Receivables Management Certification Program

I. Mission Statement

1.1 **Mission.** The RMA Receivables Management Certification Program (Certification Program) is an industry self-regulatory program administered by RMA that is designed to provide enhanced consumer protections through rigorous and uniform industry standards of best practice. The adoption of uniform standards for the receivables management industry helps ensure that those who are certified are aware of and are complying with state and federal statutory requirements, responding to Consumer Complaints and inquiries, and are following industry best practices.

II. Definitions

2.1 **Definitions.** The following terms, when capitalized, shall have the following meanings:

"Applicant" shall mean the person or legal entity who submits an Application to RMA to be considered for initial certification or to renew their certification.

"Application" shall mean the procedure by which an Applicant submits information and documentation required by RMA to be considered for initial certification or to renew their certification.

"Audit" or "Compliance Audit" shall mean an assessment of a Certified Party's conformity to the Certification Standards that is performed by an Auditor.

"Audit Period" shall mean the time between the date of the Certified Company's last full Compliance Audit (date of initial certification for first-time certified companies) and the sixteenth month after the Certified Company's initial certification or renewal date. The Audit shall always include a review of the accuracy of the information provided in the Certified Company's most recent Application.

"Auditor" shall mean an individual, company, or firm that is an independent third party approved or retained by the Council to perform Compliance Audits. The Council shall provide multiple options to Certified Companies for independent third parties, including individuals, companies, or firms that are not certified public accountants.

"Board" shall mean the RMA Board of Directors.

"Broker" shall mean a business that facilitates the sale of Charged-Off receivables between a buyer and a seller, including electronic and physical marketplaces for the sale of receivables. Expressly excluded from this definition: (i) broker services not involving the sale of Charged-Off receivables and (ii) the sale of securities which is governed by the Securities and Exchange Commission.

"Certification Program" shall mean the RMA Receivables Management Certification Program.

"Certification Standards" or "Standards" shall mean the minimum requirements necessary to become and to maintain the status of a Certified Party.

"Certified Company" shall mean any legal business entity regardless of its legal structure, including but not limited to corporations, partnerships, sole proprietorship, and associations, that has applied for and has been granted certification based on the requirements contained in the Governance Document of the Certification Program and remains in good standing.

"Certified Individual" shall mean a natural person who meets or exceeds the Certification Program requirements to be certified, has been granted certification, and remains in good standing.

"Certified Party" shall mean a Certified Individual and/or a Certified Company.

"CFPB" shall mean the federal Consumer Financial Protection Bureau.

"Charge-Off" shall mean the treatment of a receivable balance by a creditor as a loss or expense because payment is unlikely.[1] Those asset classes that are not subject to governmental requirements for Charge-Off or have not otherwise adopted the Charge-Off accounting standard should use Default.

"Charge-Off Balance" shall mean the amount alleged due on an account receivable at the time of Charge-Off.[2]

"Consumer Complaint" shall mean submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer's personal experience with a financial product or service.[3]

"Consumer Data" shall mean personally identifiable information associated with a consumer account that needs to be protected due to the confidential nature of the information.

"Council" shall mean the Receivables Management Certification Council.

"Debt Buying Company" shall mean a legal entity that is regularly engaged in the business of purchasing consumer and/or commercial receivables, whether it collects the debt itself, hires a third party for collection, or hires an attorney-at-law for litigation.

"Default" shall mean the failure to pay a debt when it is due as determined by applicable state or federal jurisdictional standards.

"Deficiency" shall mean a failing of a Certified Party to conform to one or more of the Certification Standards as identified through a Compliance Audit.

"Effective Date" shall mean the date the version of the Governance Document and the related provisions contained therein takes effect.

"Executive Director" shall mean the Executive Director of RMA or his or her designee.

"FDCPA" shall mean the federal Fair Debt Collection Practices Act.

"FTC" shall mean the Federal Trade Commission.

"Governance Document" shall refer to all of the content contained on this and any prior or subsequent pages that comprise the Certification Program, including the appendices.

[1] Source: Definition used by the CFPB in 2016 consent orders.
[2] Source: Definition used by the CFPB in 2016 consent orders.
[3] Source: CFPB's Consumer Response Annual Report, 2013.

"Original Account-Level Documentation" means: (i) any documentation that a creditor or that creditor's agent (such as a servicer) provided to a consumer about a debt, (ii) a complete transactional history of a debt, created by a creditor or that creditor's agent (such as a servicer), or (iii) a copy of a judgment.[4]

"Remediation" shall mean the process of conforming to the Certification Standards once a Deficiency has been identified through a Compliance Audit.

"RMA" shall mean Receivables Management Association International, a 501(c)(6) non-profit association, formerly known as "DBA International."

III. Receivables Management Certification Council

3.1 **Governing Body.** The Receivables Management Certification Council (Council) is the governing body that administers the Certification Program on behalf of the Board.

3.2 **Appointment.** The Council shall be appointed by the Board. All vacancies that occur on the Council prior to the expiration of a term shall be filled by the Board for the remaining portion of the term.

3.3 **Composition.** The Council shall consist of eleven (11) individual members. The composition of the Council shall represent each of the following demographics:

A. An experienced consumer representative from: (i) academia, (ii) a consumer focused non-profit agency, (iii) the Better Business Bureau, (iv) a non-profit consumer credit counseling service, (v) a former attorney general or assistant attorney general, former employee of the CFPB or FTC, former member of a legislative branch consumer protection committee, or former member of the judiciary, or (vi) other consumer advocate familiar with the receivables industry. The consumer representative shall be an ex-officio member of the Audit and Standards Committees. The consumer representative shall have no financial interest in a debt collection company and is not required to be a Certified Individual;

B. Representatives of six (6) certified Debt Buying Companies, provided that the Board ensures that small, medium, and large Certified Companies are equally represented;

C. A Certified Individual from a company that provides products or services to the receivables industry;

D. A representative of a certified third party collection agency;

E. A representative of a certified consumer collection law firm; and

[4] Source: Definition used by the CFPB in 2016 consent orders.

F. A representative of an originating creditor. The representative is not required to be a Certified Individual.

3.4 **Term.** Council Members shall serve a two (2) year term that commences on the first day of March and ends on the last day of February except that the first members of the Council shall have their terms staggered to create two classes. No individual may be appointed by the Board to more than two (2) consecutive terms on the Council.

3.5 **Qualifications.** Each Council Member shall be selected based on the following qualifications:

A. No more than one representative from a company (including parent and subsidiaries) may serve on the Council;

B. No Board member may serve on the Council;

C. The Council should reflect the diversity of the receivables industry, to the maximum extent possible;

D. Council Members shall be recognized professionals who: (1) are in compliance with their respective Codes of Ethics within their industry, if applicable, (2) have not been convicted of a felony, and (3) have never been dismissed from the Council pursuant to section 3.6 of this Governance Document;

E. Council Members who represent Certified Companies pursuant to section 3.3 (B), (D), or (E) who do not hold a Certified Individual designation must submit to a background check before their appointment to the Council and become a Certified Individual within one (1) year of their appointment; and

F. Preference should be shown to individuals who are employed with companies that are members of the Better Business Bureau.

3.6 **Dismissal from the Council.** Any member of the Council may be removed from office by a two-thirds (2/3) vote of all Council Members, with prior notice to the Board of such potential action, for engaging in any conduct or behavior contrary to the best interests of the Certification Program. Council Members having three (3) or more unexcused absences from scheduled Council meetings per year may be dismissed.

3.7 **Relationship with RMA.**

A. **Council Authority.** The Council and the Certification Program shall be contained within the RMA corporate entity. The Council shall have the authority to:

1. Elect a Council Chair from the appointed Council Members to a one (1) year term that commences on the first day of March and ends on the last day of February. The

Board may reverse the Council's selection of Council Chair pursuant to section 3.7(C) of the Governance Document;

2. Develop policies and procedures of the Council, including the creation of additional officers and committees not provided in this Governance Document;
3. Develop Certification designations[5], Certification Standards, educational requirements, examination requirements, Audit requirements, the granting and revocation of certifications, the Remediation of Deficiencies, and the general administration of the Certification Program, provided it is consistent with this Governance Document;
4. Suggest qualified individuals to the Board for appointment to the Council when a vacancy exists; and
5. Provide semi-annual reports to the Board regarding the Certification Program and monthly updates on the roster of Certified Parties.

B. **Board Authority.** Nothing in this Governance Document shall diminish the powers of the Board. The Board shall at a minimum:

1. Appoint the Council Members;
2. Review the actions of the Council pursuant to paragraph (C) of this section;
3. Hear appeals from Certified Parties on disciplinary actions taken by the Council;
4. Have oversight authority of the Council and the Certification Program to ensure that the Certification Program as developed and operated by the Council is conducted in a fair and equitable manner;
5. Provide staff for the operation of the Certification Program. The Executive Director shall serve as the chief staff position supporting the Certification Program;
6. Provide financial support for the Certification Program. The Council shall provide the Board with an annual budget for the operation of the Certification Program. The Board will exercise final authority in approving such budgets and the accompanying fee schedules for the Certification Program; and
7. Retain independent third parties to audit the Certification Program and the administration of the Certification Program to ensure conformity with this Governance Document and generally accepted business practices.

C. **Board Review Procedures.** The Executive Director shall transmit to the Board all final decisions of the Council within two (2) business days of the decision, including the rationale for the decision. Except for the process provided in the Remediation Procedures Manual (**Appendix G**), the Board shall have the right to reverse any decision of the Council, in their complete discretion, provided that such action takes place within fourteen (14) days from the Executive Director's transmittal. If no action is taken by the Board, the Council's decision shall automatically be implemented at the end of the 14th day. In the case of reversing a disciplinary action taken by the Council, the Board's power to reverse will be dependent on an appeal of such action by the Certified Party.

[5] The Council has currently adopted the Certification designations of "Certified Receivables Compliance Professional" (CRCP), "Certified Professional Receivables Company" (CPRC), and Certified Receivables Broker (CRB).

IV. Committees

4.1 **Standing Committees.** The Council Chair shall appoint all chairs of standing committees from the members of the Council. Committee Chairs shall appoint the members of their committees, unless provided otherwise. Each committee shall have a minimum of three (3) members and a maximum of seven (7) members, provided that a majority of the members on each committee shall be employees, officers, or owners of Certified Companies and meet the qualifications provided in section 3.5(C), (D), and (F). The Board may reverse any committee appointment pursuant to section 3.7(C) of the Governance Document. The standing committees shall include the following:

A. **Administration & Budget Committee.** The Administration & Budget Committee shall be responsible for issues concerning the administration and oversight of the Certification Program, Application procedures, Application approvals, and the development of a proposed annual budget and fee schedule. The committee is also responsible for assuring affordable access to the Certification Program.

B. **Audit Committee.** The Audit Committee shall be responsible for issues concerning the administration and oversight of the Certification Program's Compliance Audits.

C. **Educational Requirements Committee.** The Educational Requirements Committee shall be responsible for issues concerning the administration and oversight of the Certification Program's Educational Requirements. The development of all RMA education programming shall be managed by the Board's Education Committee.

D. **Remediation Committee.** The Remediation Committee shall be responsible for issues concerning the administration and oversight of Deficiencies and Remediation within the Certification Program. The members of the Remediation Committee shall include the Committee Chair, the consumer representative on the Council, the Executive Director, the last individual serving as President of the Board who is not currently on the Board, the last individual serving as Council Chair who is not currently on the Board, and up to two additional individuals selected by the Committee Chair.

E. **Public Relations & Marketing Committee.** The Public Relations & Marketing Committee shall be responsible for educating and promoting the Certification Program with RMA membership, the receivables industry, press, public officials, and the general public. This shall include the development of all physical and electronic publications and resources, provided that they are developed jointly with the appropriate subject matter committees. All written material shall be approved or developed in collaboration with the Board's Editorial Committee to ensure a consistent message from RMA.

F. **Standards Committee.** The Standards Committee shall be responsible for issues concerning the administration and oversight of the Certification Program's Certification Standards.

4.2 **Additional Committees and Task Forces.** The Council may establish additional committees or task forces in their discretion with the appointment of Chairs made by the Council Chair.

V. Certification Standards

5.1 **Base Line.** The Council may change the Certification Standards contained in this Governance Document, provided that any alteration does not decrease the base line level established by the Governance Document.

5.2 **Annual Review.** The Standards Committee shall annually review the Certification Standards and make recommendations to the Council for changes based on the effectiveness of the Certification Program, changes in laws and regulations, and the evolution of best practices.

5.3 **Uniformity.** The goal of the Certification Program is to create a national standard for compliance based on uniform principles that are formed by statutes, regulations, ethical standards, interactions with regulatory agencies, and best practices.

5.4 **Conformity.** A Certified Party, as a condition of certification, shall demonstrate conformity with the Certification Standards and acknowledge that violations may result in sanctions being imposed on the Certified Party under this Governance Document and policies adopted by the Council, including expulsion from the Certification Program.

5.5 **Company Certification Standards.** In order to become and remain certified, a company shall demonstrate the following, unless a stricter requirement is imposed by state or federal law or regulation:

A. **Chief Compliance Officer.** The company shall create and/or maintain the position of "Chief Compliance Officer" with a direct or indirect reporting line to the president, CEO, board of directors, or general counsel (unless the Chief Compliance Officer is the president, CEO, or general counsel). The Chief Compliance Officer shall be a Certified Individual within six (6) months of appointment. A Certified Company shall have someone serving in an "acting" capacity while transitioning between Chief Compliance Officers and should attempt to fill a vacancy within three (3) months of the prior incumbent's departure. An "acting" Chief Compliance Officer is not required to be a Certified Individual unless he or she has served in such capacity for more than six (6) months. The Chief Compliance Officer shall be an employee, owner, or a corporate officer of the Certified Company or of a corporate affiliate of the Certified Company. The responsibilities of the position of Chief Compliance Officer shall be described in the Certification Standards Manual (**see Appendix A or B**).

B. **Conformity with the Certification Standards Manual.** The company shall conform to the Certification Standards Manual (**see Appendix A or B**) as may be amended from time-to-time by the Council.

C. **Publication.** The company shall authorize RMA to publish its name, certification number, year certified, website address, mailing address, and telephone number along with its Chief Compliance Officer's name, title, certification number, year certified, employer issued telephone number, and employer issued email address on a publicly accessible website maintained by RMA. Some categories of Certified Companies shall also publish on their company website certain information for the benefit of consumers which shall be described in the Certification Standards Manual (**see Appendix A**).

5.6 **Individual Certification Standards.** In order for an individual to become and remain certified, the individual shall demonstrate the following, unless a stricter requirement is imposed by state or federal law or regulation:

A. Educational Requirements. The individual shall comply with the Educational Requirements as established by Article VI of this Governance Document in order to be certified. The subject matter that will qualify for continuing education credit shall be listed in the Educational Requirements Manual (**see Appendix D**), unless otherwise qualified pursuant to section 6.8(C).

B. Publication. The individual shall authorize RMA to publish his or her name, title, certification number, year certified, employer issued telephone number, and employer issued email address along with his or her employer's name, certification number, year certified, website address, mailing address, and telephone number on a publicly accessible website maintained by RMA. The individual shall also be required to provide the same information to a consumer upon request.

C. Good Character. The individual shall demonstrate good character, the requirements of which shall be provided in the Certification Standards Manual (**see Appendix A**).

5.7 **Amending Certification Standards.** The process for review and approval of any new or updated Certification Standards shall be as follows:

A. **Annual Review.** The Standards Committee shall annually review the Certification Standards and make suggestions for updates on or before the fifteenth day of October based upon evolving receivables industry best practices, input from key stakeholders and communities of interest, areas of Board or Council concern, and recent regulatory and statutory changes. The changes will be documented in such a manner as to be easily recognizable as changes to the Certification Standards for the reader. The Standards Committee shall receive the Executive Director's input prior to proposing changes to the Council.

B. **Comments.** The Council shall provide a copy of the proposed changes on a website maintained by RMA for thirty (30) days with the process for submitting comments prior to taking any official action, except in those instances where the changes are not substantive in nature.

C. **Approval.** After the completion of the comment period, the Council shall approve, alter and then approve, or reject the proposed changes to the Certification Standards. The Board may reverse any change to the Certification Standards approved by the Council prior to its implementation pursuant to section 3.7(C) of the Governance Document.

D. **Effective.** Provided that no action is taken by the Board to reverse the Council's approval of the revised Certification Standards, a copy of the revised Certification Standards shall be made available to the primary contact for each RMA member, Certified Parties, and individuals and companies who have submitted an Application for initial certification, as well as made publicly accessible on a website maintained by RMA. Each revised version of the Governance Document shall indicate an Effective Date. Certified Parties shall comply with the version of the Certification Standards in effect on the date their Application was received by RMA and shall conform to any subsequent revisions to those Standards no later than their next biennial renewal; however, it is considered a best practice for a Certified Company to start to take reasonable steps to comply with any revised Standards upon their adoption.

VI. Educational Requirements for Individual Certification

6.1 **Base Line.** The Council may change the Educational Requirements for Individual Certification contained in this Governance Document, provided that any alteration does not decrease the base line level established by the Governance Document.

6.2 **Annual Review.** The Educational Requirements Committee shall annually review the Educational Requirements for Individual Certification and make recommendations to the Council for changes based on the effectiveness of the Certification Program, changes in laws and regulations, and the evolution of best practices.

6.3 **Uniformity.** The goal of the Certification Program is to create a national standard for the level of knowledge that is expected of Certified Individuals based on subject matter contained in case law, statutes, regulations, ethical standards, and best practices.

6.4 **Administration.** The Educational Requirements Committee shall manage the administration of the Educational Requirements for Individual Certification and the approval of any authorized providers with the assistance of staff. The development of all RMA education programming shall be managed by the Board's Education Committee.

6.5 **Educational Requirements – Initial Certification.** An Applicant for Individual Certification shall have completed twenty-four (24) continuing education credits from an authorized provider prior to submitting an Application for initial certification. Included within the 24 continuing education credits shall be four (4) credits from RMA's "Introductory Survey Course on Debt Buying" and two (2) credits from ethics course(s). The credits shall comply with the requirements of this Article and the Educational Requirements Manual (**see Appendix D**).

6.6 **Educational Requirements – Biennial Renewal.** A Certified Individual shall have completed twenty-four (24) continuing education credits from an authorized provider prior to submitting an Application for biennial renewal of their certification. Included within the 24 continuing education credits shall be four (4) credits from RMA's "Current Issues in Debt Buying" courses and two (2) credits from ethics course(s). The credits shall comply with the requirements of this Article and the Educational Requirements Manual (**see Appendix D**).

6.7 **Educational Requirements – RMA Courses.** RMA or its authorized education providers shall annually provide the following courses based on guidance contained in the Educational Requirements Manual (**see Appendix D**):

A. **Introductory Survey Course on Debt Buying.** The "Introductory Survey Course on Debt Buying" shall be a four (4) credit course that focuses on the "core" laws and regulations that all Debt Buying Companies should know.

B. **Current Issues in Debt Buying.** "Current Issues in Debt Buying" course(s) totaling at least two (2) credits that focuses on the latest statutory, regulatory, and judicial developments of relevance to Debt Buying Companies and their vendors.

C. **Ethics.** An ethics course of at least one (1) credit.

6.8 **Educational Requirements – Continuing Education.** Certified Individuals shall take continuing education classes from an authorized provider based on the following criteria:

A. **Time Limit.** Continuing education credits shall only be accepted from courses taken within the two (2) year period immediately preceding the submission of an Application.

B. **Credit Calculation.** One (1) continuing education credit shall be equal to receiving fifty (50) minutes of class instruction. Instructors are eligible to receive double continuing education credit for providing class instruction, provided that an instructor cannot receive multiple credits for repeated lectures on the same material.

C. **Subject Matter.** Continuing education credits shall be provided for classes from a RMA authorized provider in a subject matter listed in the Educational Requirements Manual (**see Appendix D**), except that an authorized provider may seek approval for continuing education credit for a class whose subject matter is not listed in the Certification Standards Manual if it is preapproved pursuant to criteria contained in the Educational Requirements Manual (**see Appendix D**).

D. **Online Classes.** Authorized providers may offer online classes. Applicants may not use more than sixteen (16) continuing education credits in a biennial cycle from online classes, provided that the Educational Requirements Committee may approve temporary waivers based on new educational requirements, new program implementation deadlines, or a temporary disability. Additionally, a Chief Compliance

Officer of a Certified Company may seek a temporary waiver if he or she is not reasonably able to obtain live continuing education credits during the first six (6) months of appointment.

E. **Examination.** There shall not be an examination component for the entry level certification designation. If the Council creates additional certification designations beyond the entry level certification designation, the Council shall require an examination administered by RMA and/or a contracted third party.

6.9 **Authorized Providers.** RMA shall be an authorized provider of continuing education credit for the Certification Program. The Educational Requirements Committee may designate additional authorized providers based on demonstrated excellence in providing educational instruction in the subject matter required for the Certification Program and who meet the criteria contained in the Educational Requirements Manual (**see Appendix D**). The Council may, in its sole discretion, take remedial action to restrict, suspend, or revoke the status of an authorized provider for failure to comply with the provisions of this Article or Appendix D.

6.10 **Non-Authorized Providers.** RMA, in its complete discretion, may consider qualifying a class for continuing education credit from a non-authorized provider pursuant to criteria contained in the Educational Requirements Manual (**see Appendix D**), provided that the instructional material and a certificate of attendance are submitted to RMA after completion of the course.

6.11 **Specialty Certifications.** The Educational Requirements Committee may recommend to the Council the creation of specialty certification designations beyond the entry level certification designation. The Educational Requirements Committee shall determine the required subject matter for any specialty certifications.

6.12 **Educational Requirements Manual.** The Educational Requirements Committee shall maintain an Educational Requirements Manual (**see Appendix D**) that provides guidance and clarification on: (i) continuing education requirements for the Certification Program, (ii) subject matter eligible for continuing education credit, (iii) requirements for becoming an authorized provider of continuing education classes, and (iv) examination requirements, if applicable.

6.13 **Amending Educational Requirements.** The Educational Requirements Committee shall follow the same process established in section 5.7 of this Governance Document for the review and approval of any new or updated Educational Requirements.

VII. Application

7.1 **Annual Review.** The Administration & Budget Committee shall annually review the Application Requirements Manual (**see Appendix D**) and make recommendations to the Council for changes as the Committee deems appropriate.

7.2 **Applications.** The Administration & Budget Committee shall create and amend from time-to-time the Applications required for the Certification Program based on the requirements of the Governance Document and the Application Requirements Manual (**see Appendix E**). Minor clerical amendments to Applications may be made by staff as needed.

7.3 **Application Review.** The Administration & Budget Committee shall be responsible for reviewing all Applications for the purpose of approving or denying the Applicant's request for certification. The members of the Committee shall utilize the requirements of the Governance Document and their professional judgment in making their determinations. The Committee may establish written internal review criteria to assist the Committee in discerning the appropriate weight to apply to subjective matters such as those concerning good character and prior business practices. Any Application denied or approved with probationary conditions, pursuant to section 7.11, shall be referred to the Council for final determination. The Committee, in its sole discretion, may forward any Application to the Council for final determination.

7.4 **Shared Certification.** A family of companies may be granted certification through a single Application, provided that their shared status is indicated in the publication requirements of section 5.5(C). The term "family of companies" shall mean business entities that: (i) have the same Chief Compliance Officer, (ii) have the same executive management team that exerts control over business operations, provided that this requirement may be waived by the Administration & Budget Committee if there exists other unifying factors that would obviate its necessity, (iii) maintain a uniform network of compliance on all accounts serviced between the business entities under the shared certification, (iv) are governed by the same corporate policies and procedures, (v) agree to be audited in a single unified audit, and (vi) agree any Deficiency and Remediation against one business entity will apply to all of the business entities under the shared certification.

7.5 **Certification Period.** The certification period for a Certified Party shall be three (3) years from the point the initial Application is approved. A renewal of certification shall be based on the anniversary date regardless of whether the Application is processed and approved before or after such date. A grace period of ninety (90) days shall be provided for renewals before the Certified Party automatically loses their Certification.

7.6 **Eligibility.** Only eligible Applicants shall be considered for certification. Eligibility shall include but may not be limited to the following:

A. Certification Standards. Agreeing to, achieving, and ongoing conformity with the Certification Standards.

B. Audit Procedures. Agreeing to and complying with the Audit Procedures.

C. Remediation Procedures. Agreeing to and complying with the Remediation Procedures.

D. Unresolved Deficiency Allegations. The Applicant shall not have any unresolved allegations pursuant to the requirements in Article IX of this Governance Document.

E. Prior Application Denial. The Applicant shall not have had an Application for certification denied within the prior year.

F. Prior Sanctions. The Applicant may have had sanctions imposed upon them in the past pursuant to the Certification Program; however, a former Certified Party who has been expelled from the Certification Program shall never be eligible for re-certification.

7.7 **Mergers/Acquisition/Change in Ownership of Certified Companies.** In the event of a change of structure or control of a Certified Company, the certification may or may not remain valid. Certified Companies involved in mergers, acquisitions, or changes in majority ownership must notify RMA in writing of the new status within thirty (30) days of the close of the transaction. This notice shall be provided to the Administration & Budget Committee for review and shall include the following:

A. **Business Structure.** A description of the business structure of the new or changed entity shall be provided and shall include at a minimum a listing of the management team, the Employer Identification Number, and a declaration whether the new business structure is in conformity with the Certification Program.

B. **Transitional Plan.** In the event that it is determined that the new or changed entity is not in conformity with the Certification Program, the entity shall provide a transitional plan with a timeline that details how it intends to maintain or conform to the Certification Standards. The Administration & Budget Committee shall review the new or changed business structure and how the relationship of the original Certified Company is contained within the new business entity in order to determine whether the certification remains valid or will require re-Audit and/or re-Application. Non-Certified Companies involved with a merger or acquisition with a Certified Company are not allowed to claim to be certified or use the Certification Program logo until an Application has been submitted and approved by the Administration & Budget Committee.

7.8 **Certificate and Logo.** Certified Parties shall be provided with a certificate, a sample press release for media distribution, and graphics/art work with the Certification Program logo including an explanation of limitations and proper use of this mark. Displaying or utilizing the certificate or logo of the Certification Program shall immediately cease if after certification the Certified Party: (i) withdraws its certification; (ii) fails to renew its certification; (iii) has its certification suspended during such period; or (iv) has been expelled from the Certification Program.

7.9 **Voluntary Withdraw of Certification by a Certified Party in Good Standing.** Certified Parties may withdraw from certification at any time. A written letter signed by (i) the president/CEO/owner/officer of the Certified Company or (ii) the Certified Individual, as applicable, shall be sent to the Council documenting such a request. No certification fees

are refunded in conjunction with voluntary withdrawals of certification. A Certified Party in good standing who voluntary withdraws from certification may reapply for certification at any time. This shall include any Certified Party that voluntarily withdraws from certification during the Audit process but prior to the completion of the Compliance Audit.

7.10 **Voluntary Withdraw of Certification by a Certified Party Prior to Remediating a Deficiency.** If a Certified Party is the subject of a Deficiency finding in a Compliance Audit and voluntarily withdraws from the Certification Program during the Remediation process but prior to entering into a Remediation Agreement with RMA, the Deficiency shall be dismissed without prejudice and without any further action by the Remediation Committee or the Council. The Certified Party may not reapply for certification for a period of two (2) years from the effective date of its withdrawal, except in the case of a company where the allegation was against a Certified Individual serving as an employee and that employee is no longer employed by the company.

7.11 **Probationary Conditions.** The Administration & Budget Committee may approve an Application for initial certification subject to probationary conditions, provided such conditions shall not exceed the length of the initial three (3) year certification. The Committee may use probationary conditions when an issue regarding an Applicant's past character or past business practices raises concerns with the Committee and evidence of Applicant's rehabilitation may not be sufficient. The probationary conditions must be reasonable and based on the gravity of the circumstances at issue. A Certified Individual may not serve as the Chief Compliance Officer of a Certified Company if his or her individual certification is subject to probationary conditions.

VIII. Audit Procedures

8.1 **Base Line.** The Council may change the Audit Procedures contained in this Governance Document, provided that any alteration does not decrease the base line level of review established by the Governance Document.

8.2 **Annual Review.** The Audit Committee shall annually review the Audit Procedures to be followed and make recommendations to the Council for changes based on the effectiveness of the Certification Program, changes to the Certification Standards, and the evolution of generally accepted business practices.

8.3 **Scope.** The purpose of the Audit Procedures is to ensure that Certified Parties are conforming to the Certification Standards.

8.4 **Full Compliance Audit of Certified Companies.** The following Audit Procedures shall apply to Full Compliance Audits of Certified Companies:

A. **Timing.** A Full Compliance Audit performed by an Auditor shall be required of each Certified Company once every three (3) years, occurring during the sixteenth to the twentieth month after the company's initial certification and renewal date. A Limited

Compliance Audit, pursuant to section 8.5 and 9.4, may be performed at any time, at the direction of the Remediation Committee, based on the requirements of this Governance Document.

B. **Written Notice.** The Audit Committee shall provide a Certified Company with a written notice of its impending audit prior to the time period outlined in paragraph (A) of this section. A Certified Company may voluntarily perform a Full Compliance Audit at any point in time prior to receiving written notification by the Audit Committee and its submission shall serve to reset the Audit Period. When a Certified Company receives a written notice from the Audit Committee requesting a Full Compliance Audit be performed, the Certified Company shall have five (5) months to have the Audit completed, inclusive of the Audit Committee's receipt of the Audit findings. Failure to comply shall result in the immediate suspension of certified status. A written extension of no more than two (2) months may be granted by the Audit Committee, in its discretion.

C. **Auditors.** RMA shall maintain a list of authorized Audit providers from which Certified Companies may contract for the performance of Full Compliance Audits. Each Certified Company shall be responsible for negotiating and payment of all costs associated with its Audit.

D. **Scope of the Full Compliance Audit.** The Auditor shall validate conformity with the Certification Standards for the Audit Period that is the subject of the Full Compliance Audit. This review shall be based on the Certification Standards and criteria for observation and documentation contained in the Audit Review Manual (**see Appendix F**). An onsite inspection shall be one of the components of the review to ensure the Certified Company's processes are not just on paper but that they are integrated into the everyday workflow of the Certified Company. A Certified Company with multiple locations must verify conformity in all locations as the Certification Program does not provide for partial or process-based certification.

E. **Alternate Audit Method.** The Audit Committee may in its sole discretion permit a Certified Company who is performing another audit of a similar nature to add the Certification Program Full Compliance Audit to the list of audited deliverables for cost efficiency. The Certified Company shall be required to get the written preapproval of the Audit Committee for this exception to qualify. Only that portion of the audit that addresses the Certification Program Full Compliance Audit needs to be provided to the Audit Committee.

F. **Deficiencies.** If a Compliance Audit shows material deficiencies in a Certified Company's conformity with the Certification Standards, the Audit Committee shall forward the Compliance Audit to the Remediation Committee for remedial action.

8.5 **Limited Compliance Audits of Certified Companies.** A Limited Compliance Audit can be required by the Remediation Committee to verify compliance with a Remediation Agreement or to investigate a third party allegation of nonconformity with the Certification

Standards as provided in Article IX of this Governance Document. The scope of a Limited Compliance Audit shall be restricted to the terms of the Remediation Agreement or the allegation. If the Audit is based on a third party allegation, the Auditor may contact such other individuals who may have knowledge of the facts and circumstances surrounding the allegation. Limited Compliance Audits shall be performed by an Auditor contracted by RMA and whose costs, except travel and lodging, will be paid by RMA. Any travel and lodging expenses associated with a Limited Compliance Audit shall be paid by the Certified Company being audited. It is the Certified Company's responsibility to bring together into one location all applicable representatives, documents, and information that are needed to verify conformance with company policies, procedures, processes, etc. that the Auditor will need in order to complete the Limited Compliance Audit.

8.6 **Audit of Certified Individuals.** The audit of Certified Individuals shall be conducted by RMA staff or as otherwise determined by the Council.

8.7 **Audit Review Manual.** The Auditor, the Council, and applicable Committees of the Council shall use the Audit Review Manual (**see Appendix F**) as may be amended from time-to-time by the Council as a guide for determining certification approvals, denials, or remedial action based on conformity with the Certification Standards.

8.8 **Amending Audit Procedures.** The Audit Committee shall follow the same process established in section 5.7 of this Governance Document for the review and approval of any new or updated Audit Procedures.

IX. Remediation Procedures

9.1 **Base Line.** The Board may change the Remediation Procedures contained in this Governance Document, provided that any alteration does not decrease the base line level of review established by the Governance Document.

9.2 **Annual Review.** The Remediation Committee shall annually review the Remediation Procedures and make recommendations to the Board (which may be submitted through the Council) for changes based on the effectiveness of the Certification Program and prior experiences with the Remediation process.

9.3 **Scope.** The purpose of the Remediation Procedures is to provide an objective process for investigating third party allegations and remediating Audit Committee findings concerning a Certified Party's conformity with the Certification Standards.

9.4 **Third Party Allegations.** Any third party allegation of nonconformity with the Certification Standards made against a Certified Party shall be in writing and made to the Executive Director and Chair of the Remediation Committee, except in instances where the written allegation of nonconformity is in the public domain and from a reliable and verifiable source. No anonymous allegations shall be considered by the Remediation Committee. Except as provided in section 9.8 of this Article, when the Chair receives a

written allegation, he or she shall call a meeting of the Remediation Committee to review the allegation. If the Committee determines that the allegation contains sufficient information to warrant an investigation, the Committee shall refer the allegation to the Audit Committee for a Limited Compliance Audit. In determining the sufficiency of the allegation, the Committee may seek additional information from the relevant parties.

9.5 **Recommendation of Remedial Action.** The Remediation Committee shall recommend to the Council such remedial action that it deems necessary to correct the deficiencies found in a Full or Limited Compliance Audit. Remediation shall be the goal of the Committee but in circumstances of egregious conduct where it is determined that remediation is not possible or warranted, the Remediation Committee may recommend disciplinary action against a Certified Party, including expulsion from the Certification Program.

9.6 **Remedial Powers of the Council.** The Board shall adopt a Remediation Procedures Manual (**see Appendix G**) that the Council shall follow when entering into Remediation Agreements with a Certified Party or when taking disciplinary action against a Certified Party, including expulsion from the Certification Program. The Board shall hear all appeals on disciplinary actions and its decision shall be final.

9.7 **Retaliatory Action Prohibited.** Direct or indirect retaliation of any kind by RMA, the Council, or their directors, officers, staff, or agents against any individual that makes, initiates, or is involved in the making of an allegation is strictly prohibited. This prohibition on retaliation shall be enforced strictly by the Board and the Council. Similarly, allegations made with knowledge of their falsity, in whole or in part, are strictly prohibited. This prohibition on the making of knowingly-false allegations shall be enforced by the Council to the fullest extent possible, up to and including expulsion.

9.8 **Additional Procedures for Third Party Consumer Allegations.** RMA encourages open communications between consumers and Certified Companies and does not serve as a liaison between the parties. The following procedures for handling third party consumer allegations are intended to encourage open communication and shall take place before RMA investigates any third party consumer allegations against a Certified Company:

A. The consumer shall send a written communication to the Chief Compliance Officer of the Certified Company at the Chief Compliance Officer's mailing or email address listed on the RMA website detailing the allegation or dispute. The Chief Compliance Officer shall ensure that the Certified Company provides the consumer with a written response;

B. If the consumer does not receive a written response within thirty (30) days, the consumer may file the allegation with the Executive Director (which shall contain a copy of the written communication required by paragraph A of this section) and the Chair of the Remediation Committee. The Executive Director shall attempt contact with the Chief Compliance Officer to encourage communication with the consumer; and

C. If the consumer does not receive a written response within thirty (30) days after the submission of the allegation to RMA, the Chair of the Remediation Committee shall follow the process outlined in section 9.4 of this Article. The Executive Director and/or the Chair of the Remediation Committee shall ensure that consumers, who submit allegations against a Certified Company, receive reasonable follow-up communications as well as a final communication at the end of the review process.

9.9 **Amending Remediation Procedures Manual.** The Remediation Committee shall follow the same process established in section 5.7 of this Governance Document for the review and approval of any new or updated Remediation Procedures, except that the recommendations shall be made to the Board.

X. Fee Schedule

10.1 **Affordability.** The Council shall attempt to ensure that all fees and charges associated with the Certification Program are affordable and will result in neither a barrier for entry into the receivables industry nor a reason that current companies fail to become certified.

10.2 **Application Fees.** The Council shall recommend to the Board in the Certification Program's annual budget an application fee schedule for the following:

A. **Individuals.** Individuals shall be assessed the following fees at the time of submitting an Application:

1. **Administrative Fee.** A one-time nonrefundable administrative fee shall be charged for all first time Applicants.
2. **Biennial Certification Fee.** A biennial certification fee, which shall cover the costs associated with administering the Certification Program.

B. **Companies.** Companies shall be assessed the following fees at the time of submitting an Application:

1. **Administrative Fee.** A one-time nonrefundable administrative fee shall be charged for all first time Applicants.
2. **Biennial Certification Fee.** A biennial certification fee, which shall cover the costs associated with administering the Certification Program.

10.3 **Appeals Fee.** A fee of one thousand dollars ($1,000) shall be included with the filing of an appeal on a decision made by the Council as provided in the Remediation Procedures Manual (**see Appendix G**). The fee will be refunded only if the appeal is successful.

10.4 **Other Fees.** The Administration and Budget Committee may recommend to the Council the creation of other fees that are either associated with the Application or are charged at the point of an administrative action or request.

10.5 **Refunds.** Refunds, less an administrative processing fee of $100, shall be provided to any Applicant on biennial certification fees if the Application is withdrawn prior to the issuance of the certification or the rejection of the Application, whichever occurs first. No refunds shall be provided after the issuance of certification or the rejection of the Application.

10.6 **Currency.** All fees shall be based on the currency of the United States.

10.7 **Amending Fee Schedule.** The Administrative and Budget Committee shall follow the same process established in section 5.7 of this Governance Document for the review and approval of any new or updated fee schedules.

XI. Confidentiality, Records & Conflict of Interest

11.1 **Confidentiality of Information.** Information submitted as part of the Certification Program shall be kept confidential and used for the limited purpose of determining eligibility for certification, compliance with certification, or as provided in section 11.6 of this Article.

11.2 **Confidentiality of Investigations.** Investigations and deliberations of the Council or any Committee concerning a party's certification or potential certification shall be conducted in strict confidence, to the extent possible. Investigations by their very nature may require the disclosure of certain information to parties essential to the review and/or investigation of the alleged misconduct but should be limited, to the extent possible.

11.3 **Redaction of Proprietary Information.** The Applicant has the right to redact any proprietary information it deems necessary from all documentation and in compliance with required laws and regulations. However, the redaction of information should not be of such a magnitude to impair the Council's ability to utilize the documentation in determining eligibility for certification and/or compliance with certification. Documents which are overly redacted and deemed unusable by the Auditor and/or the Council may be rejected and may result in an adverse certification decision.

11.4 **Property of RMA.** All information submitted during the certification process shall become the property of RMA.

11.5 **Records Retention.** The Council shall maintain original or electronic copies of the following Certification Program records in accordance with RMA's Records and Retention Schedule:

A. Applications;

B. Reports of Auditors;

C. Records of Certification including disciplinary actions;

D. Records of Appeals;

E. Prior versions of the Governance Document with their Effective Dates;

F. Minutes of Council Meetings;

G. Copies of Policies and Procedures; and

H. Council Reports to the Board.

11.6 **Release of Information.** The Council shall not provide any additional information, including privileged information, to a third party except for the publication of information authorized by sections 5.5 and 5.6 of this Governance Document and for purposes of investigation and remediation as authorized by Article IX of this Governance Document. The Council shall not confirm or deny that a specific party is involved in any phase of the certification process prior to achieving certification, except as may be required for a reference and/or background check. The Council shall release information if it receives a written request from the Applicant or Certified Party indicating who the information may be released to or if the Council is required to release information by a court order. In the event that the Council receives a subpoena or other form of compulsory process other than a court order, the Council will review before deciding whether to comply with the compulsory process to release the information. To the extent permitted by law, the Council will make commercially reasonable efforts to provide prior notice to the Applicant or Certified Party concerning the court order or subpoena so that they may have an opportunity to intervene in an effort to block the disclosures. Except in the case of private censure, the Council may communicate the fact, date, and general nature of a disciplinary action against a Certified Party. Additionally, the Council may communicate the fact, date, and nature of a Certified Party's voluntary withdrawal from Certification that occurred during an independent third party audit or during the remediation process to government agencies engaged in the administration of law or receivables industry oversight.

11.7 **Confidentiality Agreement.** Council Members, Committee Members, staff, and vendors shall sign a confidentiality agreement where they agree to keep all information submitted as part of the Certification Program confidential. A violation of the confidentiality agreement may lead to dismissal from the Council, Committee, employment, or termination of a contractual relationship.

11.8 **Conflict of Interest.** Council Members, Committee Members, staff, and vendors shall recuse themselves from any discussion or actions associated with a party and/or issue where there is a personal or professional affiliation or interest that might have an impact on the deliberations. A violation of this paragraph may lead to dismissal from the Council, Committee, or employment.

XII. Meetings

12.1 **Roberts Rules of Order.** Unless provided otherwise in this Governance Document, the Council and the Committees of the Council shall follow the most recent version of Roberts Rules of Order for voting procedures.

12.2 **Quorum.** A quorum for voting purposes shall be considered fifty percent (50%) plus one (1) of the positions filled.

12.3 **Public Meetings.** The meetings of the Council and the Committees of the Council are not open to the public unless stated otherwise in advance of the meeting.

XIII. Indemnification

13.1 **Indemnification.** All Audit Committee Members, Remediation Committee Members, Council Members, RMA employees, RMA Counsel, independent contractors, and other individuals engaged in investigations or decisions on behalf of the Certification Program and RMA with respect to any allegation under the Certification Standards or an independent third party audit thereof shall be indemnified and held harmless and defended by RMA against any liability arising from such activities to the extent permitted by law, provided such individuals acted in good faith and with reasonable care, without gross negligence or willful misconduct, and did not breach any fiduciary duty owed to RMA or the Council.

APPENDIX A
CERTIFICATION STANDARDS & TESTING MANUAL FOR UNITED STATES CERTIFIED PROFESSIONAL RECEIVABLES COMPANIES (CPRC)

A.1 **Minimum Standards.** The Certification Standards Manual provides the minimum standards that Certified Parties shall maintain in order to become certified or to remain certified. These minimum standards are designed to meet or exceed state and federal laws and regulations.

A.2 **Failure to Conform to Standards.** Failure to conform to the Certification Standards can lead to the loss of certification or such other actions deemed appropriate by the Council.

A.3 **Individual Certification.** Individual Certification is a requirement for individuals who serve as the Chief Compliance Officer of a Certified Company and a voluntary designation for other individuals who meet the requirements of section 5.6 of the Governance Document. The following are the Certification Standards required for individual certification:

(1) **Education Credit Requirements.** The individual shall have completed twenty-four (24) continuing education credits from an authorized provider prior to submitting an Application for initial certification and for each biennial renewal thereafter based on the following criteria:

(a) Four (4) continuing education credits from RMA's "Introductory Survey Course on Debt Buying" presented by RMA shall be required of each individual for initial certification;

(b) Four (4) continuing education credits from RMA's "Current Issues in Debt Buying" courses presented by RMA on the latest statutory, regulatory, and judicial developments of relevance to Debt Buying Companies and their vendors shall be required of each individual for biennial renewal;

(c) Two (2) continuing education credits from an Ethics Course(s) shall be required of each individual for both initial certification and biennial renewal; and

(d) No more than sixteen (16) continuing education credits in a biennial cycle shall be from online classes, unless otherwise provided by the Governance Document.

(2) **Education Subject Matter.** An individual who seeks to be certified and remain certified shall take continuing education classes from an authorized provider on

subject matter approved or otherwise authorized in the Educational Requirements Manual (**see Appendix D**).

(3) **Publication.** The individual shall authorize RMA to publish their name, title, certification number, year certified, employer issued telephone number, and employer issued email address along with their employer's name, certification number, year certified, website address, mailing address, and telephone number in a directory of Certified Individuals that is provided on a publicly accessible website maintained by RMA. The information provided must be correct and any updates shall be provided to RMA within thirty (30) days of its occurrence. The individual shall also be required to provide the same information to a consumer upon request.

(4) **Good Character.** RMA may revoke, terminate, suspend, or deny the Individual Certification of any Certified Party and/or Applicant if the Council determines that the party has demonstrated a lack of good character that may place consumers in jeopardy or adversely reflect on the receivables industry, by any of the following:

(a) Engaged in any illegal conduct involving moral turpitude;

(b) Engaged in conduct involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information; or

(c) Engaged in any other conduct that adversely reflects on his or her fitness to engage in the business of debt collection.

A.4 **Company Certification.** The following are the Certification Standards required to become and remain a RMA Certified Company [debt buying company or creditor (Standards 1- 21) / collection law firm (Standards 1- 17 and 22 - 28) / third party collection agency (Standards 1 - 17 and 29 - 34)]:

"Series A" Standards

The following "Series A" Standards shall apply to debt buying companies, creditors, collection law firms, and third party collection agencies:

(1) **Laws & Regulations.** A Certified Company shall comply with the Fair Debt Collection Practices Act and, as applicable, the Fair Credit Reporting Act, the Telephone Consumer Protection Act, the Servicemembers Civil Relief Act, the United States Bankruptcy Code, section 5 of the Federal Trade Commission Act, sections 1031 and 1036 of the Dodd-Frank Act, and all other local, state, and federal laws and regulations concerning: (a) collection activity on consumer accounts, (b) the rights of consumers, (c) debt buying, and (d) financial services as they may apply to debt collection companies.

Audit Testing Procedures:

1.1 The Auditor shall obtain from the Certified Company a list and a copy of all judicial decisions and any local, state, and federal regulatory orders, directives, and decrees from the CFPB, FTC, state consumer regulatory agencies, and state and federal attorneys general that were issued within the dates of the Audit Period where the ruling determined the Certified Company violated a law or regulation within the scope of the Certification Standard. The list shall include: case name, court, case number, a description of the violation, the holding of the court, and the judicial relief granted.

1.2 The Auditor shall also independently conduct a search for reported local, state, and federal judicial decisions involving the Certified Company within the dates of the Audit Period; however, the Auditor shall not disregard other judicial cases should it come to their attention. The Auditor will reconcile their list with the list provided by the Certified Company and if there are discrepancies, the Auditor shall endeavor to reconcile the list with the Certified Company. The result of this reconciliation shall be attached to the report.

1.3 If there were final judicial decisions and/or regulatory orders, directives, and decrees, the Auditor shall test against the court and regulatory agency's findings for those dates within the Audit Period that occurred after each judicial decision and regulatory order, directive, and decree to determine compliance with the court or such regulatory agency's decision and summarize those findings within the report.

1.4 The Auditor shall not consider the following a violation of a Certification Standard for the purposes of the report: (a) judicial decisions that are under appeal, (b) regulatory orders, directives, and decrees that are under appeal, (c) settlements, or (d) news accounts of a settlement.

(2) **Errors & Omissions Insurance.** A Certified Company shall maintain Errors & Omissions (E&O) insurance coverage in an amount of no less than:

(a) Two million U.S. dollars ($2,000,000) per event/occurrence if the Certified Company has more than $10 million in annual receipts resulting from consumer debt collection;

(b) One million U.S. dollars ($1,000,000) per event/occurrence if the Certified Company has $2 million to $10 million in annual receipts resulting from consumer debt collection; or

(c) Five hundred thousand U.S. dollars ($500,000) per event/occurrence if the Certified Company has less than $2 million in annual receipts resulting from consumer debt collection.

Audit Testing Procedures:

2.1 The Auditor shall obtain a copy of the E & O insurance policies sufficient to demonstrate that the Certified Company had the required amount of E & O insurance in place within the dates of the Audit Period. A failure to provide a continuum of coverage shall be considered a Deficiency.

(3) **Criminal Background Check.** Unless prohibited by state or federal law, a Certified Company shall perform a legally permissible criminal background check prior to employment on every prospective full or part time employee who will have access to Consumer Data to determine the following:

(a) Whether the prospective employee has been convicted of any criminal felony involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information; and

(b) Whether the prospective employee has been charged with any crime involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information such that the facts alleged support a reasonable conclusion that the acts were committed and that the nature, timing, and circumstances of the acts may place consumers or clients in jeopardy.

A Certified Company shall maintain guidelines in a policy, procedure, or manual on how it will handle criminal background checks and the potential consequences on employment that may result from such background checks. The criminal background check is not a retroactive requirement for employees hired prior to certification.

Audit Testing Procedures:

3.1 The Auditor shall determine whether the Certified Company has a written policy, procedure, or manual which requires all new employees (including rehires) who will have access to consumer financial data to have a criminal background check performed and the potential consequences on employment that may result from such background checks.

3.2 The Auditor shall obtain from the Certified Company evidence that criminal background checks have been performed. Receipts or statements from a criminal background provider showing account activity shall be sufficient.

3.3 The Auditor shall choose a random sample of employees that were hired by the Certified Company within the dates of the Audit Period to verify that the Certified Company conformed to its policy, procedure, or manual and document their findings in the report. This requirement shall be waived if the Certified Company can demonstrate the provision of this information would violate an applicable state law on employee confidentiality.

(4) **Employee Training Programs.** A Certified Company shall establish and maintain annual employee training program(s). Based on their job responsibilities, employees should be trained on how to comply with applicable: (i) Certification Standards, (ii) corporate policies and procedures, (iii) laws and regulations, and (iv) purchase contract or client-mandated compliance requirements. These programs should also inform employees of the possible consequences for failing to comply with them.

Audit Testing Procedures:

4.1 The Auditor shall review the Certified Company's employee training programs and determine whether they conform to the Certification Standard.

4.2 The Auditor shall document in the report the Certification Standards, corporate policies and procedures, and laws and regulations for which the Certified Company is providing annual employee training.

4.3 The Auditor shall obtain from the Certified Company evidence that the training has occurred and confirmation that attendance is being tracked.

(5) **Consumer Complaint and Dispute Resolution Policies.** A Certified Company shall establish and maintain written Consumer Complaint and dispute resolution policies and procedures that instruct employees how to handle and process Consumer Complaints and disputes in compliance with the Certification Program and applicable laws and regulations, including but not limited to the Fair Debt Collection Practices Act and the Fair Credit Reporting Act.

Audit Testing Procedures:

5.1 The Auditor shall obtain from the Certified Company copies of their Consumer Complaint and dispute resolution policies and procedures.

5.2 The Auditor shall review the policies and procedures to determine whether they provide sufficient guidance to employees on how to handle Consumer Complaints, disputes, and requests for information, including but not limited to:

(a) Consumer requests for verification of the debt pursuant to 15 USC 1692g.

(b) Consumer claims of identity theft or fraud, including adequate procedures for investigating and determining the legitimacy of the claims.

5.3 The Auditor shall confirm whether the Certified Company has a system in place to flag accounts (i) while the Certified Company complies with a FDCPA (15 USC 1692g) verification request and (ii) where the Certified Company

determined that the debt was incurred as a result of identity theft or fraud. The ability to flag these accounts is necessary to prevent the unintentional sale of an account in compliance with Certification Standard 22.

5.4 The Auditor shall choose a sample of Consumer Complaints, disputes, and requests for information that the Certified Company received within the dates of the Audit Period to verify that the employees conformed to the Certified Company's policies and procedures in the handling of the complaint, dispute, or request for information. The Auditor shall document their findings in the report.

(6) **Consumer Notices.** A Certified Company shall establish and maintain a list of applicable local, state, and federal consumer notices in the areas in which the Certified Company conducts business and maintain procedures to ensure that the appropriate notices are added to consumer correspondence.

Audit Testing Procedures:

6.1 The Auditor shall review and document the Certified Company's list of local, state, and federal consumer notices.

6.2 The Auditor shall review and document the procedures the Certified Company has adopted to identify new or amended consumer notice requirements.

6.3 The Auditor shall review and document the procedures the Certified Company has adopted to ensure that appropriate notices are added to the outgoing consumer correspondence. A random sample of consumer correspondence should be tested to verify the procedures are working as intended.

(7) **Data Security Policy.** A Certified Company shall establish and maintain a reasonable and appropriate data security policy based on the type of Consumer Data being secured that meets or exceeds the requirements of applicable state and federal laws and regulations. The Certified Company shall ensure that an annual risk assessment is performed on the Certified Company's protection of Consumer Data from reasonably foreseeable internal and external risks. Based on the results of the annual risk assessment, the Certified Company shall make adjustments to their data security policy if warranted. A reasonable data security policy shall include, but not be limited to, measures taken to ensure:

(a) The safe and secure storage of physical and electronic Consumer Data;

(b) Company computers that have access to Consumer Data contain reasonable security measures such as updated antivirus software and firewalls;

(c) Receivables portfolios are not advertised or marketed in such a manner that would allow Consumer Data and Original Account Level Documentation to be available to or accessible by the public;

(d) Consumer Data is transferred securely through the use of encryption or other secure transmission sources;

(e) The secure and timely disposal of Consumer Data that complies with applicable laws and contractual requirements; and

(f) An action plan is in place in case of a data breach in accordance with applicable laws, which shall include any required disclosures of such breach.

Audit Testing Procedures:

NOTE: There are a number of differing standards in the field of data security depending on the nature of the underlying consumer debt portfolio and the type of Consumer Data associated with the asset class. Additionally, the standards in data security are constantly evolving so as to require constant vigilance. Consequently, each Certified Company shall adopt standards that are appropriate for their consumer debt portfolio and the Consumer Data contained therein and review those standards annually. If the Certified Company has questions as to which data security standards to adopt they should consult the requirements contained in the original purchase agreement with the originating creditor and such other experts and sources of information on information security as they deem appropriate. Generally, Certified Companies should consider adopting provisions that are applicable to their circumstances, which might include but are not limited to provisions found in PCI DSS, BITS, ISO 27002, SAFE, and SSAE 16.

7.1 The Auditor shall obtain from the Certified Company a copy of their data security policy.

7.2 The Auditor shall document how the Certified Company determines what standards to adopt in their data security policy.

7.3 The Auditor shall confirm that the Certified Company performs an annual review of its data security policy.

7.4 The Auditor shall confirm that the six measures outlined in the Standard are included in the Certified Company's data security policy.

7.5 The Auditor shall perform random tests to verify whether the Certified Company is conforming to its data security policy. If the Certified Company in the twelve (12) months prior to the Compliance Audit has passed a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other

standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with this requirement.

7.6 The Auditor shall confirm that the required annual risk assessments have been performed by the Certified Company within the dates of the Audit Period. The Auditor shall review the assessments and confirm that any risks that were identified have resulted in adjustments to the data security policy. Any year in which the Certified Company passes a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with the annual risk assessment requirement for that year.

(8) **CFPB Consumer Complaint System.** A Certified Company shall:

(a) Register with the CFPB for the receipt of Consumer Complaints, disputes, and inquiries filed with the bureau concerning the company and/or the company's consumer accounts; and

(b) Timely respond to all such complaints, disputes, or inquiries in accordance with the CFPB's prescribed guidelines.

Audit Testing Procedures:

8.1 The Auditor shall review the publicly accessible information and data that is published on the CFPB website to verify whether the Certified Company is conforming to the standard and report their findings.

(9) **Payment Processing.** A Certified Company shall establish and maintain a Payment Processing Policy that requires taking payments consistent with consumer instructions that were made at the time the payment was accepted, prompt posting of all consumer payments, and processing of any refunds within a reasonable amount of time.

Audit Testing Procedures:

9.1 The Auditor shall obtain from the Certified Company a copy of their payment processing policy.

9.2 The Auditor shall choose a random sample of accounts to verify whether the Certified Company is conforming to its payment processing policy and report their findings.

(10) **State Licensing Requirements.** A Certified Company shall comply with state and municipal collection licensing laws to the extent that they are applicable.

Audit Testing Procedures:

10.1 The Auditor shall obtain from the Certified Company the list of states that correspond to the consumer account addresses where there is active collection activity by the company or an agent of the company at the time of the Compliance Audit.

10.2 The Auditor shall obtain from the Certified Company the list of jurisdictions where the company is licensed as well as any jurisdictions where their license was suspended, revoked, or an application denied, including any jurisdictional license numbers.

10.3 In jurisdictions where the Certified Company is not licensed, the Auditor shall make a reasonable effort to confirm whether the company should be licensed depending on the specific facts and circumstances. If in the opinion of the Auditor, the Certified Company is not licensed in a particular jurisdiction where licensure may be required and collection activity is occurring, the company shall provide an explanation as to why they are not licensed.

(11) **Credit Bureau Reporting**. If a Certified Company reports consumer account information to a credit bureau, the Certified Company shall:

(a) Notify the credit bureau of any inaccurately reported information that it identifies within thirty (30) days of its discovery;

(b) Notify the credit bureau when a consumer disputes the accuracy of an account within thirty (30) days of the dispute being made; and

(c) Notify the credit bureau within thirty (30) days if the Certified Company sells the account.

Audit Testing Procedures:

11.1 The Auditor shall first determine whether the Certified Company reports any consumer account information to a credit bureau. If the Auditor verifies that the Certified Company has adopted a corporate policy that prohibits the reporting of consumer account information to credit bureaus and the company is in compliance with the policy, this Standard shall be waived.

11.2 The Auditor shall select a random sample from consumer accounts that had been reported to a credit bureau within the dates of the Audit Period to determine whether the Certified Company conformed to the requirements of this standard.

(12) **Statute of Limitations.** A Certified Company shall not knowingly bring or imply that it has the ability to bring a lawsuit on a debt that is beyond the applicable statute of limitations, even if state law revives the limitations period when a payment is received after the expiration of the statute. This standard shall not be interpreted to prevent a Certified Company from continuing to attempt collection beyond the expiration of the statute provided there are no laws and regulations to the contrary.

Audit Testing Procedures:

12.1 The Auditor shall document and report how the Certified Company determines which accounts they own are past an applicable statute of limitations, including but not limited to whether the Certified Company:

(a) Has established a policy and procedure concerning how employees and agents are to handle accounts after the statute of limitation has expired.

(b) Has a standard in place that defines and identifies the applicable statute of limitations as applied to each account.

(c) Has a process for determining when a state changes their statute of limitations.

12.2 The Auditor shall obtain from the Certified Company the states where the Certified Company has sought a judgment within the dates of the Audit Period and verify through a random sample of litigated accounts that:

(a) The statute of limitation was properly calculated.

(b) The litigation conformed to the Certification Standard.

12.3 The Auditor shall obtain from the Certified Company a list of accounts in those states that prohibit collection activity after the statute of limitations has expired and through a random sample shall verify whether any attempts were made to collect on those accounts or whether those accounts were sold.

12.4 If the Certified Company attempts to collect on accounts that are past the applicable statute of limitations, the Auditor shall review the communication template used for such accounts to confirm the company does not state or imply to the consumer that it has the ability to bring a lawsuit.

(13) **Chief Compliance Officer.** A Certified Company shall create and maintain the position of "Chief Compliance Officer" with a direct or indirect reporting line to the president, CEO, board of directors, managing partner, or general counsel (unless the Chief Compliance Officer is the president, CEO, managing partner, or general counsel). The

Chief Compliance Officer's documented job description shall include, at a minimum, the following responsibilities:

(a) Maintaining the Certified Company's official copy of the Certification Standards Manual;

(b) Identifying policies, procedures, or activities of the Certified Company that are out of conformity with the Certification Standards;

(c) Either directly or indirectly: (i) receiving Consumer Complaints, (ii) investigating the legitimacy of Consumer Complaints, and/or (iii) overseeing the complaint process, including complaint activity, root cause analysis, and timely response;

(d) Developing recommendations for corrective actions when the Certified Company is not conforming with the Certification Standards and providing them to his or her direct and indirect report(s);

(e) Interacting as the point of contact for the CFPB, FTC, state consumer regulatory agencies, and state and federal attorneys general regarding the oversight and accountability of the Certified Company's Consumer Complaint and Dispute Resolution Policy and the CFPB's Consumer Complaint System; and

(f) Maintain his or her status as a Certified Individual pursuant to section 5.5(A) of the Governance Document.

Audit Testing Procedures:

NOTE: The term Chief Compliance Officer is meant in terms of role and not necessarily in terms of title. The person who performs this role for the company can be an employee where the CCO is a part of their job responsibilities, an owner, or a corporate officer of the Certified Company or of a corporate affiliate of the Certified Company.

NOTE: The requirements set forth in this Certification Standard apply to all Certified Companies regardless of the volume of accounts they own, the number of individuals they employ, and how they seek to collect or recover on the debt they own. The Certified Company owns the debt and is therefore accountable for the debt. Consequently, the Certified Company should reflect how this is accomplished when work is being outsourced to third party servicers, such as collection agencies and legal collection firms.

13.1 The Auditor shall document the name and title of the Chief Compliance Officer and the date that the individual started in that capacity.

13.2 The Auditor shall confirm that the Chief Compliance Officer has an unexpired Individual Certification through the Certification Program. If the Chief

Compliance Officer is not certified, the Auditor shall indicate whether the Chief Compliance Officer is actively working towards (re)certification and the anticipated Application date.

13.3 The Auditor shall obtain a copy of the Chief Compliance Officer's job description from the Certified Company and confirm that it is in conformity to the Certification Standard.

13.4 The Auditor shall obtain a copy of the management organizational chart from the Certified Company and document the name and title of the Chief Compliance Officer's direct and indirect supervisor.

13.5 The Auditor shall obtain sufficient evidence from the Certified Company's Chief Compliance Officer on how he or she has complied with the requirements of his or her job description as enumerated in the Certification Standard.

(14) **Website & Publication.** A Certified Company shall:

(a) Maintain a publicly accessible website that can be found by a simple web search using the corporate name provided in communications with consumers. "Family of companies" that share certification pursuant to section 7.4 of the Governance Document shall maintain a website under the name of the primary company the certification was issued and under the name of any company within the "family" that communicates with consumers;

(b) Publish on the home page of their website or on a single page directly accessible from the home page, the following information: (i) the Certified Company's name (along with the names of any companies that share the certification designation, if applicable), certification number, mailing address, and telephone number; (ii) the mailing address, email address, and telephone number where consumers can register a complaint with the Certified Company that is received by an employee who has the authority to research, evaluate, take corrective action if warranted, and respond to the complaint; and (iii) a hyperlink to the "Consumer Education" page on the RMA website;

(c) Publish on their website their Chief Compliance Officer's name, title, certification number, and mailing address; and

(d) Authorize RMA to publish the information contained in paragraphs (b) and (c) of this Certification Standard on a publicly accessible website maintained by RMA.

Audit Testing Procedures:

NOTE: The authorization from the Certified Company to publish their information pursuant to this Certification Standard is a condition which is

accepted in the Application for Certification and is not a requirement that needs to be verified by the Auditor.

14.1 The Auditor shall perform a simple web search using the corporate name that the Certified Company provides in communications with consumers and document the results.

14.2 The Auditor shall confirm that the individual who serves in the role of Chief Compliance Officer is the same individual identified on the RMA and Certified Company's websites and the information required to be published is present and correct.

14.3 The Auditor shall confirm that the information required to be published by the Certified Company on its website is present and correct and is the same information that is published on the RMA website.

14.4 The Auditor shall confirm that there is a working hyperlink to RMA's Consumer Education page on the Certified Company's website.

(15) **Vendor Management.** In order to identify and retain qualified third party vendors and to assure appropriate oversight of such vendors, a Certified Company shall:

(a) Establish and maintain vendor management policies and procedures with defined due diligence and/or audit controls;

(b) Perform an annual assessment of its: (i) vendor management policies and procedures and provide recommendations for improvements, if warranted, and (ii) third party vendors to determine whether they continue to meet or exceed the requirements and expectations of the company. As part of the annual assessment, the Certified Company may need to perform additional due diligence, including by way of example rather than limitation, confirmation of certification status, vendor audits, review of policies and procedures maintained by vendors, and review of consumer complaints related to the vendor (including the data publicly available on the CFPB's consumer complaint system); and

(c) Obtain the certification number when contracting with a vendor claiming to be a RMA Certified Company and confirm the vendor's certification status on RMA's website.

Audit Testing Procedures:

15.1 The Auditor shall obtain from the Certified Company a copy of their vendor management policies and procedures. The Auditor shall verify that the policies and procedures are in conformity with the Certification Standard and the company is in compliance with those policies and procedures.

15.2 The Auditor shall confirm that the annual assessment of the vendor management policies and procedures has occurred and has been properly communicated to the executive management and/or board of directors of the company, including any recommendations for improvements.

15.3 The Auditor shall document how the Certified Company determines and/or confirms that the third party vendors (i.e. their agents) they use to communicate with consumers and/or their attorneys on the Certified Company's behalf are conforming with the applicable Certification Standards.

15.4 A violation of a Certification Standard by a third party vendor on the Certified Company's account may be considered a violation of such standard by the Certified Company.

(16) **Affidavits**. A Certified Company shall establish and maintain an Affidavit Policy that requires and ensures that:

(a) An affiant shall only sign an affidavit that is true and accurate, and that no affiant shall sign an affidavit containing an untrue statement;

(b) An affiant either have personal knowledge or upon information and belief of the facts set forth in the affidavit or shall familiarize himself or herself with the business records applicable to the subject matter of the affidavit prior to signing an affidavit; and

(c) Each affidavit shall be signed by an affiant under oath and in the presence of a notary appointed by the state in which the affiant is signing the affidavit, in accordance with and to the extent required by applicable state law.

Audit Testing Procedures:

16.1 The Auditor shall obtain from the Certified Company a copy of its Affidavit Policy and review it to confirm that it meets or exceeds the requirements of this Standard.

16.2 The Auditor shall choose a random sample of affidavits that were signed within the dates of the Audit Period to determine compliance with the Affidavit Policy.

16.3 The Auditor shall interview a random sample of the affiants who signed affidavits within the dates of the Audit Period to determine compliance with the Affidavit Policy.

16.4 The Auditor shall interview a random sample of notaries who witnessed the signing of affidavits within the dates of the Audit Period to determine compliance with the Affidavit Policy.

(17) **Commissions.** A Certified Company that provides commissions or bonuses based on collection activity shall have compliance-related criteria for the payment of such forms of compensation.

Audit Testing Procedures:

17.1 The Auditor shall first determine whether the Certified Company provides commissions or bonuses based on collection activity. If the Auditor verifies that the Certified Company prohibits this form of compensation in its corporate policies and the company is in compliance with the policies, this Standard shall be waived.

17.2 The Auditor shall confirm that the Certified Company either: (i) requires its employees to adhere to compliance-related criteria in order to be eligible for commissions and/or bonuses based on collection activity or (ii) has built compliance-related criteria into the commission and/or bonus formula.

17.3 The Auditor shall confirm through a random sample of commission and/or bonus payments that the Certified Company is conforming to this Standard.

(18) **Natural Disasters**. A Certified Company shall refrain from initiating communications with consumers concerning the payment of a debt during, and in the days immediately following, a natural disaster in a Federal Emergency Management Agency (FEMA) designated area or in an area that is subject to a state declared emergency. Based on the circumstances, a Certified Company should also consider extending grace periods for payments, suspending interest accumulation, or offering other forms of assistance. This standard shall not apply to communications required by law.

Audit Testing Procedures:

18.1 The Auditor shall obtain documentation from the Certified Company that describes the process established by the company to conform to this Standard, determine if the process is reasonable, verify the process was followed within the dates of the Audit Period, and document their findings in the report. For purposes of testing, the Auditor, using their best judgment, shall identify several major FEMA declared emergencies in the states where the Certified Company operates.

18.2 The Auditor shall notate whether the Certified Company extended grace periods for payments, suspended interest accumulation, or offered other forms of assistance to victims of natural disasters. The response to this question is for informational purposes only and will not impact the company's conformity with the Standard.

"Series B" Standards

The following "Series B" Standards shall apply exclusively to debt buying companies and creditors when purchasing and selling receivables:

(19) **Purchase & Sale Documentation Requirements.** A Certified Company shall comply with the following requirements:

(a) *Scope of Standard* – This standard shall apply to the purchase and sale of receivables[6] by a Certified Company on or after August 1, 2016; the purchase and sale of judgments by a Certified Company on or after August 1, 2017; and the purchase and sale of automobile deficiencies on or after August 1, 2018, although reasonable efforts should be made to comply with this standard effective with its adoption. This standard may contain requirements that are greater than that mandated by state and federal laws and regulations – in such instances, a Certified Company shall comply with this standard unless doing so would be interpreted as a violation of such law or regulation. This standard does not prohibit: (i) putbacks to an originating creditor or prior owner based on terms of the contract; (ii) sales/transfers to subsidiaries or affiliates of the Certified Company; (iii) sales made part of a merger or acquisition transaction involving all or substantially all of the Certified Company's assets; and (iv) transfers to a creditor made in connection with the Certified Company's default on a loan or lending agreement.

(b) *Policies & Procedures* – A Certified Company shall establish and maintain policies and procedures that provide rules, processes, and procedures it follows in the purchase or sale of receivables and judgments to ensure accuracy and completeness of information.

(c) *Required Data & Documents* – When purchasing or selling receivables or judgments, a Certified Company shall obtain or provide (or use commercially reasonable efforts to obtain or provide if applicable and maintained by the seller) at the time of the transaction the following account related information[7] [*the purchase/sale agreement may authorize the use of secure document storage facilities maintained by the seller or a third party for the documents referenced below, provided that the purchaser has reviewed the portfolio pursuant to paragraph (d), has access to the documents, and can demand delivery of any or all of the documents upon request*]:

[6] Since a judgment serves as a court of law's final determination of the rights and obligations of parties to a contract (consistent with 15 USC 1692g), a judgment shall not be considered a receivable for purposes of this standard.

[7] NOTE: The items denoted by an asterisk (*) are required by the U.S. Office of the Comptroller of the Currency for financial institutions under its jurisdiction and items denoted by the number symbol (#) are consistent with the requirements contained in the CFPB consent decrees issued in 2015.

ASSET CLASS	REQUIRED	COMMERCIALLY REASONABLE EFFORTS
Credit Cards & Asset Classes Not Listed	(i) The consumer's first and last name; (ii)* The consumer's Social Security number or other government issued identification number, if obtained by the creditor; (iii)*# The consumer's address at Charge-Off; (iv)*# The creditor's name at Charge-Off; (v)# The creditor's address at Charge-Off; (vi)*# A copy of the signed contract or other account level document(s) that were transmitted to the consumer while the account was active that provides evidence of the relevant consumer's liability for the debt in question. Other documents may include, but are not limited to, a copy of the most recent terms and conditions or a copy of the last activity statement showing a purchase transaction, service billed, payment, or balance transfer; (vii)*# The account number at Charge-Off; (viii)*# The unpaid balance due on the account, with a breakdown of the post-Charge-Off Balance, interest, fees, payments, and creditor/owner authorized credits or adjustments; (ix)*# The date and amount of the consumer's last payment, provided a payment was made; (x)* Sufficient information to calculate the dates of account delinquency and Default; (xi)# The date of Charge-Off; (xii)# The balance at Charge-Off; (xiii) A copy of a statement that reflects the Charge-Off Balance; (xiv)# A copy of each bill of sale or other document evidencing the transfer of ownership of the debt from the initial sale by the Charge-Off creditor to each successive owner that when reviewed in its totality provides a complete and unbroken chain of title documenting the name and dates of ownership of the creditor and each subsequent owner up to and including the Certified Company.	(i) If there was a legal change in the consumer's name during the life of the account, the prior name(s) used on the account; (ii) The consumer's date of birth; (iii) The consumer's last known telephone number; (iv) The consumer's last known email address; (v) The store or brand name associated with the account at Charge-Off if different from the Charge-Off creditor's name; (vi) The opening date of the account; (vii) Pre-Charge-Off account number(s) used by the creditor (and, if appropriate, its predecessors) to identify the consumer's account if different than the Charge-Off account number; and (viii) Such other information it deems necessary to substantiate in a court of law the legal obligation, the identity of the person owing the legal obligation, and an accurate balance owed on the legal obligation.
Judgments	(i) A copy of the judgment, certificate of judgment, or such other court documentation evidencing the judgment; (ii) The name and address of the attorney and/or law firm of record for the	(i) Account number at Charge-Off; (ii) Suit date; (iii) Judgment date; (iv) Case number; (v) State, county, and district where the judgment was taken;

	judgment creditor, if applicable; (iii) A complete post-judgment financial transaction history, which shall include, but not limited to the post-judgment principal, interest, costs/fees, and payments/credits; (iv) The post-judgment interest rate that was awarded by the court; (v) The judgment debtor's Social Security number or other government issued identification number, if retained by the judgment holder; and (vi) The judgment debtor's address on record with the court and, if different, the last known address.	(vi) Assignment of judgment; (vii) Substitution of attorney; (viii) Renewal date; (ix) Copy of renewal; (x) Lien date; (xi) Copy of lien, and (xii) Copy of garnishment.
Auto Deficiencies	(i) Chain of title; (ii) Consumer's first & last name; (iii) Consumer's address at time of sale; (iv) Consumer's last known address; (v) Original sales contract (retail installment contract or promissory note); (vi) Last payment amount made by the consumer; (vii) Last payment date made by the consumer; (viii) Default notice; (ix) Right to cure notice (as applicable); (x) Intent to sell notice; (xi) Repossession expenses (itemized); (xii) Full financial transaction history (itemized); (xiii) Deficiency calculation; and (xiv) Deficiency notice reflecting sale proceeds.	(i) Driver license number; (ii) Driver license image; (iii) Certified mail return receipt of default notice and/or right to cure notice; and (iv) Repossession sale documents from auction.
Auto Secured	(i) Chain of title; (ii) Consumer's first & last name; (iii) Consumer's address at time of sale; (iv) Consumer's last known address; (v) Original sale contract (retail installment contract or promissory note); (vi) Last payment amount made by the consumer; (vii) Last payment date made by the consumer; (viii) Default notice; (ix) Right to cure notice (as applicable); (x) Full financial transaction history (itemized); (xi) Original title; (xii) Charge-off amount; and (xiii) Charge-off date.	(i) Driver license number; (ii) Driver license image; (iii) Certified mail return receipt of default notice and/or right to cure notice; and (iv) Charge-off policy of seller.

(d) *Portfolio Review* – When purchasing receivables and judgments, a Certified Company shall allow adequate time to evaluate and review sufficient portfolio information for accuracy, completeness, and reasonableness and to discuss and resolve with the seller any questions or findings resulting from the review process prior to purchasing the portfolio.

Audit Testing Procedures:

19.1 The Auditor shall review the purchase and sale agreements that were entered into within the dates of the Audit Period to determine what account related information was included. If any of the account related information described in the Certification Standard is missing in a purchase or sale agreement, the Auditor shall indicate: (i) the asset class of the debt, (ii) which account related information is missing, and (iii) the Certified Company's documented explanation for the lack of the account related information. In the case of data and documents subject to commercially reasonable efforts, if the Certified Company used commercially reasonable efforts to include the account related information in the purchase agreement and documented the reason for its absence, the failure to obtain the account related information in the purchase agreement shall not be a basis for a violation.

19.2 The Auditor shall select a random sample of accounts associated with each purchase and sale agreement entered into within the dates of the Audit Period to verify whether the required account related information was in fact transmitted. The Certified Company can provide either a sampling of accounts from their system or from a file if the accounts are not on their system. The Auditor is not testing whether the information is correct but rather the availability and delivery of the account related information pursuant to the agreement.

19.3 If a purchase or sale agreement entered into within the dates of the Audit Period authorizes the use of a secure document storage facility maintained by the seller or a third party for certain documents, the Certified Company shall: (i) demonstrate to the Auditor that it has [access/provided access] to the documents and can [demand delivery/provide delivery] of the documents upon request and (ii) provide the Auditor either a random sample of documents it [received/delivered] during the Audit Period from the secure document storage facility, or in the case of the purchaser, request a random sample of documents from the secure document storage facility for the purpose of evaluating conformity for the Audit.

19.4 The Auditor shall select a random sample of accounts from each purchase and sale agreement entered into within the dates of the Audit Period to confirm that the documents reveal a complete and unbroken chain of title documenting the name, address, and dates of ownership of the creditor and each subsequent owner up to and including the Certified Company.

19.5 The Auditor shall review the Certified Company's policies and procedures for the purchase and sale of receivables to determine whether it provides a process or procedure for the evaluation and review of portfolio information for accuracy, completeness, and reasonableness prior to the purchase of the portfolio and indicate in the report whether the Certified Company conformed to its policy.

(20) **Representations & Warranties.** A Certified Company shall use its best efforts to negotiate the inclusion of the following or substantially similar representations and warranties in purchase agreements:

(a) Seller is lawful holder of the accounts;

(b) Accounts are valid, binding, and enforceable obligations;

(c) Accounts were originated[8] and serviced in accordance with law;

(d) Account data is materially accurate and complete; and

(e) Any account that was the subject of a consumer dispute while owned by the seller has been responded to or validated.

Audit Testing Procedures:

NOTE: While representations and warranties that are not qualified with either "to the best of seller's knowledge" or "to the best of seller's actual knowledge" are preferable, either of these knowledge qualifiers is acceptable in conforming to this Standard.

20.1 The Auditor shall review the purchase and sale agreements that were entered into within the dates of the Audit Period to determine whether representations and warranties consistent with this Certification Standard were included. If the representations and warranties described in this Certification Standard are missing in the purchase or sale agreement, the Auditor shall note which representations and warranties are missing and the Certified Company's documented explanation for the lack of those representations and warranties. Provided that the Certified Company used best efforts to include the representations and warranties in the purchase or sale agreement and documented the reason for their absence, the failure to obtain representations and warranties in the agreement shall not be a basis for a violation of this Certification Standard.

[8] Warranty on "originated . . . in accordance with law" is only applicable to sales transactions involving originating creditors.

(21) **Due Diligence.** A Certified Company shall conduct reasonable due diligence on entities the company seeks to contract with for the purchase or sale of receivables prior to the transmission or receipt of any account level data. Reasonable due diligence shall include, but not be limited to, reviewing: (i) the entity's financial strength, (ii) the entity's reputation and experience, (iii) the data security measures the entity has adopted to preserve the integrity and privacy of Consumer Data, (iv) adverse information concerning the entity and the entity's principals, (v) adverse litigation and/or consent orders against the entity in the prior two years; and (vi) the volume and nature of consumer complaints filed with the CFPB's consumer complaint system and the Better Business Bureau against the entity in the prior two years.

Audit Testing Procedures:

NOTE: The presence of adverse information does not necessarily prevent a purchase/sale transaction from taking place but is designed to place the Certified Company on notice.

21.1 The Auditor shall review the policies and procedures the Certified Company has established for conducting reasonable due diligence on the background of entities the company seeks to contract with for the purchase or sale of receivables to ensure the company conformed to the Standard.

(22) **Sale Restrictions**. A Certified Company shall not sell any consumer accounts:

(a) When the company does not have access to Original Account Level Documentation on the accounts;

(b) When the consumer has communicated (written or verbal) to the company that he or she disputes the validity or accuracy of the debt or has requested verification of the debt pursuant to FDCPA 15 USC 1692g. However, this restriction may be lifted if, after receiving the communication, the company confirmed the validity of the debt through the use of Original Account Level Documentation and provided the consumer the results of such confirmation;

(c) When the account has been settled-in-full or paid-in-full;

(d) When the account has been identified as having been created as a result of identity theft or fraud; and

(e) To a non-Certified Company without terms and conditions contained in the sales agreement requiring the purchaser of the accounts to meet or exceed the standards of a Certified Company with the exception that the purchaser need not be a Certified Company.

Audit Testing Procedures:

22.1 The Auditor shall first determine whether the Certified Company sells any consumer accounts on the secondary market. If the Auditor verifies that the Certified Company has adopted a corporate policy that prohibits the sale of consumer accounts and the company is in compliance with the policy, this Standard shall be waived.

22.2 The Auditor shall select a random sample of accounts that the Certified Company sold within the dates of the Audit Period to verify if the accounts had the Original Account Level Documentation required by Certification Standard # 19.

22.3 The Auditor shall select a random sample of accounts that the Certified Company sold within the dates of the Audit Period to verify that the sales transaction(s) conformed with the restrictions contained in paragraphs (b), (c), and (d) of the Standard.

22.4 The Auditor shall review a Certified Company's sale agreements involving consumer accounts that were entered into within the dates of the Audit Period to verify that the agreements contain terms and conditions that conform to the Certification Standards.

"Series C" Standards

The following "Series C" Standards shall apply exclusively to collection law firms:

(23) **Bar Admission.** A collection law firm shall ensure that all practicing attorneys employed by the firm that are involved in collection-related matters:

(a) Are admitted to the state bar for the practice of law;

(b) Remain in good standing with the bar; and

(c) Are in compliance with current Rules of Professional Conduct in the state(s) where they are licensed.

Audit Testing Procedures:

23.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard and verify the process was followed within the dates of the Audit Period.

23.2 The Auditor shall obtain from the collection law firm the full list of practicing attorneys employed by the firm along with a listing of the states that each attorney is currently or was previously admitted to the bar for the practice of law within the dates of the Audit Period. The Auditor shall cross reference those names on the publicly accessible attorney registration list maintained by each state and document their findings in the report.

(24) **Legal Education.** A collection law firm shall ensure that all practicing attorneys employed by the firm that are involved in collection-related matters receive at least twenty (20) hours of biennial legal education in a subject matter related to collection law and/or collection litigation.

Audit Testing Procedures:

24.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard and verify the process was followed within the dates of the Audit Period.

24.2 If the collection law firm provides internal legal educational programming for its practicing attorneys, the Auditor shall obtain a list of the topics covered by such programming within the dates of the Audit Period and document them in its report.

(25) **Legal Malpractice Insurance.** A collection law firm shall maintain legal malpractice insurance coverage in an amount of no less than one million U.S. dollars ($1,000,000) per event/occurrence. This shall be deemed to satisfy the requirements of Standard # 2.

Audit Testing Procedures:

25.1 The Auditor shall obtain a copy of the collection law firm's legal malpractice insurance policy to verify that the firm had the required amount of legal malpractice insurance in place within the dates of the Audit Period. A failure to provide a continuum of coverage shall be considered a Deficiency.

(26) **Trust Accounts.** A collection law firm shall maintain trust account(s) at a federally insured financial institution for the segregation of client funds following the rules for such accounts established by the state bar. There shall be sufficient funds in the trust account at all times to pay clients the amount due them. Trust accounts shall be reconciled on a monthly basis. The establishment of a trust account may be waived by a client in writing, provided that the state bar permits such waivers.

Audit Testing Procedures:

26.1 The Auditor shall obtain from the collection law firm the rules governing the administration of client trust accounts established by the state bar. The Auditor shall select a random sample from a list of the firm's clients within the dates of the Audit Period to verify the firm's compliance with such rules and with this Standard and document their findings in the report.

(27) **Meaningful Attorney Involvement.** A collection law firm shall establish policies and procedures to ensure meaningful attorney involvement prior to the filing of any collection-related lawsuit. A practicing attorney employed by the firm shall review (by way of example rather than limitation) documents, venue, applicable statute of limitations, court procedures, and applicable laws and regulations before suit is filed.

Audit Testing Procedures:

27.1 The Auditor shall confirm that the collection law firm has established a meaningful attorney involvement policy and procedure by obtaining a copy of such policy and procedure.

27.2 The Auditor shall determine if the attorneys at the collection law firm have been complying with the meaningful attorney involvement policy and procedure by interviewing a random sample of attorneys from the firm.

(28) **Judgment Retention.** After becoming certified, a collection law firm shall keep electronically imaged copies of all collection-related judgments it obtains on behalf of its clients for a period of time equal to the statutorily authorized enforcement period. The firm shall transmit a copy of the judgment to the judgment holder within five (5) business days from the receipt of a written request or within such period of time as clearly defined pursuant to an agreement between the parties.

Audit Testing Procedures:

28.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard, determine if the process is reasonable to ensure timely transmittal of the requested documents, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

(29) **Consumer & Regulatory Complaints.** A collection law firm shall transmit to a client within five (5) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or civil investigative demands (CIDs) received by

the law firm on one of the client's accounts, including complaints filed with the CFPB, FTC, state consumer regulatory agencies, and state and federal attorneys general.

Audit Testing Procedures:

29.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard, determine if the process is reasonable to ensure timely transmittal of the requested documents, verify the process was followed within the dates of the Audit Period through a random sample of Consumer Complaints, and document their findings in the report.

29.2 If the Auditor identifies Consumer Complaints as coming from the CFPB's consumer complaint system, the Auditor shall inquire if the firm generally responds to such complaints under the firm's name or if the complaints are transferred administratively in the CFPB's system to the client's name with the response being filed by the client. The response to this question is for informational purposes only.

"Series D" Standards

The following "Series D" Standards shall apply exclusively to third party collection agencies:

(30) **Bonding.** A third party collection agency shall maintain a bond for the protection of client funds in all states where the company engages in collection activity in the amount mandated by state law.

Audit Testing Procedures:

30.1 The Auditor shall obtain a copy of the third party collection agency's surety bonds, if required. The Auditor shall confirm compliance with any state statutory bonding requirement. A failure to provide a continuum of coverage shall be considered a Deficiency.

(31) **Trust Accounts.** A third party collection agency shall maintain trust account(s) at a federally insured financial institution in which all monies received on claims shall be deposited, except that negotiable instruments received may be forwarded directly to the client if such procedure is provided for by a writing executed by the client. There shall be sufficient funds in the trust account at all times to pay clients the amount due them. Trust accounts shall be reconciled on a monthly basis.

Audit Testing Procedures:

31.1 The Auditor shall select a random sample from a list of the third party collection agency's clients during the dates of the Audit Period to verify compliance with this Standard and document their findings in the report.

(32) **Client Inquiries.** A third party collection agency shall ensure that its clients can reasonably communicate with the agency during business hours on any of their accounts being managed by the agency. An agency shall respond to client inquiries within five (5) business days, or such shorter period agreed to between the parties, from receipt of the inquiry.

Audit Testing Procedures:

32.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard, determine if the process is reasonable to ensure a timely response, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

32.2 To determine if clients can reasonably communicate with the third party collection agency during business hours, the Auditor shall randomly select a different day and time to contact the agency's Chief Compliance Officer using the telephone number published on the RMA website and the agency's client account manager using the telephone number provided to clients. If voice mail is available, the Auditor shall leave a message with the nature of the call and requesting an immediate response. The Auditor shall document their findings in the report.

(33) **Consumer & Regulatory Complaints.** A third party collection agency shall transmit to a client within five (5) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or civil investigative demands (CIDs) received by the agency on one of the client's accounts, including complaints filed with the CFPB, FTC, state consumer regulatory agencies, and state and federal attorneys general.

Audit Testing Procedures:

33.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard, determine if the process is reasonable to ensure a timely response, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

33.2 If the Auditor identifies Consumer Complaints as coming from the CFPB's consumer complaint system, the Auditor shall inquire if the third party agency generally responds to such complaints under the agency's name or if the complaints are transferred administratively in the CFPB's system to the client's name with the response being filed by the client. The response to this question is for informational purposes only.

(34) **Cessation of Collections.** A third party collection agency shall cease collection activity on any or all of a client's accounts upon written notice from the client, provided that this may be further defined pursuant to an agreement between the parties.

Audit Testing Procedures:

34.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard and determine if the process is reasonable.

34.2 The Auditor shall select a random sample of accounts that were associated with a client's written notice to cease collection activity to confirm that: (i) the agency's documented process was followed, (ii) collection activity had ceased after receipt of the notice, and (iii) the accounts were segregated or otherwise removed from the active database of accounts in collection.

(35) **Account Recalls.** A third party collection agency shall return all Consumer Data and/or accounts within fourteen (14) business days from receipt of a written request for their return or within such period of time as clearly defined pursuant to an agreement between the parties.

Audit Testing Procedures:

35.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard and determine if the process is reasonable.

35.2 The Auditor shall select a random sample of client communications requesting accounts be recalled and confirm that: (i) the agency's documented process was followed, (ii) collection activity had ceased after receipt of the request, (iii) the account data was returned to the client, (iv) the accounts were segregated or otherwise removed from the active database of accounts in collection, and (v) if the agreement required the deletion or destruction of account data, the client's account data was in fact deleted or destroyed.

APPENDIX B

CERTIFICATION STANDARDS & TESTING MANUAL FOR CERTIFIED RECEIVABLES BROKERS

A receivables broker[9] that is certified pursuant to the Receivables Management Certification Program shall hold the designation of a "Certified Receivables Broker" (CRB). The following Standards shall apply to CRBs:

(1) **Chief Compliance Officer.** A broker shall create and maintain the position of "Chief Compliance Officer" with a direct or indirect reporting line to the president, CEO, board of directors, managing partner, or general counsel (unless the Chief Compliance Officer is the president, CEO, managing partner, or general counsel). The Chief Compliance Officer's documented job description shall include, at a minimum, the following responsibilities:

(a) Maintaining the broker's official copy of the Certification Standards Manual;

(b) Identifying policies, procedures, or activities of the broker that are out of conformity with the Certification Standards;

(c) Either directly or indirectly: (i) receiving client complaints, (ii) investigating the legitimacy of client complaints, and/or (iii) overseeing the complaint process, including complaint activity, root cause analysis, and timely response;

(d) Developing recommendations for corrective actions when the broker is not conforming with the Certification Standards and providing them to his or her direct and indirect report(s); and

(e) Maintain his or her status as a Certified Individual pursuant to section 5.5(A) of the Governance Document.

Audit Testing Procedures:

1.1 The Auditor shall document the name and title of the Chief Compliance Officer and the date that the individual started in that capacity.

1.2 The Auditor shall confirm that the Chief Compliance Officer has an unexpired Individual Certification through the Certification Program. If the Chief Compliance Officer is not certified, the Auditor shall indicate whether the Chief Compliance Officer is actively working towards (re)certification and the anticipated Application date.

[9] Brokers that take title are considered Debt Buying Companies – See "Series A & B" Standards of Appendix A.

1.3 The Auditor shall obtain a copy of the Chief Compliance Officer's job description from the Certified Company and confirm that it is in conformity to the Certification Standard.

1.4 The Auditor shall obtain a copy of the management organizational chart from the Certified Company and document the name and title of the Chief Compliance Officer's direct and indirect supervisor.

1.5 The Auditor shall obtain sufficient evidence from the Certified Company's Chief Compliance Officer on how he or she has complied with the requirements of his or her job description as enumerated in the Certification Standard.

(2) **Criminal Background Checks.** Unless prohibited by state/provincial or federal law, a broker shall perform a legally permissible criminal background check prior to employment on every prospective full or part time employee who will have access to Consumer Data to determine the following:

(a) Whether the prospective employee has been convicted of any criminal felony involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information; and

(b) Whether the prospective employee has been charged with any crime involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information such that the facts alleged support a reasonable conclusion that the acts were committed and that the nature, timing, and circumstances of the acts may place consumers or clients in jeopardy.

A broker shall maintain guidelines in a policy, procedure, or manual on how it will handle criminal background checks and the potential consequences on employment that may result from such background checks. The criminal background check is not a retroactive requirement for employees hired prior to certification.

Audit Testing Procedures:

2.1 The Auditor shall determine whether the broker has a written policy, procedure, or manual which requires all new employees (including rehires) who will have access to consumer financial data to have a criminal background check performed and the potential consequences on employment that may result from such background checks.

2.2 The Auditor shall obtain from the broker evidence that criminal background checks have been performed. Receipts or statements from a criminal background provider showing account activity shall be sufficient.

2.3 The Auditor shall choose a random sample of employees that were hired by the

broker within the dates of the Audit Period to verify that the broker conformed to its policy, procedure, or manual and document their findings in the report. This requirement shall be waived if the broker can demonstrate the provision of this information would violate an applicable state/provincial or federal law on employee confidentiality.

(3) **Employee Training Programs.** A broker shall establish and maintain annual employee training program(s). Based on their job responsibilities, employees should be trained on how to comply with applicable: (i) Certification Standards, (ii) corporate policies and procedures, (iii) laws and regulations, and (iv) client-mandated compliance requirements. These programs should also inform employees of the possible consequences for failing to comply with them.

Audit Testing Procedures:

3.1 The Auditor shall review the broker's employee training programs and determine whether they conform to the Certification Standard.

3.2 The Auditor shall document in the report the Certification Standards, corporate policies and procedures, and laws and regulations for which the broker is providing annual employee training.

3.3 The Auditor shall obtain from the broker evidence that the training has occurred and confirmation that attendance is being tracked.

(4) **Insurance.** A broker shall maintain Errors & Omissions (E&O) insurance coverage or comparable insurance coverage in an amount of no less than one million U.S. dollars ($1,000,000) per event/occurrence.

Audit Testing Procedures:

4.1 The Auditor shall obtain a copy of the insurance policies sufficient to demonstrate that the broker had the required insurance in place within the dates of the Audit Period. A failure to provide a continuum of coverage shall be considered a Deficiency.

(5) **Data Security.** A broker shall establish and maintain a reasonable and appropriate data security policy based on the type of Consumer Data being secured that meets or exceeds the requirements of applicable state/provincial and federal laws and regulations. A broker shall ensure that an annual risk assessment is performed on the methodology employed to protect Consumer Data from reasonably foreseeable internal and external risks. Based on the results of the annual risk assessment, a broker shall make adjustments to their data

security policy if warranted. A reasonable data security policy shall include, but not be limited to, measures taken to ensure:

(a) The safe and secure storage of physical and electronic Consumer Data;

(b) Company computers that have access to Consumer Data contain reasonable security measures such as updated antivirus software and firewalls;

(c) Receivables portfolios are not advertised or marketed in such a manner that would allow Consumer Data and Original Account Level Documentation to be available to or accessible by the public;

(d) Consumer Data is transferred securely through the use of encryption or other secure transmission sources;

(e) The secure and timely disposal of Consumer Data that complies with applicable laws and contractual requirements; and

(f) An action plan is in place in case of a data breach in accordance with applicable laws, which shall include any required disclosures of such breach.

Audit Testing Procedures:

NOTE: There are a number of differing standards in the field of data security depending on the nature of the underlying consumer debt portfolio and the type of Consumer Data associated with the asset class. Additionally, the standards in data security are constantly evolving so as to require constant vigilance. Consequently, each Certified Company shall adopt standards that are appropriate for their consumer debt portfolio and the Consumer Data contained therein and review those standards annually. If the Certified Company has questions as to which data security standards to adopt they should consult the requirements contained in the original purchase agreement with the originating creditor and such other experts and sources of information on information security as they deem appropriate. Generally, Certified Companies should consider adopting provisions that are applicable to their circumstances, which might include but are not limited to provisions found in PCI DSS, BITS, ISO 27002, SAFE, and SSAE 16.

5.1 The Auditor shall obtain from the broker a copy of their data security policy.

5.2 The Auditor shall document how the broker determines what standards to adopt in their data security policy.

5.3 The Auditor shall confirm that the broker performs an annual review of its data security policy.

5.4 The Auditor shall confirm that the six measures outlined in the Standard are

included in the broker's data security policy.

5.5 The Auditor shall perform random tests to verify whether the broker is conforming to its data security policy. If the broker in the twelve (12) months prior to the Compliance Audit has passed a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with this requirement.

5.6 The Auditor shall confirm that the required annual risk assessments have been performed by the broker within the dates of the Audit Period. The Auditor shall review the assessments and confirm that any risks that were identified have resulted in adjustments to the data security policy. Any year in which the broker passes a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with the annual risk assessment requirement for that year.

(6) **Vendor Management.** In order to identify and retain qualified third party vendors and to assure appropriate oversight of such vendors, a broker shall:

(a) Establish and maintain vendor management policies and procedures with defined due diligence and/or audit controls;

(b) Perform an annual assessment of its: (i) vendor management policies and procedures and provide recommendations for improvements, if warranted, and (ii) third party vendors to determine whether they continue to meet or exceed the requirements and expectations of the broker. As part of the annual assessment, the broker may need to perform additional due diligence, including by way of example rather than limitation, confirmation of certification status, vendor audits, review of policies and procedures maintained by vendors, and review of consumer complaints related to the vendor (including the data publicly available on the CFPB's consumer complaint system); and

(c) Obtain the certification number when contracting with a vendor claiming to be a RMA Certified Company and confirm the vendor's certification status on RMA's website.

Audit Testing Procedures:

6.1 The Auditor shall obtain from the Certified Company a copy of their vendor management policies and procedures. The Auditor shall verify that the policies and procedures are in conformity with the Certification Standard and the company is in compliance with those policies and procedures.

6.2 The Auditor shall confirm that the annual assessment of the vendor management policies and procedures has occurred and has been properly communicated to the executive management and/or board of directors of the company, including any recommendations for improvements.

6.3 The Auditor shall document how the Certified Company determines and/or confirms that the third party vendors (i.e. their agents) they use are conforming with the applicable Certification Standards.

6.4 A violation of a Certification Standard by a third party vendor on the Certified Company's account may be considered a violation of such standard by the Certified Company.

(7) **Broker Agreements.** A broker shall only market accounts that are subject to a broker agreement. A broker agreement shall clearly indicate who the client (i.e. buyer or seller) is for purposes of a sales transaction. A broker shall not represent both the buyer and the seller in the same sales transaction unless the broker has obtained, per transaction, a signed acknowledgement from both parties to the dual representation.

Audit Testing Procedures:

7.1 The Auditor shall request a list of broker agreements entered into during the Audit Period and based on a random sample of such agreements determine if it is clearly stated who the client is for purposes of the sales transaction and to confirm that the broker is not representing both parties.

(8) **Multiple Listings.** In order to increase data security and to prevent unintentional concurrent sales of accounts, a broker shall use commercially reasonable efforts to obtain an exclusivity clause in their broker agreements with sellers to prevent accounts from being simultaneously listed and marketed by multiple brokers.

Audit Testing Procedures:

8.1 The Auditor shall request a list of broker agreements entered into during the Audit Period in which the broker was representing the seller and based on a random sample of such agreements determine if there was an exclusivity clause for the brokering of the accounts.

8.2 If the broker used commercially reasonable efforts to obtain an exclusivity clause in the broker agreement and documented the reason for its absence, the failure to obtain the exclusivity clause shall not be a basis for a violation. However, the Auditor shall notate in the Audit Report how many instances this occurred in the sample.

(9) **Due Diligence.** A broker shall conduct reasonable due diligence on both the selling and purchasing entities associated with a sales transaction prior to the transmission of any account level data. Reasonable due diligence should include, but not be limited to, reviewing: (i) the reputation and experience of the seller and purchaser; (ii) adverse information concerning the seller and purchaser, including company principals, (iii) the volume and nature of consumer complaints filed with the CFPB's consumer complaint system and the Better Business Bureau against the seller and purchaser in the prior two years; (iv) adverse litigation and/or consent orders against the seller and purchaser in the prior two years; and (v) the data security measures the seller and purchaser has adopted to preserve the integrity and privacy of Consumer Data. Any adverse information the broker discovers shall be provided to the seller and purchaser.

Audit Testing Procedures:

9.1 The Auditor shall review the policies and procedures the broker has established for conducting reasonable due diligence on the background of the purchasers and sellers for which it facilitates sales transactions to ensure the broker conformed to the Standard.

9.2 The Auditor shall determine whether the broker informed the seller and purchaser of any adverse information discovered prior to the transmission of any account level data. The presence of adverse information does not necessarily prevent a purchase/sale transaction from taking place but is designed to place all parties associated with an agreement on notice.

(10) **Misrepresentation of Accounts.** A broker shall not knowingly allow a seller to: (1) misrepresent accounts or (2) sell accounts where the broker knew or reasonably should have known the accounts had issues concerning title, accuracy or integrity of account information, fraud, or identity theft.

Audit Testing Procedures:

Interview /Buyer Survey

10.1 The Auditor shall confirm that the broker has established policies and procedures for tracking the volume and nature of returned accounts on prior sales transactions the broker facilitated and for flagging the seller's name where a significant number of accounts had to be returned to the seller for issues concerning title, accuracy or integrity of account information, fraud, or identity theft. While the broker does not have an affirmative responsibility to seek this information from the purchaser, it must have the capability of documenting it if informed.

10.2 The Auditor shall determine if the broker has been complying with the policy and procedure.

10.3 The Auditor shall determine if the broker facilitated a sales transaction for a seller within two years of being placed on notice of a significant number of accounts having to be returned to the seller on a prior transaction for issues concerning title, accuracy or integrity of account information, fraud, or identity theft.

10.4 While the standard does not define "significant," the Auditor shall inquire and document how the broker determines what a "significant" number of accounts that would cause the broker concern.

(11) **Seller Requirements.** When one of the contracting parties is a Certified Company, a broker shall not facilitate a sales transaction if the seller cannot substantially provide in the purchase/sale agreement the representations and warranties contained in Standard 20 of Appendix A or Standard 20 of Appendix C.

Audit Testing Procedures:

11.1 The Auditor shall request a list of sales transactions that the broker facilitated during the Audit Period. Based on the review of this list, the Auditor shall create a subset of transactions where one or both parties to the agreement were RMA certified. From a random sample of this subset, the Auditor shall confirm the seller in a purchase/sale agreement substantially provided the representations and warranties contained in Standard 20 of Appendix A or Standard 20 of Appendix C.

(12) **Purchaser Requirements.** When one of the contracting parties is a Certified Company, a broker shall not facilitate a sales transaction where the purchaser does not agree to include in the purchase/sale agreement terms and conditions that requires the purchaser to be RMA certified, or if not RMA certified, to meet or exceed the standards of the Receivables Management Certification Program.

Audit Testing Procedures:

12.1 The Auditor shall request a list of sales transactions that the broker facilitated during the Audit Period. Based on the review of this list, the Auditor shall create a subset of transactions where one or both parties to the agreement were RMA certified. From a random sample of this subset, the Auditor shall confirm the purchase/sale agreement contained terms and conditions that required the purchaser to be RMA certified, or if not RMA certified, to meet or exceed the standards of the Receivables Management Certification Program.

(13) **Title.** A broker shall not take title or have any ownership interest in the receivables it brokers.

Audit Testing Procedures:

13.1 The Auditor shall request a list of sales transactions that the broker facilitated during the Audit Period and based on a random sample shall review the related broker agreements to confirm they contain language that clearly indicates that the sale is directly between the seller and purchaser and that the broker does not fall into the chain of title on such accounts.

APPENDIX C
CERTIFICATION STANDARDS & TESTING MANUAL

FOR CANADIAN CERTIFIED PROFESSIONAL RECEIVABLES COMPANIES (CPRC)

The following "Series A" Standards shall apply to debt buying companies, creditors, collection law firms, and third party collection agencies:

(1) **Consumer Communications** – A Certified Company shall develop policies and procedures to ensure that all consumer communications meet the following standards, unless otherwise prohibited or mandated by provincial law and/or regulation:

(a) *Consumer-Directed Communications* – A Certified Company shall not deviate from the requirements of this standard unless the company has received written direction from the consumer to cease communication or indicating their preferred communication methodology.

(b) *Live Communications* – A Certified Company shall only initiate live communications with a consumer by telephone, text, video streaming, or other similar live communication methodologies between the hours of 8:00am and 8:00pm (unless expanded or reduced hours are outlined under provincial law or regulation) based on the time zone of the consumer's last known physical address and/or area code. A Certified Company may engage in a live conversation with a consumer that the consumer initiated, regardless of the hour.

(c) *Passive Communications* – A Certified Company may initiate passive communications with a consumer by email, ringless voicemail, or other similar passive communication methodologies in a time and manner approved by the Canadian Radio-television and Telecommunications Commission.

(d) *Mail Delivery* – A Certified Company shall use a government or commercial mail delivery service for residential mail delivery.

(e) *In-Person Contact* – Unless initiated by the consumer, a Certified Company shall not engage in any in-person contact with a consumer for the purpose of debt collection, except as it relates to a legal action brought for the collection of the debt.

(f) *Volume of Contact* – A Certified Company should attempt to limit their total communication attempts with a consumer to no more than three (3) a day and are encouraged to vary the time and communication methodology used so as to avoid the perception of harassment.

(g) *Communications at Work* – A Certified Company shall not knowingly initiate communication with a consumer while at work using the employer's address, email, or telephone.

(h) *Honest and Respectful Communications* – A Certified Company shall take measures to ensure that its employees always treat consumers with courtesy and respect even if the same treatment is not returned. As part of this requirement, an employee shall never knowingly make a false or misleading statement to a consumer or use language containing threats of violence or obscenities.

(i) *Bilingual Communication* – A Certified Company shall ensure that they have the ability to communicate orally and in writing in both the English and French languages.

(j) *Litigation Exception* – A Certified Company may disregard the consumer's direction to cease communication if it relates to a legal action brought for the collection of the debt.

Audit Testing Procedures:

1.1 The Auditor shall review policies and procedures the Certified Company has adopted to conform to this Standard to determine if the policies and procedures are consistent with the requirements of the Standard.

1.2 The Auditor shall observe operations and interview the CCO and a random sample of call agents to determine compliance with the Standard.

(2) **Laws & Regulations.** A Certified Company shall comply with all local, provincial, and federal laws and regulations concerning the collection of consumer debt and the purchase and sale of receivables.

Audit Testing Procedures:

2.1 The Auditor shall obtain from the Certified Company a list and a copy of all judicial decisions and any local, provincial, and federal regulatory orders, directives, and decrees from provincial consumer regulatory agencies, and provincial and federal attorneys general that were issued within the dates of the Audit Period where the ruling determined the Certified Company violated a law or regulation within the scope of the Certification Standard. The list shall include: case name, court, case number, a description of the violation, the holding of the court, and the judicial relief granted.

2.2 The Auditor shall also independently conduct a search for reported local, provincial, and federal judicial decisions involving the Certified Company within the dates of the Audit Period; however, the Auditor shall not disregard other

judicial cases should it come to their attention. The Auditor will reconcile their list with the list provided by the Certified Company and if there are discrepancies, the Auditor shall endeavor to reconcile the list with the Certified Company. The result of this reconciliation shall be attached to the report.

2.3 If there were final judicial decisions and/or regulatory orders, directives, and decrees, the Auditor shall test against the court and regulatory agency's findings for those dates within the Audit Period that occurred after each judicial decision and regulatory order, directive, and decree to determine compliance with the court or such regulatory agency's decision and summarize those findings within the report.

2.4 The Auditor shall not consider the following a violation of a Certification Standard for the purposes of the report: (a) judicial decisions that are under appeal, (b) regulatory orders, directives, and decrees that are under appeal, (c) settlements, or (d) news accounts of a settlement.

(3) **Errors & Omissions Insurance.** A Certified Company shall maintain Errors & Omissions (E&O) insurance coverage in an amount of no less than:

(a) Two million Canadian dollars ($2,000,000) per event/occurrence if the Certified Company has more than $10 million in annual receipts resulting from consumer debt collection;

(b) One million Canadian dollars ($1,000,000) per event/occurrence if the Certified Company has less than $10 million in annual receipts resulting from consumer debt collection; or

(c) Five hundred thousand Canadian dollars ($500,000) per event/occurrence if the Certified Company has less than $2 million in annual receipts resulting from consumer debt collection.

Audit Testing Procedures:

3.1 The Auditor shall obtain a copy of the E & O insurance policies sufficient to demonstrate that the Certified Company had the required amount of E & O insurance in place within the dates of the Audit Period. A failure to provide a continuum of coverage shall be considered a Deficiency.

(4) **Criminal Background Check.** Unless prohibited by provincial or federal law, a Certified Company shall perform a legally permissible criminal background check prior to employment on every prospective full or part time employee who will have access to Consumer Data to determine the following:

(a) Whether the prospective employee has been convicted of any indictable offense involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information; and

(b) Whether the prospective employee has been charged with any indictable offense involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information such that the facts alleged support a reasonable conclusion that the acts were committed and that the nature, timing, and circumstances of the acts may place consumers or clients in jeopardy.

A Certified Company shall maintain guidelines in a policy, procedure, or manual on how it will handle criminal background checks and the potential consequences on employment that may result from such background checks. The criminal background check is not a retroactive requirement for employees hired prior to certification.

Audit Testing Procedures:

4.1 The Auditor shall determine whether the Certified Company has a written policy, procedure, or manual which requires all new employees (including rehires) who will have access to consumer financial data to have a criminal background check performed and the potential consequences on employment that may result from such background checks.

4.2 The Auditor shall obtain from the Certified Company evidence that criminal background checks have been performed. Receipts or statements from a criminal background provider showing account activity shall be sufficient.

4.3 The Auditor shall choose a random sample of employees that were hired by the Certified Company within the dates of the Audit Period to verify that the Certified Company conformed to its policy, procedure, or manual and document their findings in the report. This requirement shall be waived if the Certified Company can demonstrate the provision of this information would violate an applicable provincial law on employee confidentiality.

(5) **Employee Training Programs.** A Certified Company shall establish and maintain annual employee training program(s) that are documented and trackable. Based on their job responsibilities, employees should be trained on how to comply with applicable: (i) Certification Standards, (ii) corporate policies and procedures, (iii) laws and regulations, and (iv) purchase contract or client-mandated compliance requirements. These programs should also inform employees of the possible consequences for failing to comply with them.

Audit Testing Procedures:

5.1 The Auditor shall review the Certified Company's employee training programs

and determine whether they conform to the Certification Standard.

5.2 The Auditor shall document in the report the Certification Standards, corporate policies and procedures, and laws and regulations for which the Certified Company is providing annual employee training.

5.3 The Auditor shall obtain from the Certified Company evidence that the training has occurred and confirmation that attendance is being tracked.

(6) **Consumer Complaint and Dispute Resolution Policies.** A Certified Company shall establish and maintain written Consumer Complaint and dispute resolution policies and procedures that instruct employees how to handle and process Consumer Complaints and disputes in compliance with the Certification Program and applicable laws and regulations.

Audit Testing Procedures:

6.1 The Auditor shall obtain from the Certified Company copies of their Consumer Complaint and dispute resolution policies and procedures.

6.2 The Auditor shall review the policies and procedures to determine whether they provide sufficient guidance to employees on how to handle Consumer Complaints, disputes, and requests for information, including consumer claims of identity theft or fraud.

6.3 The Auditor shall confirm whether the Certified Company has a system in place to flag accounts (i) while the Certified Company complies with a verification request and (ii) where the Certified Company determined that the debt was incurred as a result of identity theft or fraud. The ability to flag these accounts is necessary to prevent the unintentional sale of an account in compliance with Certification Standard 22.

6.4 The Auditor shall choose a sample of Consumer Complaints, disputes, and requests for information that the Certified Company received within the dates of the Audit Period to verify that the employees conformed to the Certified Company's policies and procedures in the handling of the complaint, dispute, or request for information. The Auditor shall document their findings in the report.

(7) **Consumer Notices.** A Certified Company shall establish and maintain a list of approved local, provincial, and federal consumer notices in the areas in which the Certified Company conducts business and maintain procedures to ensure that the appropriate notices are added to consumer correspondence.

Audit Testing Procedures:

7.1 The Auditor shall review and document the Certified Company's list of local, provincial, and federal consumer notices.

7.2 The Auditor shall review and document the procedures the Certified Company has adopted to identify new or amended consumer notice requirements.

7.3 The Auditor shall review and document the procedures the Certified Company has adopted to ensure that appropriate notices are added to the outgoing consumer correspondence. A random sample of consumer correspondence should be tested to verify the procedures are working as intended.

(8) **Data Security Policy.** A Certified Company shall establish and maintain a reasonable and appropriate data security policy based on the type of Consumer Data being secured that meets or exceeds the requirements of applicable provincial and federal laws and regulations. The Certified Company shall ensure that an annual risk assessment is performed on the Certified Company's protection of Consumer Data from reasonably foreseeable internal and external risks. Based on the results of the annual risk assessment, the Certified Company shall make adjustments to their data security policy if warranted. A reasonable data security policy shall include, but not be limited to, measures taken to ensure:

(a) All Consumer Data contained in Canadian originated accounts shall be maintained in Canada or as otherwise permitted by provincial or federal law;

(b) The safe and secure storage of physical and electronic Consumer Data;

(c) Company computers that have access to Consumer Data contain reasonable security measures such as updated antivirus software and firewalls;

(d) Receivables portfolios are not advertised or marketed in such a manner that would allow Consumer Data and Original Account Level Documentation to be available to or accessible by the public;

(e) Consumer Data is transferred securely through the use of encryption or other secure transmission sources;

(f) The secure and timely disposal of Consumer Data that complies with applicable laws and contractual requirements; and

(g) An action plan is in place in case of a data breach in accordance with applicable laws, which shall include any required disclosures of such breach.

Audit Testing Procedures:

NOTE: There are a number of differing standards in the field of data security depending on the nature of the underlying consumer debt portfolio and the type of Consumer Data associated with the asset class. Additionally, the standards in data security are constantly evolving so as to require constant vigilance. Consequently, each Certified Company shall adopt standards that are appropriate for their consumer debt portfolio and the Consumer Data contained therein and review those standards annually. If the Certified Company has questions as to which data security standards to adopt they should consult the requirements contained in the original purchase agreement with the originating creditor and such other experts and sources of information on information security as they deem appropriate. Generally, Certified Companies should consider adopting provisions that are applicable to their circumstances, which might include but are not limited to provisions found in PCI DSS, BITS, ISO 27002, SAFE, and SSAE 16.

8.1 The Auditor shall obtain from the Certified Company a copy of their data security policy.

8.2 The Auditor shall document how the Certified Company determines what standards to adopt in their data security policy.

8.3 The Auditor shall confirm that the Certified Company performs an annual review of its data security policy.

8.4 The Auditor shall confirm that the seven measures outlined in the Standard are included in the Certified Company's data security policy.

8.5 The Auditor shall perform random tests to verify whether the Certified Company is conforming to its data security policy. If the Certified Company in the twelve (12) months prior to the Compliance Audit has passed a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with this requirement.

8.6 The Auditor shall confirm that the required annual risk assessments have been performed by the Certified Company within the dates of the Audit Period. The Auditor shall review the assessments and confirm that any risks that were identified have resulted in adjustments to the data security policy. Any year in which the Certified Company passes a data security audit performed using PCI DSS, BITS, ISO 27002, SAFE, SSAE 16 or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with the annual risk assessment requirement for that year.

(9) **Payment Processing.** A Certified Company shall establish and maintain a Payment Processing Policy that requires taking payments consistent with the requirements of Payments Canada as well as consumer instructions that were made at the time the payment was accepted, prompt posting of all consumer payments, and processing of any refunds within a reasonable amount of time.

Audit Testing Procedures:

9.1 The Auditor shall obtain from the Certified Company a copy of their payment processing policy.

9.2 The Auditor shall choose a random sample of accounts to verify whether the Certified Company is conforming to its payment processing policy and report their findings.

(10) **Licensing Requirements.** A Certified Company shall comply with the applicable provincial licensing laws related to the collection of debt.

Audit Testing Procedures:

10.1 The Auditor shall obtain from the Certified Company the list of provinces that correspond to the consumer account addresses where there is active collection activity by the company or an agent of the company at the time of the Compliance Audit.

10.2 The Auditor shall obtain from the Certified Company the list of jurisdictions where the company is licensed as well as any jurisdictions where their license was suspended, revoked, or an application denied, including any jurisdictional license numbers.

10.3 In jurisdictions where the Certified Company is not licensed, the Auditor shall make a reasonable effort to confirm whether the company should be licensed depending on the specific facts and circumstances. If in the opinion of the Auditor, the Certified Company is not licensed in a particular jurisdiction where licensure may be required and collection activity is occurring, the company shall provide an explanation as to why they are not licensed.

(11) **Credit Bureau Reporting**. If a Certified Company reports consumer account information to a credit bureau, the Certified Company shall:

(a) Notify the credit bureau of any inaccurately reported information that it identifies within thirty (30) days of its discovery;

(b) Notify the credit bureau when a consumer disputes the accuracy of an account within thirty (30) days of the dispute being made; and

(c) Notify the credit bureau within ten (10) days if the Certified Company sells the account.

Audit Testing Procedures:

11.1 The Auditor shall first determine whether the Certified Company reports any consumer account information to a credit bureau. If the Auditor verifies that the Certified Company has adopted a corporate policy that prohibits the reporting of consumer account information to credit bureaus and the company is in compliance with the policy, this Standard shall be waived.

11.2 The Auditor shall select a random sample from consumer accounts that had been reported to a credit bureau within the dates of the Audit Period to determine whether the Certified Company conformed to the requirements of this standard.

(12) **Statute of Limitations.** A Certified Company shall not knowingly bring or imply that it has the ability to bring a lawsuit on a debt that is beyond the applicable statute of limitations or permitted by provincial law. This standard shall not be interpreted to prevent a Certified Company from continuing to attempt collection beyond the expiration of the statute provided there are no laws and regulations to the contrary.

Audit Testing Procedures:

12.1 The Auditor shall document and report how the Certified Company determines which accounts they own are past an applicable statute of limitations, including but not limited to whether the Certified Company:

(a) Has established a policy and procedure concerning how employees and agents are to handle accounts after the statute of limitation has expired.

(b) Has a standard in place that defines and identifies the applicable statute of limitations as applied to each account.

(c) Has a process for determining when a province changes their statute of limitations.

12.2 The Auditor shall obtain from the Certified Company the provinces where the Certified Company has sought a judgment within the dates of the Audit Period and verify through a random sample of litigated accounts that:

(a) The statute of limitation was properly calculated.

(b) The litigation conformed to the Certification Standard.

12.3 If the Certified Company attempts to collect on accounts that are past the applicable statute of limitations, the Auditor shall review the communication template used for such accounts to confirm the company does not state or imply to the consumer that it has the ability to bring a lawsuit.

(13) **Chief Compliance Officer.** A Certified Company shall create and maintain the position of "Chief Compliance Officer" with a direct or indirect reporting line to the president, CEO, board of directors, managing partner, or general counsel (unless the Chief Compliance Officer is the president, CEO, managing partner, or general counsel). The Chief Compliance Officer's documented job description shall include, at a minimum, the following responsibilities:

(a) Maintaining the Certified Company's official copy of the Certification Standards Manual;

(b) Identifying policies, procedures, or activities of the Certified Company that are out of conformity with the Certification Standards;

(c) Either directly or indirectly: (i) receiving Consumer Complaints, (ii) investigating the legitimacy of Consumer Complaints, and/or (iii) overseeing the complaint process, including complaint activity, root cause analysis, and timely response;

(d) Developing recommendations for corrective actions when the Certified Company is not conforming with the Certification Standards and providing them to his or her direct and indirect report(s);

(e) Interacting as the point of contact for provincial or federal regulatory agencies regarding the oversight and accountability of the Certified Company's Consumer Complaints; and

(f) Maintain his or her status as a Certified Individual pursuant to section 5.5(A) of the Governance Document.

Audit Testing Procedures:

NOTE: The term Chief Compliance Officer is meant in terms of role and not necessarily in terms of title. The person who performs this role for the company can be an employee where the CCO is a part of their job responsibilities, an owner, or a corporate officer of the Certified Company or of a corporate affiliate of the Certified Company.

NOTE: The requirements set forth in this Certification Standard apply to all

Certified Companies regardless of the volume of accounts they own, the number of individuals they employ, and how they seek to collect or recover on the debt they own. The Certified Company owns the debt and is therefore accountable for the debt. Consequently, the Certified Company should reflect how this is accomplished when work is being outsourced to third party servicers, such as collection agencies and legal collection firms.

13.1 The Auditor shall document the name and title of the Chief Compliance Officer and the date that the individual started in that capacity.

13.2 The Auditor shall confirm that the Chief Compliance Officer has an unexpired Individual Certification through the Certification Program. If the Chief Compliance Officer is not certified, the Auditor shall indicate whether the Chief Compliance Officer is actively working towards (re)certification and the anticipated Application date.

13.3 The Auditor shall obtain a copy of the Chief Compliance Officer's job description from the Certified Company and confirm that it is in conformity to the Certification Standard.

13.4 The Auditor shall obtain a copy of the management organizational chart from the Certified Company and document the name and title of the Chief Compliance Officer's direct and indirect supervisor.

13.5 The Auditor shall obtain sufficient evidence from the Certified Company's Chief Compliance Officer on how he or she has complied with the requirements of his or her job description as enumerated in the Certification Standard.

(14) **Website & Publication.** A Certified Company shall:

(a) Maintain a publicly accessible website that can be found by a simple web search using the corporate name provided in communications with consumers. "Family of companies" that share certification pursuant to section 7.4 of the Governance Document shall maintain a website under the name of the primary company the certification was issued and under the name of any company within the "family" that communicates with consumers;

(b) Publish on the home page of their website or on a single page directly accessible from the home page, the following information: (i) the Certified Company's name (along with the names of any companies that share the certification designation, if applicable), certification number, mailing address, and telephone number; (ii) the mailing address, email address, and telephone number where consumers can register a complaint with the Certified Company that is received by an employee who has the authority to research, evaluate, take corrective action if warranted, and respond to the

complaint; and (iii) a hyperlink to the "Consumer Education" page on the RMA website;

(c) Publish on their website their Chief Compliance Officer's name, title, certification number, and mailing address; and

(d) Authorize RMA to publish the information contained in paragraphs (b) and (c) of this Certification Standard on a publicly accessible website maintained by RMA.

Audit Testing Procedures:

NOTE: The authorization from the Certified Company to publish their information pursuant to this Certification Standard is a condition which is accepted in the Application for Certification and is not a requirement that needs to be verified by the Auditor.

14.1 The Auditor shall perform a simple web search using the corporate name that the Certified Company provides in communications with consumers and document the results.

14.2 The Auditor shall confirm that the individual who serves in the role of Chief Compliance Officer is the same individual identified on the RMA and Certified Company's websites and the information required to be published is present and correct.

14.3 The Auditor shall confirm that the information required to be published by the Certified Company on its website is present and correct and is the same information that is published on the RMA website.

14.4 The Auditor shall confirm that there is a working hyperlink to RMA's Consumer Education page on the Certified Company's website.

(15) **Vendor Management.** In order to identify and retain qualified third party vendors and to assure appropriate oversight of such vendors, a Certified Company shall:

(a) Establish and maintain vendor management policies and procedures with defined due diligence and/or audit controls;

(b) Perform an annual assessment of its: (i) vendor management policies and procedures and provide recommendations for improvements, if warranted, and (ii) third party vendors to determine whether they continue to meet or exceed the requirements and expectations of the company. As part of the annual assessment, the Certified Company may need to perform additional due diligence, including by way of example rather than limitation, confirmation of certification status, vendor audits,

review of policies and procedures maintained by vendors, and review of consumer complaints related to the vendor; and

(c) Obtain the certification number when contracting with a vendor claiming to be a RMA Certified Company and confirm the vendor's certification status on RMA's website.

Audit Testing Procedures:

15.1 The Auditor shall obtain from the Certified Company a copy of their vendor management policies and procedures. The Auditor shall verify that the policies and procedures are in conformity with the Certification Standard and the company is in compliance with those policies and procedures.

15.2 The Auditor shall confirm that the annual assessment of the vendor management policies and procedures has occurred and has been properly communicated to the executive management and/or board of directors of the company, including any recommendations for improvements.

15.3 The Auditor shall document how the Certified Company determines and/or confirms that the third party vendors (i.e. their agents) they use to communicate with consumers and/or their attorneys on the Certified Company's behalf are conforming with the applicable Certification Standards.

15.4 A violation of a Certification Standard by a third party vendor on the Certified Company's account may be considered a violation of such standard by the Certified Company.

(16) **Attestations**. A Certified Company shall establish and maintain an Attestation Policy that requires and ensures that:

(a) An employee shall only sign an attestation that is true and accurate, and that no employee shall sign an attestation containing an untrue statement;

(b) An employee either have personal knowledge or upon information and belief of the facts set forth in the affidavit or shall familiarize himself or herself with the business records applicable to the subject matter of the attestation prior to signing an attestation; and

(c) Each attestation shall be signed by an employee under oath and in the presence of a commissioner of oath, lawyer, or notary appointed by the province in which the employee is signing the attestation, in accordance with and to the extent required by applicable provincial law.

Audit Testing Procedures:

16.1 The Auditor shall obtain from the Certified Company a copy of its Affidavit Policy and review it to confirm that it meets or exceeds the requirements of this Standard.

16.2 The Auditor shall choose a random sample of attestations that were signed within the dates of the Audit Period to determine compliance with the Attestation Policy.

16.3 The Auditor shall interview a random sample of employees who signed attestations within the dates of the Audit Period to determine compliance with the Attestation Policy.

16.4 The Auditor shall interview a random sample of commissioners of oath, lawyers, or notaries who witnessed the signing of attestations within the dates of the Audit Period to determine compliance with the Attestation Policy.

(17) **Commissions.** A Certified Company that provides commissions or bonuses based on collection activity shall have compliance-related criteria for the payment of such forms of compensation.

Audit Testing Procedures:

17.1 The Auditor shall first determine whether the Certified Company provides commissions or bonuses based on collection activity. If the Auditor verifies that the Certified Company prohibits this form of compensation in its corporate policies and the company is in compliance with the policies, this Standard shall be waived.

17.2 The Auditor shall confirm that the Certified Company either: (i) requires its employees to adhere to compliance-related criteria in order to be eligible for commissions and/or bonuses based on collection activity or (ii) has built compliance-related criteria into the commission and/or bonus formula.

17.3 The Auditor shall confirm through a random sample of commission and/or bonus payments that the Certified Company is conforming to this Standard.

(18) **Natural Disasters**. A Certified Company shall refrain from communicating with consumers concerning the payment of a debt during, and in the days immediately following, a natural disaster in a designated area that is subject to a provincial or federal declared emergency. Based on the circumstances, a Certified Company should also consider extending grace periods for payments, suspending interest accumulation, or offering other forms of assistance.

Audit Testing Procedures:

18.1 The Auditor shall obtain documentation from the Certified Company that describes the process established by the company to conform to this Standard, determine if the process is reasonable, verify the process was followed within the dates of the Audit Period, and document their findings in the report. For purposes of testing, the Auditor, using their best judgment, shall identify several major provincial or federal declared emergencies in the provinces where the Certified Company operates.

18.2 The Auditor shall notate whether the Certified Company extended grace periods for payments, suspended interest accumulation, or offered other forms of assistance to victims of natural disasters. The response to this question is for informational purposes only and will not impact the company's conformity with the Standard.

"Series B" Standards

The following "Series B" Standards shall apply exclusively to debt buying companies and creditors when purchasing and selling receivables:

(19) **Purchase & Sale Documentation Requirements.** A Certified Company shall comply with the following requirements:

(a) *Scope of Standard* – This standard shall apply to the purchase and sale of receivables and judgments by a Certified Company on or after August 1, 2018, although reasonable efforts should be made to comply with this standard effective with its adoption. This standard may contain requirements that are greater than that mandated by provincial and federal laws and regulations – in such instances, a Certified Company shall comply with this standard unless doing so would be interpreted as a violation of such law or regulation. This standard does not prohibit: (i) putbacks to an originating creditor or prior owner based on terms of the contract; (ii) sales/transfers to subsidiaries or affiliates of the Certified Company; (iii) sales made part of a merger or acquisition transaction involving all or substantially all of the Certified Company's assets; and (iv) transfers to a creditor made in connection with the Certified Company's default on a loan or lending agreement.

(b) *Policies & Procedures* – A Certified Company shall establish and maintain policies and procedures that provide rules, processes, and procedures it follows in the purchase or sale of receivables and judgments to ensure accuracy and completeness of information.

(c) *Required Data & Documents* – When purchasing or selling receivables or judgments, a Certified Company shall obtain or provide (or use commercially reasonable efforts to obtain or provide if applicable and maintained by the seller) at the time of the transaction the following account related information[10] [*the purchase/sale agreement may authorize the use of secure document storage facilities maintained by the seller or a third party for the documents referenced below, provided that the purchaser has reviewed the portfolio pursuant to paragraph (d), has access to the documents, and can demand delivery of any or all of the documents upon request*]:

ASSET CLASS	REQUIRED	COMMERCIALLY REASONABLE EFFORTS
Credit Cards & Asset Classes Not Listed	(i) The consumer's first and last name; (ii) The consumer's Social Insurance number or other government issued identification number, if obtained by the creditor; (iii) The consumer's address at Charge-Off; (iv) The creditor's name at Charge-Off; (v) The creditor's address at Charge-Off; (vi) A copy of the signed contract or other account level document(s) that were transmitted to the consumer while the account was active that provides evidence of the relevant consumer's liability for the debt in question. Other documents may include, but are not limited to, a copy of the most recent terms and conditions or a copy of the last activity statement showing a purchase transaction, service billed, payment, or balance transfer; (vii) The account number at Charge-Off; (viii) The unpaid balance due on the account, with a breakdown of the post-Charge-Off Balance, interest, fees, payments, and creditor/owner authorized credits or adjustments; (ix) The date and amount of the consumer's last payment, provided a payment was made; (x) The date of account delinquency; (xi) The date of Charge-Off; (xii) The balance at Charge-Off; (xiii) A copy of a statement that reflects the Charge-Off Balance; (xiv) A copy of each bill of sale or other document evidencing the transfer of ownership of the debt from the initial sale by the Charge-Off creditor to each successive owner that when reviewed in its totality provides a complete and	(i) If there was a legal change in the consumer's name during the life of the account, the prior name(s) used on the account; (ii) The consumer's date of birth; (iii) The consumer's last known telephone number; (iv) The consumer's last known email address; (v) The store or brand name associated with the account at Charge-Off if different from the Charge-Off creditor's name; (vi) The opening date of the account; (vii) Pre-Charge-Off account number(s) used by the creditor (and, if appropriate, its predecessors) to identify the consumer's account if different than the Charge-Off account number; (viii) Account verification correspondence, if applicable; and (ix) Such other information it deems necessary to substantiate in a court of law the legal obligation, the identity of the person owing the legal obligation, and an accurate balance owed on the legal obligation.

consent decrees issued in 2015.

	unbroken chain of title documenting the name and dates of ownership of the creditor and each subsequent owner up to and including the Certified Company.	
Judgments	(i) A copy of the judgment, certificate of judgment, or such other court documentation evidencing the judgment; (ii) The name and address of the attorney and/or law firm of record for the judgment creditor, if applicable; (iii) A complete post-judgment financial transaction history, which shall include, but not limited to the post-judgment principal, interest, costs/fees, and payments/credits; (iv) The post-judgment interest rate that was awarded by the court; (v) The judgment debtor's Social Insurance number or other government issued identification number, if retained by the judgment holder; and (vi) The judgment debtor's address on record with the court and, if different, the last known address.	(i) Account number at Charge-Off; (ii) Suit date; (iii) Judgment date; (iv) Case number; (v) State, county, and district where the judgment was taken; (vi) Assignment of judgment; (vii) Substitution of attorney; (viii) Renewal date; (ix) Copy of renewal; (x) Lien date; (xi) Copy of lien; and (xii) Copy of garnishment.
Auto Deficiencies	(i) Consumer's first & last name; (ii) Consumer's address at time of sale; (iii) Consumer's last known address; (iv) Original sales contract (retail installment contract or promissory note); (v) Last payment amount made by the consumer; (vi) Last payment date made by the consumer; (vii) Default notice; (viii) Right to cure notice (as applicable); (ix) Intent to sell notice; (x) Repossession expenses (itemized); (xi) Full financial transaction history; (xii) Deficiency calculation; and (xiii) Deficiency notice reflecting sale proceeds.	(i) Driver license number; (ii) Driver license image; (iii) Certified mail return receipt of default notice and/or right to cure notice; and (iv) Repossession sale documents from auction.
Auto Secured	(i) Consumer's first & last name; (ii) Consumer's address at time of sale; (iii) Consumer's last known address; (iv) Original sale contract (retail installment contract or promissory note); (v) Last payment amount made by the consumer; (vi) Last payment date made by the consumer; (vii) Default notice; (viii) Right to cure notice (as applicable);	(i) Driver license number; (ii) Driver license image; (iii) Certified mail return receipt of default notice and/or right to cure notice; and (iv) Charge-off policy of seller.

	(ix) Full financial transaction history; (x) Copy of the title; (xi) Charge-off amount; and (xii) Charge-off date.	

(d) *Portfolio Review* – When purchasing receivables and judgments, a Certified Company shall allow adequate time to evaluate and review sufficient portfolio information for accuracy, completeness, and reasonableness and to discuss and resolve with the seller any questions or findings resulting from the review process prior to purchasing the portfolio.

Audit Testing Procedures:

19.1 The Auditor shall review the purchase and sale agreements that were entered into within the dates of the Audit Period to determine what account related information was included. If any of the account related information described in the Certification Standard is missing in a purchase or sale agreement, the Auditor shall indicate: (i) the asset class of the debt, (ii) which account related information is missing, and (iii) the Certified Company's documented explanation for the lack of the account related information. In the case of data and documents subject to commercially reasonable efforts, if the Certified Company used commercially reasonable efforts to include the account related information in the purchase agreement and documented the reason for its absence, the failure to obtain the account related information in the purchase agreement shall not be a basis for a violation.

19.2 The Auditor shall select a random sample of accounts associated with each purchase and sale agreement entered into within the dates of the Audit Period to verify whether the required account related information was in fact transmitted. The Certified Company can provide either a sampling of accounts from their system or from a file if the accounts are not on their system. The Auditor is not testing whether the information is correct but rather the availability and delivery of the account related information pursuant to the agreement.

19.3 If a purchase or sale agreement entered into within the dates of the Audit Period authorizes the use of a secure document storage facility maintained by the seller or a third party for certain documents, the Certified Company shall: (i) demonstrate to the Auditor that it has [access/provided access] to the documents and can [demand delivery/provide delivery] of the documents upon request and (ii) provide the Auditor either a random sample of documents it [received/delivered] during the Audit Period from the secure document storage facility, or in the case of the purchaser, request a random sample of documents from the secure document storage facility for the purpose of evaluating conformity for the Audit.

19.4 The Auditor shall select a random sample of accounts from each purchase and sale agreement entered into within the dates of the Audit Period to confirm that

the documents reveal a complete and unbroken chain of title documenting the name, address, and dates of ownership of the creditor and each subsequent owner up to and including the Certified Company.

19.5 The Auditor shall review the Certified Company's policies and procedures for the purchase and sale of receivables to determine whether it provides a process or procedure for the evaluation and review of portfolio information for accuracy, completeness, and reasonableness prior to the purchase of the portfolio and indicate in the report whether the Certified Company conformed to its policy.

(20) **Representations & Warranties.** A Certified Company shall use its best efforts to negotiate the inclusion of the following or substantially similar representations and warranties in purchase agreements:

(a) Seller is lawful holder of the accounts;

(b) Accounts are valid, binding, and enforceable obligations;

(c) Accounts were originated[11] and serviced in accordance with law;

(d) Account data is materially accurate and complete and has been stored and maintained in accordance with industry acceptable security standards; and

(e) Any account that was the subject of a consumer dispute while owned by the seller has been responded to or validated.

Audit Testing Procedures:

NOTE: While representations and warranties that are not qualified with either "to the best of seller's knowledge" or "to the best of seller's actual knowledge" are preferable, either of these knowledge qualifiers is acceptable in conforming to this Standard.

20.1 The Auditor shall review the purchase and sale agreements that were entered into within the dates of the Audit Period to determine whether representations and warranties consistent with this Certification Standard were included. If the representations and warranties described in this Certification Standard are missing in the purchase or sale agreement, the Auditor shall note which representations and warranties are missing and the Certified Company's documented explanation for the lack of those representations and warranties. Provided that the Certified Company used best efforts to include the

representations and warranties in the purchase or sale agreement and documented the reason for their absence, the failure to obtain representations and warranties in the agreement shall not be a basis for a violation of this Certification Standard.

(21) **Due Diligence.** A Certified Company shall conduct reasonable due diligence on entities the company seeks to contract with for the purchase or sale of receivables prior to the transmission or receipt of any account level data. Reasonable due diligence shall include, but not be limited to, reviewing: (i) the entity's financial strength, and (ii) adverse information concerning the entity and the entity's principals, and (iii) adverse litigation and/or consent orders against the entity in the prior two years.

Audit Testing Procedures:

NOTE: The presence of adverse information does not necessarily prevent a purchase/sale transaction from taking place but is designed to place the Certified Company on notice.

21.1 The Auditor shall review the policies and procedures the Certified Company has established for conducting reasonable due diligence on the background of entities the company seeks to contract with for the purchase or sale of receivables to ensure the company conformed to the Standard.

(22) **Sale Restrictions**. A Certified Company shall not sell any consumer accounts:

(a) When the company does not have access to Original Account Level Documentation on the accounts on accounts charged-off after December 31, 2018;

(b) When the consumer has communicated (written or verbal) to the company that he or she disputes the validity or accuracy of the debt or has requested verification of the debt. However, this restriction may be lifted if, after receiving the communication, the company confirmed the validity of the debt through the use of Original Account Level Documentation and provided the consumer the results of such confirmation;

(c) When the account has been settled-in-full or paid-in-full;

(d) When the account has been identified as having been created as a result of identity theft or fraud; and

(e) To a non-Certified Company without terms and conditions contained in the sales agreement requiring the purchaser of the accounts to meet or exceed the standards of a Certified Company relating to licensing, litigation, documentation requirements, resale, and required policies and procedures.

Audit Testing Procedures:

22.1 The Auditor shall first determine whether the Certified Company sells any consumer accounts on the secondary market. If the Auditor verifies that the Certified Company has adopted a corporate policy that prohibits the sale of consumer accounts and the company is in compliance with the policy, this Standard shall be waived.

22.2 The Auditor shall select a random sample of accounts that the Certified Company sold within the dates of the Audit Period to verify if the accounts had the Original Account Level Documentation required by Certification Standard # 19.

22.3 The Auditor shall select a random sample of accounts that the Certified Company sold within the dates of the Audit Period to verify that the sales transaction(s) conformed with the restrictions contained in paragraphs (b), (c), and (d) of the Standard.

22.4 The Auditor shall review a Certified Company's sale agreements involving consumer accounts that were entered into within the dates of the Audit Period to verify that the agreements contain terms and conditions that conform to the Certification Standards.

"Series C" Standards

The following "Series C" Standards shall apply exclusively to collection law firms:

(23) **Bar Admission.** A collection law firm shall ensure that all practicing attorneys employed by the firm that are involved in collection-related matters:

(a) Are admitted to the provincial bar for the practice of law;

(b) Remain in good standing with the bar; and

(c) Are in compliance with current Rules of Professional Conduct in the province(s) where they are licensed.

Audit Testing Procedures:

23.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard and verify the process was followed within the dates of the Audit Period.

23.2 The Auditor shall obtain from the collection law firm the full list of practicing attorneys employed by the firm along with a listing of the provinces that each attorney is currently or was previously admitted to the bar for the practice of law within the dates of the Audit Period. The Auditor shall cross reference those names on the publicly accessible attorney registration list maintained by each province and document their findings in the report.

(24) **Legal Education.** A collection law firm shall ensure that all practicing attorneys employed by the firm that are involved in collection-related matters receive at least twenty (20) hours of biennial legal education in a subject matter related to collection law and/or collection litigation.

Audit Testing Procedures:

24.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard and verify the process was followed within the dates of the Audit Period.

24.2 If the collection law firm provides internal legal educational programming for its practicing attorneys, the Auditor shall obtain a list of the topics covered by such programming within the dates of the Audit Period and document them in its report.

(25) **Legal Malpractice Insurance.** A collection law firm shall maintain legal malpractice insurance coverage in an amount of no less than one million Canadian dollars ($1,000,000) per event/occurrence. This shall be deemed to satisfy the requirements of Standard # 3.

Audit Testing Procedures:

25.1 The Auditor shall obtain a copy of the collection law firm's legal malpractice insurance policy to verify that the firm had the required amount of legal malpractice insurance in place within the dates of the Audit Period. A failure to provide a continuum of coverage shall be considered a Deficiency.

(26) **Trust Accounts.** A collection law firm shall maintain trust account(s) at a federally insured financial institution for the segregation of client funds following the rules for such accounts established by the provincial bar. There shall be sufficient funds in the trust account at all times to pay clients the amount due them. Trust accounts shall be reconciled on a monthly basis. The establishment of a trust account may be waived by a client in writing, provided that the provincial bar permits such waivers.

Audit Testing Procedures:

26.1 The Auditor shall obtain from the collection law firm the rules governing the administration of client trust accounts established by the provincial bar. The Auditor shall select a random sample from a list of the firm's clients within the dates of the Audit Period to verify the firm's compliance with such rules and with this Standard and document their findings in the report.

(27) **Meaningful Attorney Involvement.** A collection law firm shall establish policies and procedures to ensure meaningful attorney involvement prior to the filing of any collection-related lawsuit. A practicing attorney employed by the firm shall review (by way of example rather than limitation) documents, venue, applicable statute of limitations, court procedures, and applicable laws and regulations before suit is filed.

Audit Testing Procedures:

27.1 The Auditor shall confirm that the collection law firm has established a meaningful attorney involvement policy and procedure by obtaining a copy of such policy and procedure.

27.2 The Auditor shall determine if the attorneys at the collection law firm have been complying with the meaningful attorney involvement policy and procedure by interviewing a random sample of attorneys from the firm.

(28) **Judgment Retention.** After becoming certified, a collection law firm shall keep electronically imaged copies of all collection-related judgments it obtains on behalf of its clients for a period of time equal to the statutorily authorized enforcement period. The firm shall transmit a copy of the judgment to the judgment holder within five (5) business days from the receipt of a written request or within such period of time as clearly defined pursuant to an agreement between the parties.

Audit Testing Procedures:

28.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard, determine if the process is reasonable to ensure timely transmittal of the requested documents, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

(29) **Consumer & Regulatory Complaints.** A collection law firm shall transmit to a client within five (5) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or civil investigative demands (CIDs) received by

the law firm on one of the client's accounts, including complaints filed with provincial consumer regulatory agencies and provincial and federal attorneys general.

Audit Testing Procedures:

29.1 The Auditor shall obtain documentation from the collection law firm that describes the process established by the firm to conform to this Standard, determine if the process is reasonable to ensure timely transmittal of the requested documents, verify the process was followed within the dates of the Audit Period through a random sample of Consumer Complaints, and document their findings in the report.

29.2 The Auditor shall inquire if the firm generally responds to such complaints under the firm's name or if the complaints are transferred administratively to the client's name with the response being filed by the client. The response to this question is for informational purposes only.

"Series D" Standards

The following "Series D" Standards shall apply exclusively to third party collection agencies:

(30) **Bonding.** A third party collection agency shall maintain a bond for the protection of client funds in all provinces where the company engages in collection activity in the amount mandated by provincial law.

Audit Testing Procedures:

30.1 The Auditor shall obtain a copy of the third party collection agency's surety bonds, if required. The Auditor shall confirm compliance with any provincial statutory bonding requirement. A failure to provide a continuum of coverage shall be considered a Deficiency.

(31) **Trust Accounts.** A third party collection agency shall maintain trust account(s) at a federally insured financial institution in which all monies received on claims shall be deposited, except that negotiable instruments received may be forwarded directly to the client if such procedure is provided for by a writing executed by the client. There shall be sufficient funds in the trust account at all times to pay clients the amount due them. Trust accounts shall be reconciled on a monthly basis.

Audit Testing Procedures:

31.1 The Auditor shall select a random sample from a list of the third party

collection agency's clients during the dates of the Audit Period to verify compliance with this Standard and document their findings in the report.

(32) **Client Inquiries.** A third party collection agency shall ensure that its clients can reasonably communicate with the agency during business hours on any of their accounts being managed by the agency. An agency shall respond to client inquiries within five (5) business days, or such shorter period agreed to between the parties, from receipt of the inquiry.

Audit Testing Procedures:

32.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard, determine if the process is reasonable to ensure a timely response, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

32.2 To determine if clients can reasonably communicate with the third party collection agency during business hours, the Auditor shall randomly select a different day and time to contact the agency's Chief Compliance Officer using the telephone number published on the RMA website and the agency's client account manager using the telephone number provided to clients. If voice mail is available, the Auditor shall leave a message with the nature of the call and requesting an immediate response. The Auditor shall document their findings in the report.

(33) **Consumer & Regulatory Complaints.** A third party collection agency shall transmit to a client within five (5) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or civil investigative demands (CIDs) received by the agency on one of the client's accounts, including complaints filed with provincial consumer regulatory agencies and provincial and federal attorneys general.

Audit Testing Procedures:

33.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard, determine if the process is reasonable to ensure a timely response, verify the process was followed within the dates of the Audit Period, and document their findings in the report.

33.2 The Auditor shall inquire if the third party agency generally responds to such complaints under the agency's name or if the complaints are transferred administratively to the client's name with the response being filed by the client.

The response to this question is for informational purposes only. The response to this question is for informational purposes only.

(34) **Cessation of Collections.** A third party collection agency shall cease collection activity on any or all of a client's accounts upon written notice from the client, provided that this may be further defined pursuant to an agreement between the parties.

Audit Testing Procedures:

34.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard and determine if the process is reasonable.

34.2 The Auditor shall select a random sample of accounts that were associated with a client's written notice to cease collection activity to confirm that: (i) the agency's documented process was followed, (ii) collection activity had ceased after receipt of the notice, and (iii) the accounts were segregated or otherwise removed from the active database of accounts in collection.

(35) **Account Recalls.** A third party collection agency shall return all Consumer Data and/or accounts within fourteen (14) business days from receipt of a written request for their return or within such period of time as clearly defined pursuant to an agreement between the parties.

Audit Testing Procedures:

35.1 The Auditor shall obtain documentation from the third party collection agency that describes the process established by the agency to conform to this Standard and determine if the process is reasonable.

35.2 The Auditor shall select a random sample of client communications requesting accounts be recalled and confirm that: (i) the agency's documented process was followed, (ii) collection activity had ceased after receipt of the request, (iii) the account data was returned to the client, (iv) the accounts were segregated or otherwise removed from the active database of accounts in collection, and (v) if the agreement required the deletion or destruction of account data, the client's account data was in fact deleted or destroyed.

APPENDIX D
EDUCATIONAL REQUIREMENTS MANUAL

D.1 **Purpose.** The Educational Requirements Manual (hereinafter referred to in this Appendix as "Manual") provides additional information to supplement the content provided in the Governance Document. The Manual is designed to be updated on an annual basis provided that the changes do not decrease the base line requirements established in the Governance Document. The Manual will provide guidance and clarification on:

(1) Continuing education of Certified Individuals;

(2) Authorized providers of continuing education;

(3) Continuing education credit from non-authorized providers of continuing education; and

(4) Future specialty certifications or testing authorized by the Council.

D.2 **Failure to Meet Requirements.** Failure to meet the requirements contained in the Governance Document or this Manual can lead to the loss of certification or authorized provider status.

D.3 **Introductory Survey Course.** The Board's Education Committee shall work with staff and any contracted vendor(s) on the development and presentation of an "Introductory Survey Course on Debt Buying" based on the following guidance:

(1) The "Introductory Survey Course on Debt Buying" should be a high level presentation of the life cycle of a Charged-Off consumer account;

(2) The content should provide an overview of (i) applicable state and federal laws and regulations, (ii) RMA Certification Standards, and (iii) best practices (which may go beyond that required by law, regulation, or Certification Standard) that commonly apply to Debt Buying Companies and Charged-Off consumer accounts;

(3) Given the nature of the course and the limited time available, an in-depth review of such subjects should be left for separate specialized continuing education courses;

(4) An audience member should leave the course not as an expert on the subject matter but with sufficient understanding to recognize an issue if and when he or she encounters it;

(5) The course shall provide at least four (4) credits of continuing education but may be increased by the Educational Requirements Committee if it is determined it is necessary to fulfill the goals of the course;

(6) The course shall be offered at each RMA Annual Meeting and at any other time at the discretion of the Board's Education Committee; and

(7) An online version of the course may be made available online for a fee.

D.4 **Current Issues in Debt Buying Course.** The Board's Education Committee shall work with staff and any contracted vendor(s) on the development and presentation of a "Current Issues in Debt Buying" course(s) based on the following:

(1) The course(s) should provide a detailed presentation on a subject matter concerning new state and/or federal statutory, regulatory, and/or judicial developments of relevance to Debt Buying Companies and their vendors;

(2) The course(s) shall provide at least two (2) credits of continuing education;

(3) The course(s) shall be offered at each RMA Annual Meeting and at any other time at the discretion of the Board's Education Committee; and

(4) An online version of the course(s) may be made available online for a fee.

D.5 **Ethics Courses.** Ethics courses given by an authorized provider shall count towards continuing education credit if the subject matter is on the following list:

(1) RMA Code of Ethics;

(2) ACA International, Commercial Law League of America (CLLA), or National Association of Retail Collection Attorneys (NARCA) Ethical Codes of Conduct;

(3) Presentations by consumer groups and/or the Better Business Bureau;

(4) Financial accounting as it relates to trust accounts and commingling of assets;

(5) Real life accounts by consumers who were victims of fraud or identity theft and the resulting consequences to their life;

(6) Consequences of making a false or misleading statement;

(7) Inspirational lectures by prominent community, corporate, or governmental leaders designed to encourage behavior that promotes the betterment of the receivables industry or society as a whole; and

(8) Other subjects approved by the Educational Requirements Committee.

D.6 **General Courses.** The Certification Program requires the completion of twenty-four (24) continuing education credits by Certified Individuals on a biennial basis by taking classes from authorized providers in any of the following qualified subjects:

1099c
Account Documentation (at point of sale)
Account Documentation (access to after sale)
Account level data requirements (min. standards)
Accounts – Closing
Accounts – Recalling
Advertising & Marketing of Portfolios
Affidavits (Account)
Affidavits (Portfolio)
Affidavits (State requirements)
Attorney General Interaction
Attorney Representation Issues
Audited Financial Statements
Audits
Automated and Predictive Dialers
Background Checks
Bankruptcy Code
Bankruptcy
Better Business Bureau
Bills of Sale
Broker Agreements
Brokers
Business Management Practices
Business Records Exception Rule
Call Monitoring
Call Recording and Retention Policies
Cease and Desist Issues
Cell-phone Communications
CFPB Portal
Chain of Title Issues & Requirements
Charge-Off Account Statements
Chief Compliance Officer – Role of
Cloud Based Systems
Collection Letters
Compliance Policies
Confidential Tip Lines
Confidentiality and Non-Disclosure Agreements
Consent to Sale Provisions
Consumer Bill of Rights
Consumer Communications
Consumer Complaint and Dispute Resolution Process
Consumer Disputes – Verbal & Written
Consumer Education on Financial Responsibility
Consumer Financial Protection Bureau (CFPB)
Consumer Notices
Consumer Support Services
Convenience Fees
Court Rulings Impacting Debt Buying Companies
Credit Bureaus – In General
Credit Bureaus – E-Oscar and FACT Act Disputes
Credit Bureaus – Reporting
Credit Bureau Updates
Data Access & Control
Data Accuracy and Integrity
Data Backup
Data Destruction
Data Reconciliation (conformity, integrity, system of record)
Data Security
Data Vendors
Deceased Debtors
Disaster Recovery
Disclaimers and "Negative" Representation and Warranties
Do-Not-Call Policies
Due Diligence (e.g. seller surveys, selection of vendors)
E-mail Communications
Employee Compensation & Commission Issues
Employee Manual
Employee Supervision & Oversight
Employment Policies
Encryption
Escrow Account Issues
Ethical Codes of Conduct (Employees)
Ethical Codes of Conduct (Industry – RMA, ACA, NARCA, and CLLA)
Fair Credit Reporting Act (FCRA)
Fair Debt Collection Practices Act (FDCPA)
FDCPA Complaints – How to handle them
Federal Communications Commission (FCC)
Federal Trade Commission (FTC)
Fraud
Gramm–Leach–Bliley (GLB) Act
Hardship Policies and Programs
Hiring Practices
Identity Theft
Indemnification

Ineligible Account Definitions (e.g. compliance, legally uncollectible, or unenforceable)
Insurance
Insurance – Errors & Omissions (E&O)
Insurance – Directors & Officers (D&O)
Insurance – Workers Compensation
Interest Application
Investigations – External
Investigations – Internal
Itemization of Interest and Fees
Laptop Security
Litigation
Location Requirements
Malware
Media Systems and Operations
Mini Miranda
Off-site Hosted Platforms
Original Data Overrides – Issues
Pass through Rights
Passwords
Payday Loans
Payment Application
Payment History
Policy Violations – How to Find & Handle
Privacy Laws – State & Federal
Process Servers
Publication of Contact Information
Purchase & Sale Agreements
Quality Assurance/Control Processes
Recalling Accounts
Records Management
Records Retention
Red Flag Rules
Representations and Warranties (standard language)
Resale Issues – In General
Resale Policies and Practices
Right Party Contact
Security Breaches
Service of Process
Servicing Agreements
Settlement Agreements
Skip Tracing
Social Media
Standards and Controls (e.g. SSAE 16, PCI, ISO 27001)
State Licensing Requirements
State Notice Requirements
Statute of Limitations – In General
Statute of Limitations – Out of Stat
Statute of Limitations – Rehabilitation
Supervisory Issues
Telephone Consumer Protection Act (TCPA)
Terms and Conditions
Theft
Third Party Issues
Third Party Penalties for Non-Compliance
Time-of-sale documentation standards (e.g. Bills of Sale, Portfolio Affidavits)
Training Programs
Transmitting Files
Trust Fund
Truth in Lending Act
Unfair, Deceptive or Abusive Acts and Practices (UDAAP)
Usurious Loans
Validation Notice Requirements
Vendor Management – In General
Vendor Management – Audits
Vendor Management – Oversight
Verification of Consumer Debt
Voicemail Messages
Wrong Numbers

D.7 **Authorized Providers.** RMA is an authorized provider of continuing education credit for the Certification Program. The Educational Requirements Committee may designate additional authorized providers based on the following:

(1) Demonstrated excellence in providing educational instruction in the subject matter that is qualified for continuing education credit;

(2) Compliance with the provisions contained in paragraph D.8 of this Appendix; and

(3) Application requirements for participation, including but not limited to fees, length of authorization, and renewal criteria.

D.8 **Requirements of Authorized Providers.** All authorized providers shall conform to the following criteria when issuing Continuing Education Certificates:

(1) Be a member of RMA in good standing, provided this requirement may be waived for national nonprofit trade associations within the receivables industry;

(2) The subject matter of the class to be offered qualifies for continuing education credit pursuant to the provisions contained in paragraph D.6 of this Appendix.

(3) If the subject matter does not qualify, the authorized provider may request written pre-approval from the Educational Requirements Committee to provide continuing education credits for the class. Such requests must include a description of course, the course objectives, and demonstrate the relevance of the subject matter to the receivables industry. The Educational Requirements Committee may, in its sole discretion, require copies of the proposed course materials, or request other relevant information;

(4) Provide written descriptions for all classes on a publicly accessible website prior to or contemporaneous to instruction, provided that classes may be subject to change;

(5) Indicate adjacent to the written description of a class either: (i) the number of continuing education credits that an individual will receive for the completion of the class or (ii) the length of the class so that the number of continuing education credits can be calculated;

(6) Provide individuals attending a class with a Continuing Education Certificate signed by a representative of the authorized provider that contains at a minimum the following:

(a) The name of the authorized provider;

(b) The name or a space for the name of the individual attending the class;

(c) The date and location that the continuing education class was held;

(d) The title of the class and either: (i) the number of continuing education credits associated with the class or (ii) the length of the class so that the number of continuing education credits can be calculated;

(e) A declaratory statement to be signed by the recipient of the continuing education that he or she has in fact attended the class for which he or she seeks continuing education credit, and that he or she acknowledges that providing false information may subject her or him to potential disciplinary action or the loss of certification;

(7) Provide RMA with the name, title, and contact information for the employee overseeing the authorized provider's education programming;

(8) Ensure class content is content-rich and not deemed a "sales opportunity" for additional classes, products, or services provided by the authorized provider and/or presenter. Introductory classes designed to be the first step of a fee-based program will not generally be considered for continuing education credit; and

(9) Agree to assist the Educational Requirements Committee in the investigation of any complaint regarding an instructor or class content.

D.9 **Non-Authorized Providers.** A Certified Individual may make a written request to the Educational Requirements Committee to receive continuing education credit for a class taken from a non-authorized provider. The Educational Requirements Committee, in its sole discretion, may grant the request provided that:

(1) The request shall be in writing and contain the following information:

(a) The name of the entity providing the class;

(b) The date and location of the class;

(c) The length of the class in minutes;

(d) A copy of any handouts associated with the class, if available;

(e) A class description from an advertisement, website, or other documented source; and

(f) A brief statement of the relevance of the subject matter to the receivables industry.

(2) RMA receives a declaratory statement that is signed and dated by the recipient of the continuing education that she or he has in fact attended the class for which he or she seeks continuing education credit, and that he or she acknowledges that providing false information may subject her or him to potential disciplinary action or the loss of certification; and

(3) Proof of attendance is provided to RMA along with any handouts associated with the class if they were not previously submitted.

D.10 **Evaluation, Review, and Complaint Process.** Classes offered by authorized providers may be subject to evaluation and review by the Educational Requirements Committee should RMA receive a written complaint regarding the instructor or class content.

D.11 **Use of RMA "Authorized Provider" Status.** Non-authorized providers are prohibited from stating or suggesting that they are a RMA authorized provider either verbally or in writing. Violations of this provision shall prevent the Educational Requirements Committee from considering the acceptance of continuing education credit from the non-authorized provider pursuant to paragraph D.9 for one year from the date the violation is communicated to the non-authorized provider.

APPENDIX E
APPLICATION REQUIREMENTS MANUAL

E.1 **Applications.** The Administration & Budget Committee shall develop the Application forms required for Company and Individual certifications.

E.2 **Content.** The questions and information required in the Applications should be required and/or deemed necessary for programmatic and administrative support of the Certification Program.

E.3 **Acknowledgments.** Applicants shall acknowledge by signature and/or initials that they have read the Certification Program Governance Document and any other confirmatory statements regarding their application or key provisions of the Certification Program.

E.4 **Internal Self-Compliance Audits.** Applicant companies shall perform an internal self-compliance audit prior to submitting their application and indicate their conformity with each Certification Standard.

E.5 **Background Reports.** Applicant companies shall provide signed authorizations from each owner (inclusive of shareholders, partners, principals, members, etc.) with a five (5) percent or greater share of ownership and each corporate officer authorizing RMA to obtain a civil and criminal background report on them as part of RMA's due diligence.

E.6 **References.** Applicants may be required to provide professional references which may be contacted as part of RMA's due diligence.

APPENDIX F
AUDIT REVIEW MANUAL

General Directions to the Auditor

The Compliance Audit that you are performing and that will be provided to RMA is a requirement for a business to maintain its designation as a "Certified Professional Receivables Company" or a "Certified Receivables Broker" (i.e. Certified Company) in the RMA Receivables Management Certification Program.

The Compliance Audit is considered confidential and shall not be shared with any party other than: (i) the Receivables Management Certification Council, (ii) the Certified Company, (iii) the Auditor, and (iv) any agents of such entities, unless provided otherwise in writing or as otherwise authorized in Article XI of the Governance Document. Any work product of an Auditor that is not required to be transmitted in the Audit Report pursuant to Article VIII or required for Remediation pursuant to Article IX, including the names and relationships of a Certified Company's clients, shall be confidential and governed by the contractual agreement between the Auditor and the Certified Company.

Scope

The Auditor shall validate the Certified Company's conformity with the Certification Standards for the Audit Period that is the subject of the Compliance Audit using a standardized audit report form provided by RMA. Demonstrating conformity with a Certification Standard or lack thereof may be achieved through a combination of interviews, documentation review, and control review.

Conformity with Certification Standards shall, wherever possible, be based upon objective findings only, but if interpretation is necessary due to the subjective nature of a Certification Standard, such subjective interpretation shall be noted on the audit report as such and any subjective interpretation shall be applied consistently to all Certified Companies.

Where control review is needed, it shall be based on a random sample. The Auditor shall indicate the size and scope of any random sample and may expand the random sample to determine whether a violation that is found in the first random sample is material. The Auditor shall perform an onsite visit to see work in progress in order to verify conformity. A Certified Company with multiple locations must verify conformity at all locations; however, an Auditor shall use their professional judgment in determining whether this requires an onsite visit at each location or whether a random selection of locations would suffice.

If a Certified Company contracts exclusively with a third party as its master servicer or servicer on the accounts owned by the Certified Company, the Auditor shall audit the Certified Company for conformity on all Certification Standards but shall test Certification Standards 4, 5, 6, 9, and 17 exclusively through the Certified Company's conformity with Certification Standard 15.

Responsibilities of the Parties

Auditor: The Auditor's responsibility is to determine to the best of their ability whether or not the Certified Company is in material conformity with the Certification Standards. The Auditor is responsible for documenting findings of conformity and Deficiency.

Certified Company: The Certified Company must be forthright and accommodating to any reasonable request by the Auditor for the purposes of completing the Audit. If the Certified Company fails to meet this obligation it may be the basis for the Auditor to find a material Deficiency in each Certification Standard the Auditor cannot confirm.

Disputes: Should the Auditor and Certified Company have questions and/or disagreements about the interpretation of a Certification Standard or its applicability, the Auditor and/or Certified Company shall direct the inquiry to the Chair of the Audit Committee in writing, care of Receivables Management Association, 1050 Fulton Avenue, Suite 120, Sacramento, CA 95825 or cert@rmassociation.org.

Plain Meaning

The Compliance Audit shall be based on the plain meaning of the words contained in each Certification Standard unless defined otherwise in Article II of the Governance Document.

Testing Procedures

The testing procedures to be used by the Auditor in determining whether a Certified Company is complying with the Certification Standard are provided in Appendices A, B, and C.

Methodology

For each Certification Standard, the Auditor shall include in their review their observations, where appropriate, on: (a) policies, (b) processes, (c) controls, (d) training, and (e) verification.

Materiality

When the Auditor is determining a Certified Company's conformity with the Certification Standards, the Auditor shall only report material violations. All violations shall be considered material unless there was a good faith attempt to comply with the Certification Standard and the Auditor is satisfied that the evidence shows that the violation resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid such error and appropriate corrective steps were taken prior to the Audit taking place to ensure that the violation will not recur.

Conflicts with Laws & Regulations

Where a municipal, state, or federal law or regulation is in conflict with a RMA Certification Standard so that complying with the RMA Certification Standard would place the Certified

Company in violation of such law or regulation, the Certified Company shall conform to the governmental standard. For purposes of the Audit, conforming to the law or regulation is the same as adhering to the Certification Standard and should be noted as such in the report.

Findings

The findings of the Compliance Audit Report shall provide one of the following responses for each Certification Standard: (i) conforms to standard, (ii) deficiency discovered, or (iii) standard is not applicable.

Conforms to Standard: If the Auditor finds no material deficiencies in a Certified Company's conformity with a Certification Standard, the Auditor shall indicate "Conforms to Standard" in the Audit and no other commentary is required except for any documentation which may be required to be submitted with the report.

Deficiency Discovered: If the Auditor finds material deficiencies in a Certified Company's conformity with a Certification Standard, the Auditor shall indicate "Deficiency Discovered" and state and document only that which is required to be submitted with the report and to provide a recommendation for the remediation of the Deficiency. If the Deficiency was already identified and corrected by the Certified Company prior to the audit, then that should be stated in the report and no recommendation for remediation is required to be provided. The auditor should: (i) describe the deficiency and the number of instances it was identified within the sample, (ii) indicate if the deficiency has been remediated and the date of the remediation, and (iii) if the deficiency has not been remediated, provide a recommendation for remediation.

Standard is not Applicable. If the Auditor determines that a particular Standard is not applicable to the Certified Company being audited, the Auditor shall indicate "Standard is not Applicable" and describe the reason why the standard is not applicable.

Any additional work the Auditor does for the Certified Company outside of the scope of the Compliance Audit of the Certification Standards shall not be provided to RMA.

Management Representation Letter

A Certified Company may provide a management representation letter to RMA to provide any explanations or state any disagreements concerning the findings in the Compliance Audit.

Questions Concerning the Interpretation of a Certification Standard

If at any time the Auditor has a question or requires clarification as to the intention or requirements of a Certification Standard, the Auditor shall direct the inquiry to the Chair of the Audit Committee in writing, care of Receivables Management Association, 1050 Fulton Avenue, Suite 120, Sacramento, CA 95825 or cert@rmassociation.org.

APPENDIX G
REMEDIATION PROCEDURES MANUAL

G.1 **Purpose.** The Remediation Procedures Manual (hereinafter referred to in this Appendix as "Manual") provides the remedial authority granted to the Council by the Board when entering into Remediation Agreements with a Certified Party or in taking disciplinary action against a Certified Party.

G.2 **Remediation-Based Program.** The Certification Program's primary goal is for the Certified Party to take remedial action to conform to the Certification Standards when a Deficiency is identified through a Compliance Audit. However, when remedial action cannot be achieved, the Council shall consider disciplinary action against the Certified Party.

G.3 **Remediation Procedures.** The Remediation Committee (hereinafter referred to in this Appendix as "Committee") and Council shall comply with the following procedures when reviewing Deficiency findings contained in a Compliance Audit:

(1) The Committee shall perform an initial review of the Deficiency findings within fifteen (15) business days from the receipt of the Audit from the Audit Committee or Auditor;

(2) The Committee has the authority to dismiss the matter as either without merit or with a cautionary letter if the Committee determines there is no current basis to support the need of a Remediation Agreement due to: (a) the nature of the nonconformity, (b) extenuating circumstances leading to the nonconformity, (c) the nonconformity was minor in nature and is being resolved, (d) the nonconformity has already been remediated, or (e) a determination that there was insufficient grounds for the Auditor to conclude the existence of a nonconformity to a Certification Standard;

(3) If the Committee determines that remediation is necessary to achieve conformity with the Certification Standards, the Committee shall prepare a draft Remediation Agreement with the assistance of staff and submit it to the Council Chair no greater than thirty (30) business days from the receipt of the Audit;

(4) Upon the Council Chair's approval, staff shall send the signed Remediation Agreement to the Certified Party;

(5) Upon receipt of the Remediation Agreement, the Certified Party may either:

(a) Accept the agreement as written by indicating their acceptance of the terms of the agreement by signing the agreement and returning it to RMA; or

(b) Suggest edits to the agreement pursuant to the process identified in an enclosure with the agreement.

(6) If within ninety (90) days of the initial transmittal of the Remediation Agreement a mutual agreement has not been reached and adopted, the Chair of the Remediation Committee in consultation with the Council Chair and the Executive Director shall submit to the Council at least two (2) options for their consideration, which may include:

(a) Requiring a new Compliance Audit;

(b) Adoption of the last edited version of the Remediation Agreement received from the Certified Party;

(c) Based upon further review, there is no current basis to support the need of a Remediation Agreement due to: (i) the nature of the nonconformity, (ii) extenuating circumstances leading to the nonconformity, (iii) the nonconformity was minor in nature and is being resolved, (iv) the nonconformity has already been remediated, or (v) a determination that there was insufficient grounds for the Auditor to conclude the existence of a nonconformity to a Certification Standard; or

(d) Disciplinary action as authorized in clause G.5 of this Appendix.

(7) If the Council chooses any option that would result in the temporary or permanent loss of certification, the Council shall notify the Certified Party in writing of such decision in a Deficiency Notice which shall take effect fifteen (15) business days from transmittal unless RMA receives a written appeal from the Certified Party following the process and procedures identified on the RMA website and enclosed with the Deficiency Notice. The Certified Party shall be deemed to have waived the right to respond to the terms and allegations contained in the Deficiency Notice and such terms and allegations shall be deemed admitted and/or accepted by the failure to appeal.

G.4 **Additional Grounds for a Finding a Deficiency.**

(1) In addition to failing to conform to the Certification Standards, the following acts or omissions, whether performed individually or in concert with others, may constitute grounds for the Committee or Council's request for a Compliance Audit or a finding by the Council that a Deficiency exists that is a basis for Disciplinary Action:

(a) Any act or omission involving dishonesty, theft, or misappropriation which violates the criminal laws of any State or of the United States or of any province, territory or jurisdiction of any other country, provided however, that conviction thereof in a criminal proceeding shall not be a prerequisite to the

institution of Deficiency proceedings, and provided further, that acquittal in a criminal proceeding shall not bar a Deficiency action;

(b) Failure to respond to a request by the Council, Board, or any committee, panel, or agent thereof, without good cause shown, or obstruction of such entities in the performance of their duties; or

(c) Any false or misleading statement made to the Board or Council.

(2) The enumeration of the foregoing acts and omissions constituting grounds for a finding by the Council that a Deficiency exists that is subject to disciplinary action by the Council is not exclusive and other acts or omissions amounting to unprofessional conduct may constitute grounds for discipline.

G.5 **Disciplinary Action.** Where grounds for discipline have been established by the Council, any of the following forms of discipline may be imposed upon a Certified Party:

(1) Private Censure. Private Censure shall be an unpublished written reproach;

(2) Public Letter of Admonition. A Public Letter of Admonition shall be a publishable written reproach of the Certified Party's behavior. In the event of a public letter of admonition, the Council may publish the Letter of Admonition in a press release or in such other form of publicity selected by the Council;

(3) Suspension of Certification. Suspension of Certification shall be for a specified period of time, not to exceed five (5) years, for those Certified Parties the Council deems can be rehabilitated. In the event of a suspension, the Council may publish the fact of the suspension together with identification of the Certified Party in a press release, or in such other form of publicity as is selected by the Council;

(4) Non-Renewal of Certification. Non-Renewal of Certification shall be a decision not to renew the certification upon the expiration of the Certified Party's biennial term; and

(5) Expulsion from the Certification Program. Expulsion from the Certification Program shall be a permanent loss of a Certified Party's certification which shall be for willful and egregious conduct. In the event of an expulsion, the Council may publish the fact of the expulsion together with identification of the Certified Party in a press release, or in such other form of publicity as is selected by the Council. Pursuant to section 7.6(F) of the Governance Document, Certified Parties that are expelled are not eligible for future certification.

G.6 **Reinstatement after Suspension.** Unless otherwise provided by the Council in its order of suspension, a Certified Party who has been suspended for a period of one (1) year or less shall be automatically reinstated upon the expiration of the period of suspension, provided the Certified Party provides the Council prior to the expiration of the period of

suspension an affidavit stating that they have fully complied with the order of suspension and with all applicable provisions of these Certification Standards, unless such condition is waived by the Council in its discretion.

G.7 **Council Guidelines for Disciplinary Action.** The following scalable guidelines shall be considered by the Council prior to the issuance of a Disciplinary Action against a Certified Party and are by no means intended to limit their authority. Rather, the following guidelines are intended to ensure the Council takes into consideration such factors as the (i) frequency and persistence of the violation of Certification Standards, (ii) efforts of the Certified Party (or lack thereof) to maintain or obtain conformance with the Certification Standards, and (iii) efforts to comply with any Remediation Agreement:

(1) Private Censure: Should be considered in matters where the violation of the Certification Standards is minor and has been remediated yet a message is needed to convey Council concern.

(2) Public Letter of Admonition: Should be considered in cases where the violation may be minor but nonetheless pervasive or not remediated. Alternatively, if the violation is a serious legal or regulatory violation but that which has been remediated yet the Council desires to admonish the Certified Party to avoid repeat violations, a Public letter of Admonition may be issued.

(3) Suspension of Certification: Should be considered when a violation of a Certification Standard is a serious legal or regulatory violation and has not been remediated or the attempt to remediate is without merit.

(4) Non-renewal of Certification: Should be considered when the Certified Party has a history of violating the Certification Standards and the Council believes that no other form of disciplinary action will alter that behavior.

(5) Expulsion from Certification: Should be considered when egregious conduct is a willful violation of law or regulation or an egregious violation of the Certification Standards and no remediation efforts have been made. Also, if a suspension has lasted more than one year and has expired without a request for renewal and no other good cause exists for reinstatement, expulsion may be warranted.

G.8 **Appeals.** Any appeal of a disciplinary action taken by the Council shall be received by RMA within fifteen (15) business days from the Council's transmittal of the Deficiency Notice to the Certified Party following the process and procedures identified on the RMA website and enclosed with the Deficiency Notice. All appeals will be heard and decided by the Board within sixty (60) days of RMA's receipt of the appeal and a decision will be rendered within thirty (30) days after the conclusion of the Board hearing. The Board's decision will be final.

G.9 **Costs.** In all Deficiency matters, the Council shall assess against the Certified Party the costs of the investigations.