A representation, omission, act, or practice is *deceptive* when:

- The representation, omission, act, or practice misleads or is likely to mislead the consumer.
- The consumer’s interpretation of the representation, omission, act, or practice is reasonable under the circumstances.
- The misleading representation, omission, act, or practice is material.

An act or practice is *unfair* when:

- It causes or is likely to cause substantial injury to consumers.
- The injury is not reasonably avoidable.
- The injury is not outweighed by countervailing benefits to consumers or to competition.

An act or practice is *abusive* when:

- It materially interferes with the ability of the consumer to understand a term or condition of a consumer financial product or service.
- It takes advantage of:
 - A lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service.
 - The inability of the consumer to protect its interests in selecting or using a consumer financial product or service.
 - The reasonable reliance by the consumer of a covered person to act in the interest of the consumer.

Examples of Unfair, Deceptive and/or Abusive Acts or Practices:

- Collecting or assessing a debt and/or any additional amounts in connection with a debt (including interest, fees, and charges) not expressly authorized by the agreement creating the debt or permitted by laws.
- Not posting payments timely or properly or to credit a consumer’s account with payments that were paid on time and then charging late fees to that consumer.
- Falsely representing the amount or legal status of the debt.
- Misrepresenting that a debt collection communication is from an attorney.
- Misrepresenting that a communication is from a government source or that the source of the communication is affiliated with the government.

- Misrepresenting whether information about a payment or non-payment would be furnished to a credit reporting agency.
- Threatening any action that is not intended or that you do not have the authorization to do.

Truth in Lending Act (TILA)

The TILA is implemented by Regulation Z. A primary purpose of the TILA is to make sure consumers are informed when they use consumer credit by requiring the creditor to disclose the terms and the cost of the credit they are extending to the customer. The terms and the cost of the credit must be done in a meaningful way so consumers can shop around and compare rates and costs. All creditors must use the same terminology and expressions of rates when disclosing credit information to the consumer.

Truth in Caller ID Act

The Federal Communications Commission (FCC) enforced the Truth in Caller ID Act. This act prohibits individuals and companies from engaging in call ID spoofing for the purposes of defrauding, deceiving, or otherwise causing harm to a consumer. The rules of the Truth in Caller ID Act are as follows:

- Any individual or corporation is prohibited from transmitting misleading or inaccurate call ID information with the intent to defraud, deceive, or cause harm to a consumer or to wrongfully obtain anything of value.
- Violators are subject to a penalty of up to \$10,000 for each violation of the rules.

Labor Laws

Federal Labor Law posters should be displayed for all businesses. Notices (posters) must be displayed in a place both easily accessible and visited on a daily basis by employees, such as break rooms or other areas where employees gather. Posters must be conspicuously shown so that employees can easily and conveniently read the contents.

Required Posters

- Employee Rights Notice
- Equal Employment Opportunity posting
- USERRA posting.
- OSHA, “it’s The Law” posting.
- Employee polygraph posting.
- Fair Labor Standards Act posting-minimum wage.
- Family & Medical Leave Act posting.
- Military Family Leave Notice.
- Employee Payday Notice.

State Laws

In addition to Federal regulations, the Company must adhere to all laws and regulations put forth by the state in which we conduct business.

Governing Agency

Finance Businesses are regulated by the Office of Consumer Credit Commission (OCCC)-Austin, TX.

State Specific Posters Required:

- Workers' Compensation Posting.
- Earned Income Tax Credit.
- Unemployment Poster

Regulatory Agents from the OCCC conduct periodic audits of our operations to ensure we are following the statutes outlined by the Texas OCCC Regulations, Section B-Article 3.16 Loans.

State Audit Examination

When a state examiner arrives to perform an audit of your office:

- Ask for identification.
- Advise the supervisor and HQ.
- Provide the examiner with an alphabetical list of your customers and any other requested information or documents.

If any questions are asked of you about a process, procedure, or potential violation, and you are unsure of the answer, contact your supervisor for assistance.

Upon completion of your examination a report of the findings will be accessible online by HQ. You will be provided with a copy of the report from HQ, which is to be kept in your State Audit File.

Management Reports

Computer System Reports

Office management has access to reports in the computer to ensure the office is on target with expected company goals and standards and to verify the quality of work of the office staff.

Below is a list of some of the available reports and how they can be used to evaluate and impact specific areas of operations.

Report	What it Shows	Impact Area
Significant Events	All activity for date/range for all employees TIME employee logged in for the day HC Changes (OK with changes?) Information changed: fraud, info updated FB opened PO over 180 days Screen prints: policy FBs/Increase, selling customer names (if excessive) Credit reports pulled (expense control) Mass/PO mail sent Daily letters ran	ALL
Today's Business	Review of daily work: production per employee (prior to closeout) After close out: (date/range): Info updated, solicitation, next pmt. set up, special letter sent, HC increases	ALL
Loan Analysis	# NL/FB made date range Current rate NL/FB date range NL Source Code entered	Growth/Volume Delinquency Info Accuracy
Payment Due	Accts coming due (on a specified date or date range) Coming due w/\$ available (range)	Delinquency Volume
1st payment Missed	1st payment default loans on a specific date or date range	Delinquency Credit Judgement Quality Loan Closing
Charge Off	Trend of losses (D1, D2, long term, etc.)	Delinquency/Growth Credit Judgement
Predicted C/O	Accts to be lost if not collected	Delinquency/Growth Credit Judgement
Mail Settings	Accts marked w/No mail (fraud, updating info, future solicitation loss, etc.)	ALL
Call back Reminder	Proper use of function Not removing outdated reminders	Delinquency Info Accuracy
Contact Report	Efforts per employee-contacts/promises Solicitation efforts calls Use of Special Letters Calls from Cell PM Calls Visits Last contact effort time. Email loans generated	Delq/Volume Volume Delq/Volume Delinquency " " " " " " Volume/Lending
Promise Analysis	Promises set for the day Broken Promises for the day Date/Range: # promise set/broken/percent	Delinquency
Raise Analysis v2	Raise List Option: Potential missed increase	Volume/Growth

	Date last Raised Option: Accts INCREASED	
Delinquency Movement	<p>By office or by Section</p> <p>Opening delinquency information (Past due: dated 1st of month) Thursday PM (Friday morning) info for HQ (Past due: dated Thurs) Mr. Bs Report (ALL: dated 1st of the month) 1s (this month) # and % promised (dated yesterday) Projections (1M, 2M, 3M: dated 1st of month) 1-10 promised (1-1-10 days: dated yesterday) 90-95% goal 11+ promised (11+ days: dated yesterday) 80-85% goal D1 Current rate (Age ALL: dated yesterday Loan 1 to 1) goal 80%+ of current + 1s D2 Current rate (Age ALL: dated yesterday Loan 2 to 2) goal 90%+ of current + 1s D3 Current rate (Age ALL: dated yesterday Loan 3 to 3) goal 92%+ of current + 1s</p>	Delinquency

Manual Reports

JFC requires specific reports to be completed and turned in to the Supervisor or HQ at specified times in a specified manner. These reports are subject to change, based on operational needs.

The supervisor may have additional report requirements for their district, or specific offices, based on operational or performance needs.

Report	Purpose of the information	When to complete	How it is submitted
601 Delq Report (Mr. B's)	Show trends in 1st, 2nd, and 3rd loan both in number of accts and delinquency, and how 3+ loans are performing	1st Working day of each month by 10a.	Send via email to HQ (and supervisor)
Application Source Sheet	The source from which we are generating NL applications	End of the month	Google Drive
Bonus Payroll Sheet	Submit bonus earned for the month by each employee	End of Delinquency	Send to Supervisor
Delinquency Projections	Commitment on ending delinquency for the month	2nd day of Delinquency	Send to Supervisor
Employee Monthly Goals	Track each employee's position to reaching EOM goal	Daily	with EOM paperwork
Missed Income Report	Record any refunded or waived interest or fees for the month	On the day of occurrence	with EOM paperwork
Office Financials	Provide daily operational figures to upper management	Every morning by 9:30a	Google Drive
Over/Short Report	Record of all cash drawer balancing issues for the month	On the day of occurrence	with EOM paperwork
Supply Order Form	Order supplies and printed materials for the office to maintain a 60-day supply on hand.	10 th of each month-Deadline	Email to HQ

Appendix

A-CFS and Unite Tech Safeguards Rule Due Diligence Packat-LP3

Appendix A

Annual FTC Safeguards Rule Due Diligence Packet - LP3

May 8th 2023

This is a preliminary, draft document which will be replaced with the 2023 Annual FTC Safeguards Rule Due Diligence Packet in the coming weeks. All statements made in this document are Confidential Information and are explicitly covered by the Software License Agreement Section 7 titled Confidential Information. All statements are made to the best of our knowledge and will be revised as necessary based on the edits made by our legal counsel.

Internal policy description to show how Customer Information is protected by Consumer Finance Systems, Inc. (CFS) and Unite Wireless of Texas, LLC; dba: Unite Tech (UT) in compliance with the federal regulation known as the FTC Safeguards Rule.

Customer information is inputted into the CFS LP3 LMS software:

1. D2K transmits Customer Information to CFS LP3 LMS software via an Application Programming Interface (API).
2. Applicant fills out a loan application at store front and employee enters Customer Information into CFS LP3 LMS software.
3. Customer Information also arrives in the CFS LMS software via an API from the lender's website.
4. Lender Employee also uploads documents containing Customer Information inside the CFS LP3 LMS software.

Once data is in LP3 the data is protected by the following methods:

1. LP3 encrypts data
2. LP3 is password protected and 2FA
3. LP3 is also locked down by static IP
4. LP3 is VPN protected
5. The hosted server is password protected
6. Database is also password protected

Incidence Response Plan (IRP) in the event of a breach:

UT proposed Managed Endpoint Service (MEP) to help monitor incidents. The LP3 LMS Server is being monitored by scheduled penetration testing. We monitor this log and have procedures in place to revise and remediate the lock down of the server upon the discovery of a new issue.

There have been incidents of data corruption due to hardware issues that are not in our control, such as an act of God. If data is lost or corrupted at the production server, we have the procedure and plan in place to restore from the backup of the Customer Information.

In the event of an incident such as described above, CFS and/or UT will report to the Lenders by using the Security Event Log. A template of the Security Event Log is presented below:

SECURITY EVENT LOG

Name: _____ **Department:** _____ **Date Reported:**
_____ **Type of Event:** _____

Description:

Action Taken:

Resolution:

Escalated

Open

Closed

Date Resolved: _____

By Whom: _____