

# Your guide to Snap Loan<sup>®</sup>

Important information for Snap Partners



Version 1.2



# Welcome to Snap Loan



You are enrolled as a merchant eligible to market loans issued by a Snap Finance bank partner. In this program, the bank partner is the issuer and holder of all loans. This program is Snap-branded because Snap Finance® LLC and certain affiliates (“Snap”) are responsible for administering key elements of the program, such as marketing, underwriting, and servicing, in accordance with instructions and guidelines provided by Snap’s bank partner.

## Highlights

- 01 Introducing Snap Loan to your customer
- 02 Language we use and language we avoid
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- 04 Advertising guidelines
- 05 Prohibited merchant activities

# 01 Introducing Snap Loan to your customer

Use this guide to improve your knowledge of Snap Loan and its benefits. It will also help you answer your customers' most common questions regarding Snap Loan.

Customers who have a great experience are more likely to return when they understand:

- The nature of the loan before they apply
- The exact terms before they sign the loan agreement

When you introduce Snap Loan to customers, explain it accurately and answer any questions they have before they apply. In addition, ensure they understand key concepts about Snap Loan, including processing fees, interest rates, and payment options.

**Snap Loan is an installment loan issued by one of Snap's partner banks, usually issued for the purpose of purchasing a particular service or product.**

Once a loan is approved and disclosures are provided, the customer signs a loan agreement and is responsible for making on-time payments to pay off their loan. When the disclosures are delivered to the customer's device, ensure they fully understand the disclosures and the terms of the agreement before they sign. Installment loan payments are scheduled weekly, biweekly, semi-monthly, or monthly based on the customer's paydays. If the customer makes all of their payments, the loan will be paid off at the end of the applicable 12-month term.



# Processing fees and interest rates

**A processing fee of up to \$15 may apply to a Snap Loan, but there are no other fees.**

Snap's bank partner charges a \$15 processing fee in connection with each Snap Loan, except for loans originating in Missouri. Neither Snap nor its bank partner charges other fees, such as late fees or non-sufficient funds fees.

The interest rates associated with Snap Loans are between 140% and 182%, which may result in an APR as high as 199%. All customers will be provided with their APR on the summary screen. Additionally, information about the amount of their loan, the APR, finance charges, payment schedule, and the total repayment amount over the lifetime of the loan will be provided in the Truth In Lending Act (TILA) disclosures on the first page of the loan agreement.



# Customers can save money if they exercise the 100-day interest rebate option or pay off their loan early

If customers make the minimum weekly, biweekly, semimonthly, or monthly payments on time, the loan will be paid off at the end of the 12-month term of the loan. If customers make all minimum payments on time and pay the full principal amount within the 100-day payoff period, the bank partner will rebate all accrued interest, and the total cost of the loan will equal the amount financed plus any processing fee.

Even if customers do not pay in full by the 100-day payoff date, they can still save money by paying off their loan early, which reduces the amount of interest paid over the life of the loan. There is no penalty for early repayment.

To exercise the 100-day option or otherwise prepay, consumers must make all regular payments on time as well as schedule additional payments in the customer portal, or by contacting Customer Care at 1-877-557-3769, to ensure the principal amount and processing fee is paid within 100 days.



# 02

## Language we use and language we avoid

When you describe Snap Loan, use the approved phrases listed below. Never use the prohibited language. This is important for your customers' understanding of the product and for legal reasons.

### APPROVED PHRASES

All credit types welcome to apply.  
This must be accompanied by the following statement: "Not all applicants are approved. While no credit history is required, Snap obtains information from consumer reporting agencies in connection with applications, and your score with those agencies may be affected."

100-Day Option or 100-Day Interest Rebate Option

Processing fee

### PROHIBITED LANGUAGE

No credit check  
All customers approved

Interest free  
0% interest  
No interest

Down payment  
Application fee

# 03

## Answers to frequently asked questions



### What type of financing is Snap Loan?

Loans issued by Snap's bank partner are unsecured installment loans, usually issued for the purpose of purchasing a particular product or service. Installment loan payments are scheduled weekly, biweekly, semimonthly, or monthly based on the customer's paydays. If all payments are made in a timely manner, the loan will be fully paid at the end of the applicable 12-month term unless the customer exercises the 100-Day Option or pays the loan off early.

### How much does Snap Loan cost?

The cost of the loan will vary depending on the interest rate applicable to the loan and whether the customer makes minimum payments throughout the full term of the loan or takes steps to pay their balance off early.



# What are Snap Loan's payment options?

## Minimum payments over the full term

The interest rates associated with Snap Loan are between 140% and 182%, which may result in an APR as high as 199%.

Remind customers that information on their APR is presented in the summary screen, and the APR (which includes all costs of financing), finance charge, and full-term total of payments are disclosed in the Truth In Lending Act (TILA) disclosures on the first page of their agreement.

Once the customer has made all payments, the loan is paid off and their agreement is automatically terminated. For example, if a customer's payments are scheduled every two weeks, a full-term loan of 12 months will have approximately 26 payments.

## 100-Day Option

If customers make all minimum payments on time and pay the full principal amount within the 100-day payoff period, the bank partner will rebate all accrued interest. To exercise the 100-Day Option, consumers must make all regular payments on time as well as schedule additional payments in the customer portal, or by contacting

Customer Care at 1-877-557-3769, to ensure the principal amount and processing fee is paid within 100 days.

## Prepayment

There are no prepayment penalties associated with any Snap Loan. Interest accrues on the outstanding principal balance of the loan until it is paid in full. If the customer pays all, or a portion, of the principal amount early, less interest will accrue, and the customer will save money.







## What are the minimum requirements to apply for a Snap Loan?

The minimum requirements for Snap Loan may vary over time. As of the date of these guidelines, the applicant must, at a minimum, meet the following requirements:

- ✓ Be of minimum legal age to enter a contract
- ✓ Earn at least \$1,000 a month
- ✓ Have an active checking account
- ✓ Have an active email address and smartphone number

## Does Snap or its bank partner pull a credit report in connection with a Snap Loan?

Yes. On behalf of the bank partner, Snap pulls credit reports from nontraditional agencies such as DataX and Clarity Services, Inc., including a hard pull from Experian via Clarity. Snap also evaluates other data to assess loan risks.

## Does an application impact the applicant's credit score?

Applying for a Snap Loan may impact a customer's credit score with consumer reporting agencies such as Clarity Services, Inc. or DataX. However, it likely won't affect FICO®, VantageScore®, or other scores used by the three major credit bureaus. While applying may not impact credit scores, Snap reports payment history, which could affect a customer's credit score.

## Does Snap or its bank partner report a customer's loan history to credit agencies?

Yes. Snap reports consumer payment and default information to TransUnion, Data X, and Clarity on behalf of its bank partners.

## Can a customer return the merchandise?

If a customer returns the merchandise to you in a manner permitted by your return policy, you should accept the merchandise in accordance with your policy and notify Snap of the return. If a customer returns all the merchandise, Snap will promptly reverse payments for the merchandise and credit the customer for any applicable payments. If it's a partial return, you will refund the customer directly. Any restocking fees should be disclosed by the merchant to the customer prior to signing the loan agreement.

## What is the term of a Snap Loan agreement?

The term of a Snap Loan agreement begins on the date of delivery of the goods or services and continues for 12 months. The actual term is disclosed in the customer's summary screen and in the Truth In Lending Act (TILA) disclosures found within the customer's loan agreement.



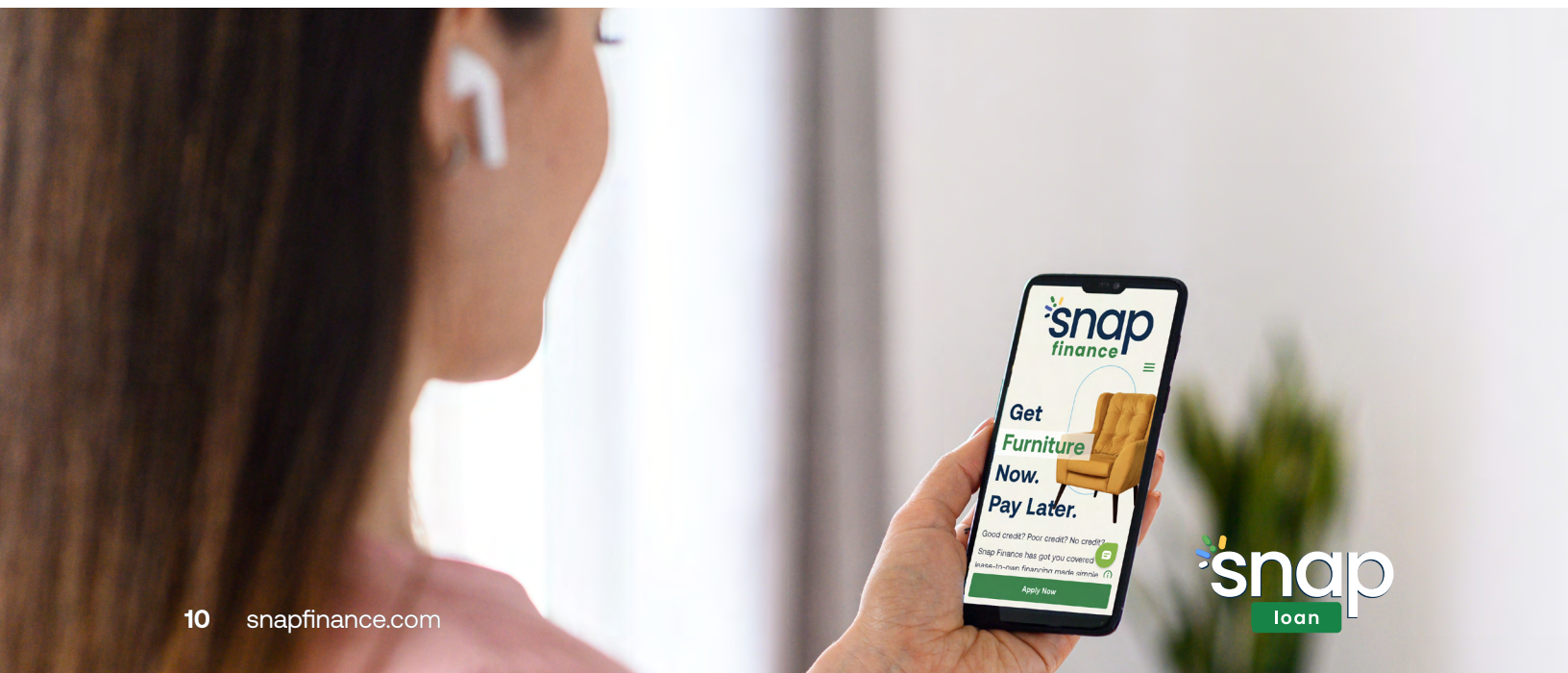
## What types of merchandise and services are eligible for Snap Loan transactions?

Loans obtained at merchant locations are exclusively intended for the purchase of goods and services provided by the specific merchant. These loans are restricted to consumer or household purposes only. Snap and its bank partner may from time to time determine that certain products are not eligible for Snap Loan financing depending on performance and/or other risk factors. Snap may require that you not use Snap Loan for certain products and services. Your Client Success Manager should notify you of these restrictions. If you have any questions, please contact your Client Success Manager or Merchant Support.

In addition, under no circumstance may a loan be used to finance weapons, alcohol, tobacco or nicotine products, drugs, pornography, live animals, or items that may not be lawfully sold by the merchant or purchased by the consumer.

## Can Snap Loan be used in conjunction with other point-of-sale financing?

No. Your merchant agreement explicitly prohibits stacking point-of-sale financing options. For example, for a \$2,000 purchase, you may not use Snap Loan for \$1,000 of the purchase price and another financing option to cover the remaining \$1,000 of the purchase price. If we become aware you are stacking financing options, we may charge back the cost of any affected merchandise and/or terminate your merchant agreement.







## Can I create paper copies of applications for the customer to complete?

No. Snap requires that all applications be completed electronically on the applicant's device or through the Merchant Portal. You are not permitted to create or retain any paper or electronic copies of customers' applications.

## How should I safeguard customers' sensitive data?

Protecting customer data requires strict measures. Invest in privacy screens and avoid writing down personally identifiable information (PII) and printing applications. To further safeguard customers' PII, secure your Wi-Fi network, update point-of-sale (POS) and e-commerce systems with the latest software, use strong passwords, limit system access to a need-to-know basis, and regularly monitor your systems for suspicious activity.

## Can I sign the loan agreement on behalf of the customer if the customer is not in the store or does not have a smartphone or similar device?

No. Snap requires that all applications be electronically submitted by customers and that all agreements be electronically signed by customers on their own devices.

## What do I do if I receive a complaint related to a Snap Loan transaction?

If the complaint is about the quality of the service/product and you can repair or replace the product at no additional cost to your customer, you should proceed accordingly.

If any of the following situations occur, notify Snap immediately at [merchant@snapfinance.com](mailto:merchant@snapfinance.com) or call 877-789-4384 so that Snap may respond to the complaint.

- The complaint is from a customer and involves a product you cannot repair or replace at no cost to the customer.
- The complaint relates to Snap, its bank partner, or the loan transaction.
- A customer retains an attorney or files a lawsuit or you receive a complaint from the Better Business Bureau (BBB), an Attorney General, or any other regulatory body such as the Consumer Financial Protection Bureau.



# 04 Advertising guidelines

The following advertising guidelines apply to all references to Snap Loan in all media, including websites, in-store materials, print publications, social media, radio, television, and other traditional or digital media.

## Does Snap's bank partner have preapproved advertising materials?

Yes. Snap has prepared, and its bank partner has approved, banner, point-of-purchase, and other in-store and online marketing materials. For banners, point-of-purchase, and other in-store marketing materials, contact your Client Success Manager. For online banners and materials, go to the Resources menu under the Marketing tab in the Merchant Portal and follow the instructions.



## Can I create my own online or printed advertisements for Snap products?

No, with limited exceptions. As part of its program to exercise oversight over Snap Loan, Snap's bank partner has determined that merchants may not create their own advertising materials. The one exception is that Snap may work with a merchant to create joint marketing materials under special circumstances. Snap and its bank partner must approve all such material before it is published.

Snap continually audits for unapproved advertisements. Failure to use preapproved advertising materials constitutes a breach of your merchant agreement.

## I do not use advertising, but I do list Snap as a finance partner on my website. Does my website need to be approved?

No. You do not need to receive Snap's approval if you merely indicate you offer Snap Loan on your website. However, if you provide any details around financing, you are required to use the approved Snap Loan marketing materials. These can be found under the Marketing tab in the Merchant Portal. We monitor websites for noncompliant language.





**Can I reference Snap Finance and/or Snap Loan on social media, in newspaper advertising, or in a printed or digital publication without approval?**

No. All newspaper or other printed or digital publications should be reviewed and approved by Snap prior to release. For social media, you are required to use the approved Snap Loan marketing materials. For custom materials, Snap must approve all such materials.



# 05 Merchant prohibited activities

## Snap Finance prohibits merchants from engaging in certain activities, including:

- Falsifying customer information on the application to obtain approvals
- Passing through or adding any additional fee outside of financing amount
- Financing themselves, employees, or family members
- Altering the delivery date to obtain faster funding
- Manipulating descriptions of services to violate the product vs. labor rule
- Charging a restocking fee to any Snap customer
- Delivering or releasing merchandise before they have validated the identity of the customer
- Discriminating, prohibiting, or discouraging an applicant from submitting an application for any reason, particularly based on the applicant's race, color, religion, national origin, sex, marital status, age (provided the applicant is able to enter into a contract), or receipt of income from public assistance.
- Creating custom marketing material, online content, or press releases without Snap approval
- Collecting sales tax in states where Snap is responsible for doing so

## Contact us

Reach out to your Client Success Manager to learn more about Snap Loan.

877-789-4384

[merchant@snapfinance.com](mailto:merchant@snapfinance.com)

[snapfinance.com](https://snapfinance.com)