Receivables Management Certification Program

I. Mission Statement

1.1 **Mission.** The RMAI Receivables Management Certification Program (Certification Program) is an industry self-regulatory program administered by RMAI 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 RMAI 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 RMAI 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 either the “Initial Audit Period” (see definition below) or the interval of time that starts on the first day of the sixteenth month after becoming certified/recertified and ends three years later.

“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 RMAI 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 RMAI 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]

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

"Consumer Data" shall mean personally identifiable information associated with an 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.

"Dispute" shall mean the receipt of a written, verbal, or electronic communication, other than a lawsuit, regarding a disagreement or a question concerning the validity of a debt, the accuracy of the balance, or the accuracy of any other information relating to an account and its underlying obligation.

"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 RMAI or their designee.

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

"FTC" shall mean the Federal Trade Commission.

[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.

"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.

"Initial Audit Period" shall mean the interval of time that starts on the day the Certified Company's initial application was dated and ends on the last day of the fifteenth month after becoming certified.

"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.

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

"State" shall mean a governing subdivision of a nation (or federal authority) which may be described in differing phraseology (i.e. state, province, territory, etc.) depending on the nation.

"Vendor" shall mean a Service Provider that has or is looking to develop a business relationship with an RMAI Certified Company. For the purposes of this definition, "Service Provider" shall mean any entity that materially aides in the process of debt collection.[5]

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 twelve (12) 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

[4] Source: Definition used by the CFPB in 2016 consent orders.
[5] See generally, 12 U.S.C. 5481(26).

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 management 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 from six (6) certified Debt Buying Companies, provided that the Board ensures that small, medium, and large Certified Companies are equally represented;

C. A representative from a certified Vendor;

D. A representative from a certified third-party collection agency;

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

F. Representatives from two originating creditors. The creditor representatives shall be from different markets, whether it is based on asset classes (credit card, auto, medical, etc.) or modality (traditional versus virtual banking). The representatives are 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. The portion of an unexpired term that a Council Member is appointed to fill upon a vacancy shall not count towards the term limitation.

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 management industry, to the extent possible, including, but not limited to, geographic and asset class diversity;

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; and

E. Council Members who represent Certified Companies pursuant to section 3.3 (B), (C), (D), and (E) shall hold a Certified Individual designation.

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 by a majority vote of all Council Members. Council Members who do not maintain their Certified Individual designation shall automatically be removed from the Council.

3.7 **Relationship with RMAI.**

A. **Council Authority.** The Council and the Certification Program shall be contained within the RMAI 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[6], 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) Upon recommendation of the Remediation Committee, suspend a Certified Party by a two-thirds vote, provided that such action is deemed to be an emergency and is based on credible information. The Certified Party shall be sent a certified letter and email within 24 hours of an emergency suspension stating the reasons for the suspension and inviting a response. Any suspension by emergency action of the Council shall require the Council to review, discuss, and/or modify said action within seven (7) days after receiving additional information on the matter from the Certified Party;

(5) Suggest qualified individuals to the Board for appointment to the Council when a vacancy exists; and

(6) Provide semi-annual reports to the Board regarding the Certification Program and monthly updates on the roster of Certified Parties.

[6] The Council has currently adopted the Certification designations of "Certified Receivables Compliance Professional" (CRCP), "Certified Receivables Business" (CRB), and Certified Receivables Vendor (CRV).

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, or their designee, shall serve as the chief staff position supporting the Certification Program;

(6) Provide funding for the operation of the Certification Program if program costs exceed revenues generated by the Program. Staff, with the consent of 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 the budget; 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, or their designee, 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 Article IX and the Remediation Procedures Manual (**Appendix F**), 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 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.

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. As of March 1, 2024, with the exception of originating creditors, authorized Audit or education providers, and the consumer

representative on the Council, the members on each committee shall be employees, officers, or owners of Certified Companies and meet the qualifications provided in section 3.5(C) and (D). 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 (**see Articles VI, VII, and X and Appendix C and D**).

B. **Audit Committee.** The Audit Committee shall be responsible for issues concerning the administration and oversight of the Certification Program's Compliance Audits (**see Article VIII and Appendix E**).

C. **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 (**see Article IX and Appendix F**). Pursuant to section 9.10 of this Governance Document, the RMAI Board may contract the responsibilities of the Remediation Committee to an independent nonprofit corporation.

D. **Standards Committee.** The Standards Committee shall annually review and recommend changes to the Certification Program to the Council to ensure the program continues to meet the goals set forth in the mission statement (**see Articles I and V and Appendix A, B, and C**).

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.

4.3 **Ex-Officio Members.** The Council Chair and the consumer representative on the Council may serve as an ex-officio member of the Administration & Budget, Audit, and Standards Committees. In the event the Board contracts with an independent nonprofit corporation to fulfill the duties of the Remediation Committee, in accordance with section 9.10, such corporation may appoint an ex-officio representative to participate on the Audit Committee and the Standards Committee unless it is also serving in the role of the consumer representative on the Council.

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 they have 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 RMAI 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 RMAI. A Certified Receivables Business shall also publish on their company website certain information for the benefit of consumers which shall be described in the Certification Standards Manual (**see Standard A14 in 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 C**), unless otherwise qualified pursuant to section 6.8(C).

B. **Publication.** The individual shall authorize RMAI 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 on a publicly accessible website maintained by RMAI. The individual shall also be required to provide the same information to a consumer upon request.

C. **Good Character.** RMAI may revoke, terminate, suspend, or deny the Individual Certification of any person if the Council determines that such person has demonstrated a lack of good character that could place consumers in jeopardy or adversely reflect on the receivables management industry. Lack of good character may be concluded by engaging in any of the following:

(1) Illegal conduct involving moral turpitude;

(2) Conduct involving dishonesty, fraud, deceit, misrepresentation, or any misappropriation of confidential data or information; or

(3) Other conduct that adversely reflects on their fitness to engage in the business of debt collection.

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 first day of November based upon evolving receivables management 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 RMAI 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 RMAI 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 RMAI. 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 RMAI 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 Administration & Budget 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 Administration & Budget 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 RMAI 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 RMAI's "Introductory Survey Course on Receivables Management," two (2) credits on ethics, one (1) credit on unfair, deceptive, or abusive acts or practices (UDAAP), which may include identifying and avoiding discriminatory collection practices, and one (1) credit on artificial intelligence. The credits shall comply with the requirements of this Article and the Educational Requirements Manual (**see Appendix C**).

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 two (2) credits on ethics, one (1) credit on UDAAP, and one (1) credit on artificial intelligence. The credits shall comply with the requirements of this Article and the Educational Requirements Manual (**see Appendix C**).

6.7 **Educational Requirements – RMAI Live In-Person Classes.** RMAI shall annually provide enough live in-person classes for an individual to obtain 24 continuing education credits, including on each of the required topics described in sections 6.5 and 6.6 (**see Appendix C**).

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 classes 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 an RMAI authorized provider in a subject matter listed in the Educational Requirements Manual (**see Appendix C**), 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 C**).

D. **Class Format.** Classes may be offered in the following formats: (i) live in-person, (ii) live online, and (iii) recordings of live in-person or live online, provided the recording was made within two-years of the Applicant watching the class. Chief Compliance Officers of a Certified Company must have at least twelve (12) live in-person continuing education credits in a biennial cycle, provided that the Administration &

Budget Committee may approve one-time waivers based on established criteria developed by the Committee.

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 RMAI and/or a contracted third party.

6.9 **Authorized Providers.** RMAI shall be an authorized provider of continuing education credit for the Certification Program. The Administration & Budget 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 C**). The Council may, in its sole discretion, take action to restrict, suspend, or revoke the status of an authorized provider for any reason, including, but not limited to, failure to comply with the provisions of this Article or Appendix C.

6.10 **Non-Authorized Providers.** RMAI, 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 C**), provided that the instructional material is available upon request and a certificate of attendance is submitted to RMAI after completion of the class.

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

6.12 **Educational Requirements Manual.** The Administration & Budget Committee shall maintain an Educational Requirements Manual (**see Appendix C**) 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 Administration & Budget Committee shall submit requests for changes to this article and the Educational Requirements Manual to the Standards Committee for consideration in the next annual review of the Certification Program.

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 D**). 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 7.12, 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 RMAI 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/artwork with the Certification Program logo including an explanation of limitations and proper use of this mark. RMAI grants a nonexclusive license to Certified Companies to display RMAI issued and approved Certification Program logos on company websites, letterhead, electronic communications, and promotional materials, provided that the company's certification status remains in good standing. No property rights, trademark, or other intellectual property interests of RMAI are transferred to Certified Companies. Certified Companies are expressly prohibited from creating their own Certification Program logos, altering the RMAI issued and approved logos, using discontinued RMAI logos, assigning the use of RMAI logos to any other party, and using RMAI logos on contracts, purchase agreements, or any other binding legal documents. RMAI reserves the right to alter the logo, amend how the logo can be used, or

terminate the right to use the logo at any time. Displaying or utilizing the certificate or logo of the Certification Program shall immediately cease if the Certified Party: (i) withdraws its certification; (ii) fails to renew its certification; (iii) has its certification suspended during such period; (iv) has been expelled from the Certification Program; or (v) misuses the logo.

7.9 **Voluntary Withdraw of Certification by a Certified Party in Good Standing.** Certified Parties in good standing may voluntarily withdraw from the Certification Program in writing at any time. 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.

7.10 **Voluntary/Involuntary Withdrawal of Certification by a Certified Party in Suspended Status.** A Certified Party who is suspended for failure to submit an Audit may voluntarily withdrawal from the Certification Program in writing at any time. A Certified Party who is suspended for failure to submit an Audit and does not correct that status prior to renewal shall be deemed to have withdrawn from the Certification Program. The Certified Party may not reapply for certification for a period of one (1) year from the effective date of its withdrawal. A Pre-Certification Audit performed by an Auditor shall be required for a reapplication associated with this section; the results of such Audit shall be included with their Application. The audit period for the Pre-Certification Audit shall include the twelve months prior to the submission of their Application and must include an onsite evaluation.

7.11 **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 RMAI, 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. A Pre-Certification Audit performed by an Auditor shall be required for a reapplication associated with this section; the results of such Audit shall be included with their Application. The audit period for the Pre-Certification Audit shall include the twelve months prior to the submission of their Application and must include an onsite evaluation.

7.12 **Probationary Conditions.** The Administration & Budget Committee may recommend to the Council that an Application for initial certification or renewal be subject to probationary conditions. 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 their 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 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 **Pre-Certification Audit.** A Pre-Certification Audit performed by an Auditor shall be transmitted with the initial Application to become a Certified Company. An in-person or virtual onsite inspection shall be performed as part of the Audit. With the virtual option, the onsite inspection shall be performed utilizing an audio/visual real-time platform where the Auditor has complete access to the facility to see how the Certified Company is maintaining its physical and electronic security, records, and other items requiring visual inspection.

8.5 **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 shall be performed, completed, and transmitted to RMAI by an Auditor for 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. The Audit Committee is authorized to create an annual audit option to accommodate the request of any originating creditor to use RMAI's Full Compliance Audit in place of an annual bank audit. Failure to have an audit completed and transmitted during the prescribed time period shall result in the immediate suspension of certified status. The suspended status will be lifted once the audit has been transmitted to RMAI. A written extension of no more than two (2) months may be granted by the Audit Committee, in its discretion.

B. **Written Notice.** The Audit Committee staff shall send a Certified Company a written notice of its impending audit prior to the time period outlined in paragraph (A) of this section.

C. **Authorized Audit Providers.** The Audit Committee shall designate authorized Audit providers based on demonstrated excellence in the subject matter related to the Certification Program and who meet the criteria contained in the Audit Review Manual (**see Appendix E**). The Council may, in its sole discretion, take action to restrict, suspend, or revoke the status of an authorized Audit provider for any reason, including, but not limited to, failure to comply with the provisions of this Article or Appendix E.

RMAI shall maintain a list of authorized Audit providers on the RMAI website from which Certified Companies may contract for the performance of Full Compliance Audits. Each Certified Company shall be responsible for negotiating and paying 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 E**). A visual inspection of the facilities and their operations 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.

A Full Compliance Audit may be performed virtually by an Auditor; however, an in-person onsite inspection must be performed as part of a Full Compliance Audit under the following scenarios:

(1) The first Full Compliance Audit performed after becoming certified;

(2) After relocation of main operational facilities or corporate offices;

(3) If required by the Administration & Budget Committee as a probationary condition pursuant to Section 7.12;

(4) If required by the Remediation Committee pursuant to Article IX;

(5) If the prior three Full Compliance Audits have been performed virtually unless the company has passed an accredited independent Payment Card Industry Data Security Standards (PCI DSS) audit, a Service Organization Control 2 (SOC 2) audit, or an equivalent audit approved by the Audit Committee in the twelve (12) months prior to their RMAI Audit and provides a copy of such audit to the Auditor; or

(6) If an annual in-person audit is being performed to accommodate the request of an originating creditor to use RMAI's Full Compliance Audit in place of an annual bank audit pursuant to paragraph (A) of this section.

With the virtual option, the onsite inspection shall be performed utilizing an audio/visual real-time platform where the Auditor has complete access to the facility to see how the Certified Company is maintaining its physical and electronic security, records, and other items requiring visual inspection.

Notwithstanding the provisions of paragraph (D) to the contrary, the Certification Council may grant, on a case-by-case basis, an exemption to the in-person onsite audit requirement if extreme hardship can be demonstrated and the onsite inspection can be performed utilizing an audio/visual real-time platform where the Auditor has complete access to the facility to see how the Certified Company is maintaining its physical and electronic security, records, and other items requiring visual inspection.

E. **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.

8.6 **Limited Compliance Audits of Certified Companies.** A Limited Compliance Audit may be performed at any time, at the direction of 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 RMAI and whose costs will be paid by RMAI. If a Limited Compliance Audit identifies major deficiencies, as determined by the Certification Council, RMAI may seek reimbursement from the Certified Company. 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.

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

8.8 **Audit Review Manual.** The Auditor, the Council, and applicable Committees of the Council shall use the Audit Review Manual (**see Appendix E**) 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.

8.9 **Amending Audit Procedures.** The Audit Committee shall submit requests for changes to this article and the Audit Review Manual to the Standards Committee for consideration in the next annual review of the Certification Program.

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 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, regulatory actions, 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/or 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 9.9 of this Article, when the Chair receives a written allegation, the Chair 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 **Emergency Action.** The Remediation Committee, by a two-thirds vote, shall have the authority to recommend to the Council the immediate suspension of a Certified Party provided that such action is deemed to be an emergency and is based on credible information.

9.7 **Remedial Powers of the Council.** The Board shall adopt a Remediation Procedures Manual (**see Appendix F**) 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.

9.8 **Retaliatory Action Prohibited.** Direct or indirect retaliation of any kind by RMAI, 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.

9.9 **Additional Procedures for Third-Party Consumer Allegations.** RMAI 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 RMAI 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 RMAI 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 (which shall contain a copy of the written communication required by paragraph A of this section) with the Executive Director and/or the Chair of the Remediation Committee. If the allegation is filed with the Chair of the Remediation Committee, the Chair shall inform the Executive Director. 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 fifteen (15) days after the submission of the allegation to the Executive Director and/or the Chair of the Remediation Committee, 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.

9.10 **Contracting Services.** The Board may contract with an independent nonprofit corporation to fulfill the duties of the Remediation Committee if such a contract enhances program credibility and does not conflict with the interests of RMAI's members.

9.11 **Amending Remediation Procedures Manual.** The Remediation Committee shall submit requests for changes to this article and the Remediation Procedures Manual to the Standards Committee for consideration in the next annual review of the Certification Program.

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 management 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.

(3) **Background Check Fee.** A foreign applicant may be charged the differential cost between a domestic background check and a foreign background check if the committee has reason to believe a more in-depth background check is warranted (ex. the individual is employed by a Certified Company). Any foreign applicant who was first certified prior to version 7.0 shall be exempt from this fee.

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) **Triennial Certification Fee.** A triennial 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 F**). 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 Administration & Budget Committee shall submit requests for changes to this article to the Standards Committee for consideration in the next annual review of the Certification Program.

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 RMAI.** All information submitted during the certification process shall become the property of RMAI.

11.5 **Records Retention.** The Council shall maintain original or electronic copies of the following Certification Program records in accordance with RMAI'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 management 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, RMAI employees, RMAI Counsel, independent contractors, and other individuals engaged in investigations or decisions on behalf of the Certification Program and RMAI 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 RMAI 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 RMAI or the Council.

APPENDIX A
CERTIFICATION STANDARDS & TESTING MANUAL FOR CERTIFIED COMPANIES

The following Certification Standards are required to be maintained by a Certified Company, unless stricter requirements are imposed by state or federal laws or regulations:

"Series A" Standards
[All Certified Companies]

(A1) **Laws & Regulations.** A Certified Company shall comply with all local, state, and federal laws and regulations concerning: (a) debt collection, (b) the rights of consumers, (c) debt buying, (d) data privacy and security, and (e) financial services as they may apply to debt collection. In the United States, where applicable, these laws shall include, but not be limited to, the Fair Debt Collection Practices Act, the Telephone Consumer Protection Act, the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, the Electronic Fund Transfer Act, the United States Bankruptcy Code, section 5 of the Federal Trade Commission Act, 12 CFR Part 1006 (Regulation F), sections 1031 and 1036 of the Dodd-Frank Act, and the Gramm-Leach Bliley Act.

Audit Testing Directions:

NOTE 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.

NOTE 2: The Auditor shall independently conduct a search for reported local, state, and federal judicial decisions involving the Certified Company within the dates of the Audit Period. 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.

NOTE 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 in the report.

NOTE 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.

Auditor Questions:

A1.1 Did the Certified Company cooperate in providing a list and a copy of all judicial decisions and any local, state, and federal regulatory orders, directives, and decrees that were issued within the dates of the Audit Period?

A1.2 In the list of judicial decisions, regulatory orders, directives, and decrees that were issued within the dates of the Audit Period (see Question A1.1), was the Certified Company compliant with the enumerated requirements within the dates of the Audit Period?

A1.3 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. Was the Certified Company subsequently compliant with the court or such regulatory agency's decision? The Auditor shall summarize their findings within the report.

(A2) **Insurance Coverage.** A Certified Company shall maintain the following levels of insurance coverage[7] for the primary business activities of the Company in an amount of no less than:

(a) *Cyber Policy* – Five million U.S. dollars ($5,000,000) if the Certified Company has more than $15 million in annual receipts resulting from debt collection and maintains Consumer Data on company computers or a company server; or

Two million U.S. dollars ($2,000,000) if the Certified Company has $5 million to $15 million in annual receipts resulting from debt collection and maintains Consumer Data on company computers or a company server.

[7] The coverage thresholds contained in this standard are baseline requirements. Higher coverage amounts are frequently required by some entities within the financial services industry.

One million U.S. dollars ($1,000,000) if the Certified Company has $5 million or less in annual receipts resulting from debt collection and maintains Consumer Data on company computers or a company server.

(b) *Errors & Omissions (E&O)* – Three million U.S. dollars ($3,000,000) per event/occurrence if the Certified Company has more than $15 million in annual receipts resulting from debt collection; or

Two million U.S. dollars ($2,000,000) per event/occurrence if the Certified Company has $5 million to $15 million in annual receipts resulting from debt collection; or

One million U.S. dollars ($1,000,000) per event/occurrence if the Certified Company has less than $5 million in annual receipts resulting from debt collection.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain a copy of the cyber and E&O insurance policies sufficient to demonstrate that the Certified Company had the required amount of insurance in place within the dates of the Audit Period.

NOTE 2: The primary business activities of the Certified Company cannot be exempted or excluded in the insurance policy (example: a debt buying company's insurance policy cannot exclude purchased paper or be limited to work done for others for a fee.)

NOTE 3: Family of companies may be added as an "additional insured" on a single insurance policy.

NOTE 4: A failure to provide a continuum of coverage shall be considered a Deficiency.

Auditor Questions:

A2.1 Did the Certified Company maintain cyber insurance coverage that covered their primary business activities?

A2.2 Did the Certified Company maintain the required amount of cyber insurance coverage?

A2.3 Did the Certified Company maintain E&O insurance coverage that covered their primary business activities?

A2.4 Did the Certified Company maintain the required amount of E&O insurance coverage?

(A3) **Criminal Background Checks.** Unless prohibited by state or federal law, a Certified Company shall perform a legally permissible national criminal background check prior to employment on every prospective full or part time employee who will have access to Consumer Data. To the extent it is possible, on employees 21 years of age and older, the background check should cover the time period from the prospective employee's 21st birthday to the present date. The scope of the background check is 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. The policy, procedure, or manual shall include, among other requirements, that:

(a) Employees are expected to notify the Certified Company as soon as possible but in no event longer than seven (7) days after they are arrested or convicted of a felony crime; and

(b) On a prospective basis, when hiring employees that have a financial-related position within the Certified Company or access to Consumer Data, that a condition of employment, if permitted by state law, is authorization for the company to perform a follow-up criminal background check on a prescribed basis, provided that such review shall not take place more than once annually. A Certified Company must only obtain the permission to recheck backgrounds when hiring employees, it does not require the company to perform additional background checks.

Audit Testing Directions:

NOTE 1: This standard is "not applicable" if the Certified Company can demonstrate that: (a) the performance of a criminal background check would violate state law and the Auditor documents the citation of the statute in the report or (b) the company has no employees other than the owner(s) and the Auditor documents that fact in the report.

NOTE 2: The Auditor shall obtain from the Certified Company a copy of their criminal background check policy, procedure, or manual which contains their criminal background check criteria.

NOTE 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.

NOTE 4: If a Certified Company's existing background service provider cannot go back to a person's 21st birthday, the Certified Company does not have to switch service providers, but it must search to the furthest date provided by the service provider.

Auditor Questions:

A3.1 Does the Certified Company have a policy, procedure, or manual that is consistent with this standard?

A3.2 Has the Certified Company been performing legally permissible criminal background checks on prospective employees? Receipts or statements from a criminal background provider showing account activity shall be sufficient.

A3.3 Has the Certified Company included as a condition of employment, if permitted by state law, authorization for the company to perform follow-up criminal background checks for employees holding financial-related positions or positions with access to Consumer Data?

(A4) **Employee Training Programs.** A Certified Company shall establish and maintain employee training program(s). Based on their job responsibilities, employees should be trained on how to comply with applicable: (i) Certification Standards, (ii) code of ethics **(see Standard A25)**, (iii) corporate policies and procedures, (iv) laws and regulations, and (v) contractual or client-mandated compliance requirements. These programs should also inform employees of the possible consequences for failing to comply with them.

New employees who are in management, have access to Consumer Data, or communicate with consumers shall participate in a live and interactive (in-person or virtual) training program, where employees can ask questions, or watch a live and interactive training program that was recorded (i.e. "live recorded") within the first month of employment. After the initial training, the Certified Company shall provide employees with live and interactive training, or training with exam questions, at such intervals as it deems reasonable, provided the intervals do not exceed two years.

Audit Testing Directions:

NOTE 1: RMAI may offer an annual live and interactive employee training program which will qualify for compliance with this Standard. Employers who use the RMAI training program may wish to supplement the training with additional content based on the unique nature of their businesses.

NOTE 2: If the Certified Company does not use RMAI's employee training program, the Auditor shall review the Certified Company's employee training programs and determine whether they conform to the Certification Standard.

NOTE 3: The "applicable laws and regulations" that the Certified Company should be providing training on includes those enumerated in Standard A1, unless the scope of the company's operations or an employee's job description would make a particular law or regulation not applicable (ex. A passive debt buyer would not have to provide training on the TCPA).

Auditor Questions:

A4.1 Does the Certified Company have an employee training program?

A4.2 Have new employees of the Certified Company participated in a live and interactive (in-person or virtual) training program or watched a live recorded training program within the first month of employment?

A4.3 Does the Certified Company provide employees with live and interactive training, or training with exam questions, at least once every two years?

A4.4 Does the Certified Company track employee attendance at employee trainings?

A4.5 Does the Certified Company cover the required subjects during the employee trainings?

(A5) **Complaint and Dispute Resolution.** A Certified Company shall establish and maintain written Complaint and Dispute resolution policies and procedures, which shall be reviewed annually by legal counsel or the Chief Compliance Officer. Such policies and procedures shall instruct employees how to handle, document, process, and attempt to resolve Complaints and Disputes related to accounts receivables, business practices, and employee conduct in compliance with the Certification Program and applicable laws and regulations. It is within a company's discretion as to whether the policy will apply to accounts that are in active litigation. A reasonable policy shall include, but not be limited to, measures taken to ensure:

(a) When a Complaint or Dispute is received, active collection activity shall be paused until (i) the Complaint or Dispute is investigated and a response has been transmitted to the consumer following the investigation; (ii) it has been determined the Complaint or Dispute is a duplicate where the consumer has already received a response; or (iii) it has been determined that the consumer appeared in court and admitted to the debt.

On accounts purchased on or after January 1, 2017, when a consumer questions the accuracy or validity of a debt, the company should confirm such accuracy and/or validity through the use of Original Account Level Documentation or a copy of a valid judgment;

(b) When a consumer alleges their identity has been stolen and used by a third party in the creation of the debt, the company shall cease collections on applicable accounts and conduct an investigation prior to resuming collections;

(c) When a consumer makes a written or oral allegation that the debt or some portion of the debt was originated through acts of coercion or duress associated with domestic abuse, sex trafficking, or elder abuse, the company shall cease collections on applicable accounts and conduct an investigation prior to resuming collections; and

(d) The Certified Company emphasizes polite and friendly interactions with complainants even when a similar respect is not being afforded employees.

Audit Testing Procedures:

NOTE 1: A Certified Company need only cease collections on accounts implicated. A company need not cease collections if the report is a duplicate of a prior report that had already been investigated and documented to have no merit.

NOTE 2: An employee may politely end a call if they are being subjected to abuse or harassment by a consumer. An auditor shall not view such actions as a violation of this Standard.

A5.1 The Auditor shall obtain from the Certified Company copies of their Complaint and Dispute resolution policies and procedures.

A5.2 The Auditor shall review the policies and procedures to determine whether they provide sufficient guidance to employees on how to handle 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) Claims of identity theft or fraud, including adequate procedures for investigating and determining the legitimacy of the claims.

A5.3 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 B4.

A5.4 The Auditor shall choose a sample of 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.

(A6) **Consumer Notices.** A Certified Company shall establish and maintain a list of applicable local, state, and federal consumer collection notices/disclosures in the areas in which the Certified Company conducts business and maintain procedures to ensure that the appropriate notices/disclosures are added to consumer correspondence.

Audit Testing Procedures:

A6.1 The Auditor shall review and document the Certified Company's list of local, state, and federal consumer notices.

A6.2 The Auditor shall review and document the procedures the Certified Company has adopted to identify new or amended consumer notice requirements.

A6.3 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.

(A7) **Data Security[8].** 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 Certified Company has designated an individual responsible for overseeing and implementing the information security program;

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

(c) The Certified Company restricts physical access to facilities and protected information assets;

[8] This standard generally aligns with the requirements of the FTC's Safeguards Rule.

(d) The Certified Company continuously monitors the effectiveness of key controls, systems, and procedures, including those to detect actual and attempted attacks on, or intrusions into, information systems. In the absence of continuous monitoring, the Certified Company conducts penetration testing at least annually, and vulnerability testing at least every six months;

(e) 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;

(f) Access to a Certified Company's network requires usernames and passwords, complex and non-intuitive passwords, recurring password changes, multifactor authentication, and any offsite access shall require the use of a virtual private network "VPN" or equivalent technology;

(g) The Certified Company can prevent connectivity with the network and/or remotely disable or wipe company-issued computers and electronic devices that contain Consumer Data when an employee or agent no longer has an employment/agency relationship with the company or if a device is lost or stolen;

(h) Consumer Data held or transmitted by the Certified Company over external networks is protected by encryption both in transit and at rest or, if infeasible, is secured using effective alternative compensating controls reviewed and approved by the Certified Company's Chief Compliance Officer or other designated individual;

(i) Any use of artificial intelligence that interfaces with Consumer Data is contained on and only accessible from the internal network and any "learning" or "knowledge" by such artificial intelligence is not shared with or accessible to outside networks;

(j) An action plan has been developed and communicated with relevant employees on how to handle a data breach in accordance with applicable laws, which shall include any required disclosures of such breach;

(k) A disaster recovery plan has been developed and communicated with relevant employees on how to respond to emergencies (e.g. fire, natural disaster, etc.) that have the potential to impact the use and storage of data;

(l) The Certified Company has developed, implemented, and maintained procedures for the secure disposal of Consumer Data in any format no later than two years after the last date the information is used in connection with the provision of a product or service to the Consumer to which it relates, unless such information is necessary for business operations or for other legitimate business purposes, is otherwise required to be retained by law or regulation (for example, three years for telephone recordings and evidence of compliance or noncompliance with the FDCPA under Regulation F), or where targeted disposal is not reasonably feasible due to the manner in which the information is maintained;

(m) The Certified Company has implemented policies, procedures, and controls designed to monitor and log the activity of authorized users and detect unauthorized access or use of, or tampering with, Consumer Data by such users; and

(n) The Certified Company's employees are provided with security awareness training that is updated as necessary to reflect risks identified by the risk assessment, and information security personnel are provided with security updates and training sufficient to address relevant security risks.

Audit Testing Procedures:

NOTE 1: 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.

NOTE 2: Certified Companies are expected to comply with FTC Safeguard Rules.

A7.1 The Auditor shall obtain from the Certified Company a copy of their data security policy.

A7.2 The Auditor shall document how the Certified Company determines what standards to adopt in their data security policy.

A7.3 The Auditor shall confirm that the Certified Company performs an annual review of its data security policy.

A7.4 The Auditor shall confirm that the 14 measures outlined in the Standard are included in the Certified Company's data security policy.

A7.5 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 an independent third-party data security audit performed using PCI DSS, SOC 2, or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with this requirement.

A7.6 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 annual risk assessments may be performed in-house or by a third-party vender. A PCI DSS or SOC 2 audit will qualify for an annual risk assessment. The Auditor shall review the assessments and confirm that any risks that were identified have resulted in adjustments to the data security policy.

(A8) **CFPB Consumer Complaint System.** A Certified Company shall:

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

(b) Timely respond to all such Complaints, Disputes, or inquiries in accordance with the CFPB's prescribed guidelines; and

(c) Have their Chief Compliance Officer perform a recurring assessment, which shall at least occur annually, to analyze the volume and nature of the Complaints, Disputes, and inquiries filed with the bureau in the prior calendar year concerning the company and/or the company's consumer accounts and consider strategies for reducing such Complaints, Disputes, and inquiries in the current and future years. A Certified Company that has 10 or fewer Complaints, Disputes, and inquiries in the prior calendar year, which were all properly addressed, is not required to consider strategies to reduce such Complaints, Disputes, and inquiries in the current and future years.

Audit Testing Directions:

NOTE 1: Commercial debt is exempt from this Standard unless the Certified Company is collecting on personal guarantees. If the Auditor verifies that the Certified Company only collects on commercial debt without personal guarantees, the Auditor shall notate that this "standard is not applicable."

NOTE 2: The Auditor shall review the publicly accessible information and data that is published on the CFPB website.

NOTE 3: The Auditor shall note the total number of Complaints, Disputes, and inquiries that were filed against the Certified Company with the CFPB during the Audit Period and indicate how that compares to their last Audit Period.

Auditor Questions:

A8.1 Is the Certified Company registered with the CFPB for the receipt of Complaints, Disputes, and inquiries?

A8.2 Has the Certified Company timely responded to all such Complaints, Disputes, or inquiries?

A8.3 Has the Certified Company's Chief Compliance Officer analyzed the volume and nature of the Complaints, Disputes, and inquiries filed against the company with the bureau on at least an annual basis and considered strategies for reducing such Complaints, Disputes, and inquiries?

(A9) **Payment Processing.** A Certified Company shall establish and maintain a Payment Processing Policy that requires prompt posting of all consumer payments unless the consumer provides instructions to the contrary that were made at the time the payment was accepted. If a refund to a consumer takes longer than 30 days to process, the Certified Company shall document the reason for the delay in processing the refund.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain from the Certified Company a copy of their payment processing policy.

NOTE 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.

NOTE 3: On question A9.4, if the Certified Company did not process a refund within 30 days but had a documented reason for the delay, the company is compliant with the standard and the auditor shall document the reason provided in the report.

Auditor Questions:

A9.1 Does the Certified Company have a Payment Processing Policy that is consistent with this standard?

A9.2 Did the Certified Company promptly post consumer payments?

A9.3 If there were consumer payment processing instructions within the sample of accounts, did the Certified Company comply with those instructions?

A9.4 Did the Certified Company process refunds within 30 days?

(A10) **State Licensing Requirements.** A Certified Company shall comply with state and municipal collection licensing laws to the extent that they are applicable. Unless a Certified Debt Buying Company has either received legal advice or advice from their Chief Compliance Officer to the contrary, the company should consider licensure in any

state that licenses debt collectors where the company engages in collection-related activity unless there is an express statutory exemption from the requirements of the statute. Debt buying companies should not rely on ambiguity in statutory construction, administrative opinions by the regulatory agencies, or judicial opinions as the basis for not seeking licensure.

Audit Testing Directions:

NOTE 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.

NOTE 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.

NOTE 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 and the Auditor shall summarize their findings within the report.

Auditor Questions:

A10.1 Is the Certified Company licensed to perform collection-related activity in all applicable states and municipalities?

A10.2 In states and municipalities where the Certified Company is not licensed but the Auditor believes licensure may be required, has the Certified Company provided the Auditor with a written opinion from an attorney or their Chief Compliance Officer justifying why licensure is not required?

(A11) **Credit Bureau Reporting**. A Certified Company shall comply with the following standards:

(a) If a Certified Company reports consumer account information to a credit bureau, the Certified Company shall:

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

(ii) Notify the credit bureau when a consumer Disputes the accuracy of an account within thirty (30) days of receipt of the Dispute; and

(b) When selling accounts that have been reported to a credit bureau, a Certified Company shall either: (i) notify the credit bureau of the sale and the name of the new owner within thirty (30) days of the sale or (ii) delete the tradeline.

Audit Testing Procedures:

A11.1 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.

A11.2 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.

(A12) **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:

A12.1 The Auditor shall document and report how the Certified Company determines which accounts 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.

A12.2 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.

A12.3 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.

A12.4 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.

(A13) **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 an electronic or physical copy of the Certified Company's most recent application for the Certification Program;

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

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

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

(e) Developing recommendations for corrective actions when the Certified Company is not conforming with the Certification Standards and providing the recommendations to their direct and indirect report(s);

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

(g) Maintain their status as a Certified Individual pursuant to section 5.5(A) of the Governance Document.

Audit Testing Directions:

NOTE 1: The term Chief Compliance Officer, as used in the Certification Program, relates to the role and responsibilities assigned to an individual and not necessarily their job title. The person who performs the role of Chief Compliance Officer can hold another job title as long as the role and responsibilities are contained in their job description. The Chief Compliance Officer must be either an employee, owner, or a corporate officer of the Certified Company or of a corporate affiliate of the Certified Company.

NOTE 2: The Auditor shall document in the report the name and title of the Chief Compliance Officer and the date that the individual started in that capacity.

NOTE 3: 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 in the report whether the Chief Compliance Officer is actively working towards (re)certification and the anticipated Application date.

NOTE 4: The Auditor shall obtain a copy of the Chief Compliance Officer's job description from the Certified Company and confirm that the role and responsibilities of the Chief Compliance Officer as contained in the Certification Program are referenced therein. The responsibilities of the Chief Compliance Officer are referenced in Standards A5, A8, A10, A13, and A15.

NOTE 5: The Auditor shall obtain sufficient evidence from the Certified Company's Chief Compliance Officer on how they have complied with the requirements of their job description.

Auditor Questions:

A13.1 Has the Certified Company assigned an employee the role and responsibilities of a Chief Compliance Officer?

A13.2 Is the role and responsibilities of a Chief Compliance Officer, as enumerated in the Certification Program, contained in the Chief Compliance Officer's job description?

A13.3 Is the Chief Compliance Officer performing the responsibilities as required by the Certification Program and as contained in their job description?

A13.4 Is the Chief Compliance Officer a Certified Individual in good standing?

(A14) **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. Companies shall monitor their websites for compliance with the Americans with Disabilities Act (ADA)[9]. "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 (a generic email address such as complaints@abc.com is acceptable) or online complaint form, 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 Resources" page on the RMAI website;

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

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

Audit Testing Procedures:

NOTE 1: 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.

NOTE 2: In the case of a certification issued to a "family of companies" where the primary company on the application is a holding company, the requirement for the primary company to maintain a website is waived, provided that the primary company is not in the chain of title and has no communication with consumers.

NOTE 3: Certified law firms that have state bar prohibitions on advertising certifications are not required to provide the information contained in this standard on their law firm website.

[9] RMAI recommends the World Wide Web Consortium's "Web Content Accessibility Guidelines" or similar guidelines for measuring website alignment with ADA expectations.

NOTE 4: A Certified Company that operates exclusively with commercial debt does not have to provide a hyperlink on their website to the "Consumer Resources" page on the RMAI website.

A14.1 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.

A14.2 The Auditor shall confirm that the individual who serves in the role of Chief Compliance Officer is the same individual identified on the RMAI and Certified Company's websites and the information required to be published is present and correct.

A14.3 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 RMAI website.

A14.4 The Auditor shall confirm that there is a working hyperlink to RMAI's Consumer Resources page on the Certified Company's website.

A14.5 The Auditor shall confirm the Company has implemented procedures to ensure its website is ADA compliant. A Certified Company may satisfy this requirement by demonstrating the company's effort to remain aware of ADA compliance obligations (such as attending ADA webinars, reviewing ADA court decisions, trade publications, periodicals, seeking advice of counsel, conducting ADA training, etc.) and remediate deficiencies when identified.

(A15) **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. The Chief Compliance Officer or a designee shall perform an annual assessment of these policies and procedures and provide any recommendations for improvements to their direct and indirect report(s);

(b) Perform an annual assessment of the company's 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 Complaints related to the vendor (including the data publicly available on the CFPB's Consumer Complaint System);

(c) Use commercially reasonable efforts to require a clause in any new agreement with a third-party Vendor that requires the Vendor to report any major regulatory or final judicial action against the Vendor to the company within 30 days;

(d) Require, in any agreement with a third-party Vendor that processes Consumer Data on behalf of the Certified Company, a clause that the third-party Vendor will report any data breach involving the Consumer Data to the Certified Company within a reasonable period of time agreed to in writing;

(e) Perform an assessment on any third-party Vendor engaged by the Company within two months of having knowledge of a major regulatory or judicial action against the Vendor, or a data breach involving the Vendor, in order to determine whether the Vendor continues to meet or exceed the requirements and expectations of the company. As part of the assessment, the Certified Company may need to perform additional due diligence, including by way of example rather than limitation, confirmation of certification status, a vendor audit, review of policies and procedures maintained by the Vendor, and review of Complaints related to the Vendor (including the data publicly available on the CFPB's Consumer Complaint System); and

(f) Obtain the certification number when contracting with a Vendor claiming to be an RMAI Certified Company or RMAI Certified Vendor and confirm the Vendor's certification status on RMAI's website.

Audit Testing Procedures:

NOTE 1: A Certified Company that owns a debt is accountable for the manner in which that debt is collected, even if the work is being outsourced to a third-party servicer, a third-party collection agency, or a collection law firm. A Certified Company's certification status can be impacted by the actions taken by their vendors if those actions would violate the standards of the Certification Program.

NOTE 2: In addition to Vendors who directly or indirectly engage in the collection of accounts, Vendors who perform after-hour services (ex. cleaning services) when employees are not present shall automatically fall under the purview of this standard.

NOTE 3: Absent circumstances which would require a more extensive or independent review, obtaining a copy of the Vendor's most recent RMAI full compliance audit, if the Vendor is certified, may satisfy the requirement of performing an assessment or vendor audit. Vendors are not required to provide their RMAI audits to clients. RMAI does not warrant the contents of any audit.

A15.1 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.

A15.2 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.

A15.3 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.

A15.4 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 test Certification Standards A4, A5, A6, A9, A17, and A23 exclusively through the Certified Company's conformity with Certification Standard A15. 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. The Auditor shall document if the Certified Company became aware of a violation of one of the aforementioned standards within the dates of the Audit Period. If a violation was found, the Auditor shall list the violation and indicate how it was addressed.

(A16) **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 themselves 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:

A16.1 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.

A16.2 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.

A16.3 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.

A16.4 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.

(A17) **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 Directions:

NOTE 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, the Auditor shall notate that this "standard is not applicable."

NOTE 2: If the Certified Company provides commissions, 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.

NOTE 3: The Auditor shall be cognizant that commissions and bonuses can be provided in forms other than currency, such as sports tickets, concert tickets, or gift cards.

NOTE 4: The Auditor shall confirm through a random sample of commission and/or bonus payments that the Certified Company is conforming to this Standard.

Auditor Questions:

A17.1 Did the Certified Company adopt a policy to: (i) prohibit the payment of commissions and/or bonuses or (ii) establish compliance-related criteria for the payment of commissions and/or bonuses when it is based on collection activity?

A17.2 Was the Certified Company in compliance with their policy?

(A18) **State of Emergency**. Unless state or federal agencies provide guidance to the contrary, a Certified Company shall:

(a) Refrain from initiating phone calls with consumers concerning the payment of a debt when the company knows there is an ongoing and active emergency related to a natural disaster that is impacting the community where the consumer resides;

(b) Implement their hardship policy (see Standard A20) when interacting with consumers who reside in an area that is subject to a state of emergency that was declared by the Federal Emergency Management Agency (FEMA);

(c) Take reasonable steps to avoid soliciting or otherwise attaching to government emergency relief funds. A company may accept government emergency relief funds for the payment of a debt if the consumer voluntarily chooses to use those funds for payment; and

(d) Consider guidance issued by the RMAI Board of Directors in circumstances unforeseen by this standard.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain documentation from the Certified Company that describes the process established by the company to conform to this Standard.

NOTE 2: Reaching out to inform a consumer of a Certified Company's decision to extend a payment deferral, extend a grace period for payment, suspend interest accumulation, or offer other forms of assistance because of an emergency shall not be deemed a violation of this standard.

NOTE 3: This standard shall not apply to communications required by law.

Auditor Questions:

A18.1 Did the Certified Company demonstrate it refrained from initiating phone calls during natural disasters? For purposes of testing, the Auditor, using their best judgment, shall identify several major FEMA declared emergencies in the states where the Certified Company collects on consumer accounts.

A18.2 Did the Certified Company demonstrate it was compliant in its efforts to avoid soliciting or otherwise attaching to government emergency relief funds for the purposes of satisfying a consumer debt?

(A19) **Social Media**.[10] Associated with a debt, a Certified Company, including its employees and agents:

(a) Shall not initiate any engagement with a consumer on a public facing social media platform for the purposes of debt collection. The act of engaging includes "friending," "liking," "posting," "linking," "inviting," or other forms of interaction where one publicly communicates, shows a relationship, or indicates approval. A consumer that initiates an engagement on a Certified Company's social media page does not violate this standard;

(b) May look at and use information that a consumer makes available for public consumption on a social media platform, provided that there are no laws or regulations that prohibit such activity; and

(c) Pursuant to policy, may communicate with consumers utilizing private communication tools offered by social media platforms, provided that they comply with FDCPA requirements and there are no laws or regulations that prohibit such activity.

Audit Testing Directions:

NOTE 1: Does the Certified Company use social media platforms to either: (i) communicate privately with a consumer about a debt collection matter or (ii) confirm contact information that a consumer has made publicly viewable? This standard is "not applicable" to the Certified Company if the answer to this question is "no."

NOTE 2: This standard shall not be interpreted to apply to paid advertising.

Auditor Questions:

A19.1 The Auditor shall determine if the Certified Company has established a process to identify if any state has adopted laws or regulations to prohibit the use of social media platforms for debt collection activity. Was the Certified Company compliant with those state laws and regulations?

A19.2 Did the Certified Company conform to the standard which prevents the company and its agents from engaging with a consumer on a public facing social media platform for the purposes of, or related to, debt collection?

A19.3 Are the agents of the Certified Company trained and complying with the company's policy on how to communicate with consumers utilizing private communication tools offered by social media platforms?

[10] Consistent with 12 CFR Part 1006, section 1006.22(f)(4).

(A20) **Hardship Policy.** A Certified Company shall establish and maintain a hardship policy that addresses appropriate collection strategies to be used by employees and agents during a state of emergency (see Standard A18) or during other circumstances identified by the company in the policy. In instances where there is a client-agent relationship, a Certified Company shall follow the hardship criteria that is contractually required. A reasonable hardship policy shall include, but not be limited to, measures taken to ensure the Certified Company and its agents:

(a) Actively listen for consumer hardships such as reduced work hours, loss of income, loss of employment, and medical issues associated with the state of emergency or other identified circumstances and to respond appropriately;

(b) Work with and are sensitive to consumers who have encountered unforeseen circumstances;

(c) Except for litigation, accept consumer requests in both oral and written form, to the degree it is reasonably possible;

(d) Provide consumers that have demonstrated a hardship with the available options that are contained in the hardship policy based on the circumstances unique to each consumer. These options may include, among others, temporarily or permanently suspending collection activities; grace periods for payments; balance reduction; suspension of interest accumulation; or offering other forms of assistance;

(e) Cease collection activities when it is verified the consumer's only income is from exempt sources, such as Social Security or Supplemental Security Income benefits, and that the consumer has access to no other assets until circumstances change;

(f) Place notations of the hardship in all open accounts associated with the consumer on the system, provided it is reasonably possible; and

(g) Are prepared to make operational adjustments to remain compliant with regulatory guidance issued during a state of emergency.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain from the Certified Company a copy of their hardship policy.

NOTE 2: The Auditor shall determine if the Certified Company has client-agent relationships where the Certified Company is the agent. If yes, the Auditor shall keep this status in mind when determining if the Certified Company is in conformance with this Standard. When acting as an agent, the Certified Company shall follow the hardship criteria authorized by the client. If both the client and the agent are Certified Companies, the agent shall still follow the

hardship criteria authorized by the client as the client may have adopted additional criteria not required by the Standard.

NOTE 3: Nothing in this Standard prevents a Certified Company from requiring its agents to seek their approval prior to the granting of a hardship.

Auditor Questions:

A20.1 Does the Certified Company have a hardship policy that is consistent with this Standard?

A20.2 Did the Certified Company demonstrate that it activated its hardship policy during states of emergency or during the other circumstances identified in the policy?

A20.3 Did the Certified Company demonstrate it was in compliance with its hardship policy when it was activated?

A20.4 If the Certified Company contracts with agents to perform collection activities on their accounts, did the Certified Company demonstrate how it communicates to its agents the procedures for the granting of hardships?

(A21) **Remote Office.** A Certified Company may authorize employees to work from a remote office if permitted, or not prohibited, by state law or regulation, provided the company:

(a) Keeps a record of employees who are permitted to perform collection activities from a remote office. The list must include the employee's name, telephone number, and the remote office address;

(b) Maintains a record of equipment supplied to employees for use in their remote office;

(c) Requires employees to have completed a live and interactive (in-person or virtual) training program, where employees can ask questions, and covers topics including compliance, privacy, confidentiality, monitoring and security, and issues that apply to working from a remote office;

(d) Must consistently record and monitor calls in which employees are performing collection activities;

(e) Must subject employees to similar levels of communication, management, oversight, and monitoring as they would if the employees were working in a company office;

(f) Must ensure employees are able to maintain consumer confidentiality during the performance of their collection activities;

(g) Does not permit more than one employee to work from the same remote office location, except that cohabitating employees may each maintain a remote office from their shared residence;

(h) Requires physical records to be stored and maintained at the business location and prohibits their storage at the remote office. Employees may not print or store physical records in the employee's remote office;

(i) Ensures the ability to take secure payments from consumers; and

(j) Requires remote employees to enter into a written agreement with the company that describes their work environment, job responsibilities, and restrictions related thereto, including but not limited to provisions requiring employees to:

(i) Agree to maintain the confidentiality of Consumer Data, including not printing hard copies or otherwise reproducing copies of account data;

(ii) Read and agree to comply with the company's Data Security Policy (see Standard A7);

(iii) Maintain the safety and security of the company's equipment at all times;

(iv) Agree not to share their remote office address with any consumer, nor use the address on business cards, letterhead, email signatures, or social media; and

(v) Acknowledge that the employee's collection activities are subject to review and their calls will be monitored and recorded.

Audit Testing Directions:

NOTE 1: If the Certified Company does not permit employees to work from a remote office, the Auditor shall determine how the company communicates this directive with its employees.

NOTE 2: For companies that permit employees to work from a remote office, the Auditor shall review the documentation required by this policy.

NOTE 3: This standard does not apply to executive management, senior staff, and attorneys.

NOTE 4: "Remote office" shall mean a building, facility, office, or rooms that are not owned or leased by the Certified Company.

Auditor Questions:

A21.1 Does the Certified Company clearly communicate its position on whether employees may work from a remote office?

A21.2 Through a random sample of employees that are permitted to work from a remote office, was all the documentation in place as required by this Standard?

A21.3 Through a random sample of employees that are permitted to work from a remote office, was the appropriate level of employer oversight and monitoring taking place?

A21.4 Was the Certified Company compliant with all other requirements of this Standard?

(A22) **Debt Collection Non-Discrimination Policy.** A Certified Company shall establish and maintain a policy designed to prevent discriminatory practices in the collection of debt, including through the use of computer algorithms and artificial intelligence, if applicable.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain from the Certified Company a copy of their policy.

NOTE 2: The Auditor shall only look at the policy as it relates to the collection of debt. Employment matters are outside the scope of this standard.

Auditor Questions:

A22.1 Does the Certified Company have a policy that is consistent with this standard?

A22.2 Has the Certified Company complied with their policy?

(A23) **Communication Restrictions.** A Certified Company shall document or record account-level consumer communication restrictions and based on statutory, regulatory, or contractual requirements transmit those restrictions to clients, agents, or purchasers.

Audit Testing Directions:

NOTE 1: Compliance with this Standard can be accomplished through any means of documentation or recording (i.e. notes within a system program, notes in a written file, audio recording, etc.).

NOTE 2: The Auditor shall observe the Certified Company's enterprise system or filing capabilities to identify the process that consumer communication restrictions are being recorded and/or transmitted.

Auditor Questions:

A23.1 Does the Certified Company have a process in place to flag communication restrictions prior to a consumer contact taking place, regardless of whether the communication is by phone, text, email, letter, or other means?

A23.2 If required, does the Certified Company have enterprise system or filing capabilities sufficient to transmit consumer communication restrictions consistent with this standard?

(A24) **Code of Ethics.** A Certified Company shall adhere to a code of ethics, a copy of which shall be included in their policy manual. In the case of RMAI members, the RMAI Code of Ethics must be either included or referenced in the policy manual.

Audit Testing Directions:

NOTE 1: The Auditor shall confirm a copy of the code of ethics is contained in the policy manual.

Auditor Questions:

A24.1 Does the Certified Company have a code of ethics included in its policy manual?

A24.2 Does the Certified Company train their employees on the requirements contained in the code of ethics and/or require their employees to acknowledge compliance with the code of ethics?

(A25) **Artificial Intelligence.** A Certified Company shall adopt a policy that states whether employees can use artificial intelligence in the performance of their jobs and if artificial intelligence is permitted, what limitations and safeguards are applied in its use. A reasonable artificial intelligence policy shall include, but not be limited to, measures taken to ensure any use of artificial intelligence that interfaces with Consumer Data is contained on and only accessible from the internal network and any "learning" or "knowledge" by such artificial intelligence is not shared with or accessible to outside networks.

Audit Testing Directions:

NOTE 1: The term "artificial intelligence" is not a defined term within the Certification Program because there does not exist a universal definition as of this date. RMAI will accept a Certified Company's interpretation of the term.

Auditor Questions:

A25.1 Has the Certified Company adopted an artificial intelligence policy that states whether employees can use artificial intelligence in the performance of their jobs?

A25.2 Has the Certified Company taken measures to ensure any use of artificial intelligence that interfaces with Consumer Data is contained on and only accessible from the internal network and any "learning" or "knowledge" by such artificial intelligence is not shared with or accessible to outside networks.

(A26) **Process Server.** A Certified Company, when retaining the services of a process server, shall identify a process server that can comply with the standards contained in Series 300 of Appendix B when serving on behalf of the Certified Company.

Audit Testing Directions:

NOTE 1: The Auditor shall first determine whether the Certified Company contracts with process servers. If the Auditor verifies that the Certified Company does not contract with process servers, the Auditor shall notate that this "standard is not applicable."

NOTE 2: If the process server is a Certified Vendor, the Certified Company does not need to identify if the process server can comply with the standards contained in Series 300 of Appendix B.

NOTE 3: If any requirement contained in Series 300 of Appendix B violates state law, the process server must conform with state law and the Auditor shall notate that the Certified Company "conforms" with the standard.

Auditor Questions:

A26.1 Has the Certified Company set up a procedure for verifying whether a process server can comply with the standards contained in Series 300 of Appendix B?

A26.2 Has the Certified Company confirmed whether their process servers can comply with the standards contained in Series 300 of Appendix B?

"Series B" Standards
[Debt Buying Companies]

(B1) **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 credit card receivables[11] 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; the purchase and sale of automobile receivables on or after August 1, 2018, the purchase and sale of bankruptcy claims and medical receivables on or after August 1, 2019; the purchase and sale of student loan receivables on or after August 1, 2020; the purchase and sale of installment loans on or after August 1, 2022; and the purchase and sale of commercial debt on or after August 1, 2023, 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. Standards B1, B2, and B4 do 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 associated with a merger or acquisition 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[12] [*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*]:

[11] 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.

[12] 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.

CONSUMER DEBT		
ASSET CLASS	**REQUIRED**	**COMMERCIALLY REASONABLE EFFORTS**
Credit Cards & Asset Classes Not Listed	(i) Consumer's first and last name; (ii)* Consumer's Social Security number or other government issued identification number, if obtained by the creditor; (iii)*# Consumer's address at Charge-Off; (iv)*# Creditor's name at Charge-Off; (v)# Creditor's address at Charge-Off; (vi) Opening date of the account; (vii)*# 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; (viii)*# Account number at Charge-Off; (ix)*# Unpaid balance due on the account with a post-Charge-Off breakdown of interest, fees, payments, and creditor/owner authorized credits or adjustments; (x)*# Date and amount of the consumer's last payment, provided a payment was made; (xi)* Sufficient information to calculate the dates of account delinquency and Default; (xii)# Date of Charge-Off; (xiii)# Balance at Charge-Off; (xiv) Copy of a statement that reflects the Charge-Off Balance; and (xv)# Copy of each bill of sale or other document evidencing the transfer of ownership of the account 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) Consumer's date of birth; (iii) Consumer's last known telephone number; (iv) Consumer's last known email address; (v) Store or brand name associated with the account at Charge-Off if different from the Charge-Off creditor's name; (vi) 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; (vii) Copy of the terms and conditions in place at the time of the last activity statement showing a purchase transaction, service billed, payment, or balance transfer; (viii) Copy of the last activity statement showing a purchase transaction, service billed, payment, or balance transfer; (ix) Last 12 monthly statements prior to Charge-Off or every monthly statement for accounts less than one year; (x) Known communication restrictions; and (xi) 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.
Bankruptcy	In addition to the data and document requirements of the original asset class (i.e.	(i) Proof of claim filing deadline date; (ii) Copy of proof of claim, if filed;

[*Purchased Claims*]	credit cards, medical, etc.), accounts that are subject to bankruptcy filings shall also require the following data and documents: (i) Bankruptcy court; (ii) Case number; (iii) Bankruptcy chapter number; (iv) Filing date; (v) Name(s) of filing party or social security number; (vi) Name(s) of debtor on account; (vii) Claim balance on filing date or have the underlying data to determine the balance on the filing date; (viii) Amount of the debt owed at the time of the bankruptcy filing pursuant to Rule 3001 (c)(2)(A); and (ix) Amount paid post-petition on proof of claim.	(iii) Date that notification of bankruptcy was received; (iv) Payments made within 90 days of the filing of the bankruptcy petition; (v) Transfer of claim form; (vi) Post filing/pre-disposition requests for return of funds; (vii) Attorney name & contact information; (viii) Trustee name & contact information; (ix) Information as to whether a notice of appearance had been filed by prior creditor or its counsel; (x) In Chapter 13 cases, a copy of any Chapter 13 plan providing for treatment of claim; and (xi) Known communication restrictions.
Installment Loans [Traditional & Fintech]	(i) Consumer's first and last name; (ii) Consumer's Social Security number or other government issued identification number, if obtained by the creditor; (iii) Consumer's address at Charge-Off; (iv) Creditor's name at Charge-Off; (v) Creditor's address at Charge-Off; (vi) Opening date of the account; (vii) Copy of the signed contract establishing the account and that provides evidence of the relevant consumer's liability for the debt in question; (viii) For online installment loans, any other application document containing terms and conditions to which the borrower is subject or otherwise governing the loan transaction; (ix) Copy of the Truth in Lending Act disclosure provided at the point of origination; (x) Account number at Charge-Off; (xi) Unpaid balance due on the account with a post-Charge-Off breakdown of interest, fees, payments, and creditor/owner authorized credits or adjustments; (xii) Date and amount of the consumer's last payment, provided a payment was made; (xiii) Sufficient information to calculate the dates of account delinquency and Default; (xiv) Date of Charge-Off; (xv) Balance at Charge-Off;	(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) Consumer's date of birth; (iii) Consumer's last known telephone number; (iv) Consumer's last known email address; (v) The Internet Protocol (IP) address of the computer associated with an electronic application; (vi) Store or brand name associated with the account at Charge-Off if different from the Charge-Off creditor's name; (vii) Servicer name, if applicable, associated with the account at Charge-Off; (viii) 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; (ix) Copy of each bill of sale or other document evidencing the transfer of ownership of the account <u>from origination</u> 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 (in some states this is a requirement);

	(xvi) Copy of the transaction history that reflects the Charge-Off Balance; and (xvii) Copy of each bill of sale or other document evidencing the transfer of ownership of the account <u>from the initial sale by the Charge-Off creditor</u> 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.	(x) Copy of the creditor's Goodbye Letter, if such letter was sent; (xi) Known communication restrictions; and (xii) 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) Copy of the judgment, certificate of judgment, or such other court documentation evidencing the judgment; (ii) Name and address of the attorney and/or law firm of record for the judgment creditor, if applicable; (iii) Complete post-judgment financial transaction history, which shall include, but not limited to the post-judgment principal, interest, costs/fees, and payments/credits; (iv) Post-judgment interest rate that was awarded by the court; (v) Judgment debtor's Social Security number or other government issued identification number, if retained by the judgment holder; (vi) Judgment debtor's address on record with the court and, if different, the last known address; and (vii) Copy of each bill of sale or other document evidencing the transfer of ownership of the judgment from the initial holder to each successive holder that when reviewed in its totality provides a complete and unbroken chain of title documenting the name and dates of ownership of the judgment holder and each subsequent holder up to and including the Certified Company.	(i) Judgment debtor's last known telephone number; (ii) Judgment debtor's last known email address; (iii) Account number at Charge-Off; (iv) Suit date; (v) Judgment date; (vi) Case number; (vii) State, county, and district where the judgment was taken; (viii) Assignment of judgment; (ix) Substitution of attorney; (x) Renewal date; (xi) Copy of renewal; (xii) Lien date; (xiii) Copy of lien; and (xiv) Copy of garnishment.
Medical [*Patient Responsibility: Self-Pay and Balance After Insurance*]	(i) Patient's first and last name; (ii) Patient's date of birth; (iii) Patient's medical record number; (iv) Patient account identification number; (v) Date of service; (vi) Doctor's name; (vii) Provider's facility name; (viii) Total charges; (ix) Amount paid by insurance; (x) Contractual adjustments; (xi) Amount paid by patient/guarantor;	(i) Patient's Social Security number or other government issued identification number, if obtained by the creditor; (ii) Patient's address; (iii) Patient's last known telephone number; (iv) Patient's last known email address; (v) Known communication restrictions; (vi) Patient/guarantor relationship; (vii) Date of discharge; (viii) Statement date; (ix) Insurance subscriber code;

	(xii) Current Amount Due; (xiii) Last statement; (xiv) Name of insured; (xv) Primary insurance company name; (xvi) Secondary insurance company name; (xvii) Copy of each bill of sale or other document evidencing the transfer of ownership of the debt from the initial sale by the medical provider 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 medical provider and each subsequent owner up to and including the Certified Company. <u>*If applicable*</u>: (xviii) Guarantor's first and last name; (xix) Guarantor's date of birth; (xx) Guarantor's Social Security number or other government issued identification number, if obtained by the creditor; (xxi) Guarantor's address; and (xxii) Guarantor's last known telephone number.	(x) Insurance provider number; (xi) Insurance group number; (xii) Insurance card number; (xiii) Insurance card effective date; (xiv) Insurance claim submission date; (xv) Insurance claim; (xvi) Insurance claim approval date; (xvii) Insurance claim denial date; and (xviii) Insurance claim denial reason.
Student Loans	(i) Borrower's first and last name; (ii) Borrower's social security number or other government issued identification number, if obtained by the creditor; (iii) Borrower's last known address; (iv) Borrower's last known telephone number; (v) Creditor's name at Charge-Off; (vi) Creditor's address at Charge-Off; (vii) Opening date of the account; (viii) Original account number; (ix) Copy of the promissory note; (x) Pre-Charge-Off last payment date; (xi) Pre-Charge-Off last payment amount; (xii) Delinquency date; (xiii) Charge-Off date; (xiv) Charge-Off balance; (xv) Unpaid balance due on the account with a post-Charge-Off breakdown of interest, fees, payments, and creditor/owner authorized credits or adjustments; (xvi) 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) Borrower's date of birth; (ii) Borrower's last known email address; (iii) Borrower's last known cellular telephone number; (iv) Borrower's last known work telephone number; (v) Known communication restrictions; (vi) Borrower's employer; (vii) Name of school or school code; (viii) Dates of school attendance associated with the account; (ix) Borrower's major of study; (x) Pre-Charge-Off breakdown of interest, fees, payments, and creditor/owner authorized credits or adjustments; <u>*If applicable*</u>: (xi) Cosigner's date of birth; (xii) Cosigner's last known email address; (xiii) Cosigner's last known cellular telephone number; (xiv) Cosigner's last known work telephone number; and (xv) Cosigner's employer.

	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; *If applicable*: (xvii) Cosigner's first and last name; (xviii) Cosigner's social security number or other government issued identification number, if obtained by the creditor; and (xix) Cosigner's last known address.	
Vehicles & Equipment [*Deficiencies*]	(i) Chain of title; (ii) Consumer's first & last name; (iii) Consumer's Social Security number or other government issued identification number, if obtained by the creditor; (iv) Consumer's address at time of sale; (v) Consumer's last known address; (vi) Original sales contract (retail installment contract or promissory note); (vii) Date and amount of last voluntary payment; (viii) Default notice; (ix) Right to cure notice (if applicable); (x) Intent to sell notice; (xi) Repossession expenses (itemized); (xii) Full financial transaction history for both pre- and post-Charge-Off (itemized); and (xiii) Deficiency notice reflecting sale proceeds and providing deficiency calculation.	(i) Consumer's last known telephone number; (ii) Consumer's last known email address; (iii) Driver license number; (iv) Driver license image; (v) Certified mail return receipt of default notice and/or right to cure notice; (vi) Repossession sale documents from auction; and (vii) Known communication restrictions.
Vehicles & Equipment [*Title Secured*]	(i) Chain of title; (ii) Consumer's first & last name; (iii) Consumer's Social Security number or other government issued identification number, if obtained by the creditor; (iv) Consumer's address at time of sale; (v) Consumer's last known address; (vi) Original sale contract (retail installment contract or promissory note); (vii) Date and amount of last voluntary payment; (viii) Default notice; (ix) Right to cure notice (if applicable); (x) Full financial transaction history for both pre- and post-Charge-Off (itemized); (xi) Original title; (xii) Charge-off amount; and (xiii) Charge-off date.	(i) Consumer's last known telephone number; (ii) Consumer's last known email address; (iii) Driver license number; (iv) Driver license image; (v) Certified mail return receipt of default notice and/or right to cure notice; (vi) Charge-Off policy of seller; and (vii) Known communication restrictions.

COMMERCIAL DEBT

If a specific commercial debt asset class is not provided below but it does exist above under consumer debt, the Certified Company should attempt to comply with the aforementioned criteria to the degree it is applicable to commercial debt.

ASSET CLASS	REQUIRED	COMMERCIALLY REASONABLE EFFORTS
Commercial Loans [Traditional & Fintech]	(i) Business name; (ii) Business address; (iii) Business tax ID; (iv) Account number at Charge-Off; (v) Creditor's name at Charge-Off; (vi) Creditors address at Charge-Off; (vii) Open date of account; (viii) Copy of promissory note; (ix) Unpaid balance at Charge-Off; (x) Copy of statement that reflects Charge-Off balance; (xi) Date and amount of last payment; (xii) Copy of each bill of sale or other document evidencing transfer of ownership of the account and each successive owner that when it's reviewed in its totality provides complete and unbroken chain of title; and (xiii) If applicable, collateral documentation (title, copy of UCC filing, etc.).	(i) Any known "Doing Business As" (DBA) names for business; (ii) Names of all guarantors of the loan; (iii) Guarantor's address at Charge-Off; (iv) Guarantor's date of birth (if a personal guaranty); (v) Guarantor's last known telephone number; (vi) Guarantor's last known email address; and (vii) Copy of loan agreement (if applicable).
Vehicles & Equipment [*Deficiencies*]	(i) Chain of title; (ii) Business name; (iii) Business address at the time of sale; (iv) Business last known address; (v) Original sales contract; (vi) Date and amount of last voluntary payment; (vii) Default notice; (viii) Right to cure notice (if applicable); (ix) Intent to sell notice; (x) Repossession expenses (itemized); (xi) Full financial transaction history for both pre- and post-Charge-Off (itemized); (xii) Deficiency notice reflecting sale proceeds and providing deficiency calculation; (xiii) Itemization for any post-deficiency notice, costs, or expenses (could be	(i) Business last known telephone number; (ii) Business last known email address; (iii) Charge-Off policy of seller; (iv) Certified mail return receipt of default notice or right to cure notice; <u>*If applicable*</u>: (v) Guarantor's last known telephone number; and (vi) Guarantor's last known email address.

	application of GAP insurance proceeds, rebates, etc.); *If applicable*: (xiv) Guarantor's first and last name; (xv) Guarantor's Social Security number or other government issued identification number, if obtained by the creditor; (xvi) Guarantor's address at time of sale; and (xvii) Guarantor's last known address.	

(d) *Pre-Purchase Portfolio Review* – When the sales transaction involves a single portfolio purchase or the first purchase under a forward flow agreement, 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.

(e) *Forward Flow Portfolio Review* – When the sales transaction involves the second or subsequent purchase under a forward flow agreement, a Certified Company shall perform ongoing reviews to confirm the accuracy, completeness, and reasonableness of the data and documents.

Audit Testing Procedures:

B1.1 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.

B1.2 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.

B1.3 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.

B1.4 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.

B1.5 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 data and documents for accuracy, completeness, and reasonableness prior to and/or immediately following the purchase of the portfolio and indicate in the report whether the Certified Company conformed to its policy.

(B2) **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[13] and serviced in accordance with law;

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

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

Audit Testing Procedures:

NOTE 1: 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"

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

are preferable, either of these knowledge qualifiers is acceptable in conforming to this Standard.

B2.1 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.

(B3) **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, which can be accomplished through publicly available financial statements associated with United States Securities and Exchange Commission filings, if applicable, (ii) adverse information concerning the entity and the entity's principals and/or the entity's reputation and experience, (iii) adverse litigation and/or consent orders against the entity in the prior two years; and (iv) the volume and nature of Complaints filed with the CFPB's Consumer Complaint System and the Better Business Bureau against the entity in the prior two years.

In addition, when purchasing from a debt buying company, reasonable due diligence shall also include reviewing the data security measures the entity has adopted to preserve the integrity and privacy of Consumer Data.

Audit Testing Procedures:

NOTE 1: 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.

B3.1 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.

(B4) **Purchase & Sale Restrictions**.[14] A Certified Company shall not:

(a) Purchase or sell any consumer accounts:

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

(ii) When a consumer has communicated (written or verbal) to the company that they Dispute 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;

(iii) When the account has been settled-in-full, paid-in-full, permanently closed due to Consumer hardship, or permanently closed pursuant to a regulatory or judicial order;

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

(v) When the account has been "discharged and closed" in bankruptcy, except when associated with secured liens or obligations associated with a non-bankrupt co-obligor;

(vi) That have been in default status for more than 15 years, excluding judgments;[15] and

(b) Sell any consumer accounts 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, data and documentation requirements, resale, and required policies and procedures.

Audit Testing Procedures:

B4.1 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.

B4.2 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

[14] Generally consistent with 12 CFR Part 1006, section 1006.30(b)(1).

[15] The 15-year date corresponds with the maximum statute of limitations on consumer debt that is authorized by a state; see, Kentucky and Ohio.

the Original Account Level Documentation required by Certification Standard # B1.

B4.3 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.

B4.4 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.

(B5) **Appearance Counsel.** A Certified Company, including managing agents, shall use their best efforts to provide appearance counsel with relevant data and documents at least three (3) business days prior to the date of a scheduled court appearance.

Audit Testing Directions:

NOTE 1: The determination of what is relevant data and documents is determined by communication between the Certified Company and their legal counsel. The Auditor should not question legal counsel's direction.

NOTE 2: Evidence of continuances caused by the appearance counsel not being prepared for a court appearance, absent extenuating circumstances, should be interpreted as noncompliance with this standard.

Auditor Questions:

B5.1 Does the Certified Company use appearance counsel? This standard is "not applicable" to the Certified Company if the answer to this question is "no."

B5.2 The Auditor shall determine if the Certified Company has established a process to ensure that relevant data and documents are transmitted to appearance counsel at least three (3) business days prior to the date of a scheduled court appearance. Is the Certified Company in compliance with that process?

(B6) **Interest.** As of August 1, 2021, a Certified Company shall not accrue post-Charge-Off interest on credit card accounts that have been Charged-Off. As of August 1, 2027, a Certified Company shall not accrue post-Charge-Off interest on all accounts that have been Charged-Off. This standard shall not prevent a company's ability to obtain post-judgment interest.

Audit Testing Directions:

NOTE 1: This Standard does not prevent a Certified Company from obtaining statutory interest from the point of filing suit, if permitted in the jurisdiction.

Auditor Questions:

B6.1 Through a random sample of accounts, the Auditor shall determine if post-charge-off interest has been applied to credit card accounts after August 1, 2021 and all accounts after August 1, 2027. Was the Certified Company in compliance with this Standard?

"Series C" Standards

[Collection Law Firms]

(C1) **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 lawfully permitted to practice law in the states in which they appear;

(b) Remain in good standing with the bar or licensing entity in the states in which they appear; and

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

Audit Testing Procedures:

C1.1 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.

C1.2 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.

(C2) **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:

C2.1 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.

C2.2 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.

(C3) **Legal Malpractice Insurance.** A collection law firm shall maintain legal malpractice insurance coverage in an amount of no less than:

Two million U.S. dollars ($2,000,000) per event/occurrence if the law firm has more than $15 million in annual receipts resulting from debt collection legal services; or

One million U.S. dollars ($1,000,000) per event/occurrence if the law firm has $15 million or less in annual receipts resulting from debt collection legal services.

This shall be deemed to satisfy the requirements of Standard # A2(b).

Audit Testing Directions:

NOTE 1: The Auditor shall obtain a copy of the collection law firm's legal malpractice insurance policy sufficient to demonstrate that the firm had the required amount of legal malpractice insurance in place within the dates of the Audit Period.

NOTE 2: A failure to provide a continuum of coverage shall be considered a Deficiency.

Auditor Questions:

C3.1 Did the collection law firm maintain legal malpractice insurance coverage?

C3.2 Did the collection law firm maintain the required amount of legal malpractice insurance coverage?

(C4) **Trust Accounts.** A collection law firm shall maintain trust accounts at a federally insured financial institution for the segregation of client funds following the rules for such accounts established by the state bar. A collection law firm shall:

(a) Ensure there are sufficient funds in trust accounts at all times to pay clients the amount due them;

(b) Transmit funds held on behalf of a client in a trust account to the client on a monthly basis or in such other frequency agreed to between the parties in writing; and

(c) Reconcile trust accounts 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 Directions:

NOTE 1: The Auditor shall obtain from the collection law firm the rules governing the administration of client trust accounts established by the state bar.

NOTE 2: 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.

Auditor Questions:

C4.1 Did the collection law firm have trust accounts established on behalf of its clients?

C4.2 If client funds were comingled in a single trust account, did the collection law firm have a ledger or accounting system sufficient to identify the funds being held for each client?

C4.3 Did the collection law firm transmit the funds held in trust accounts on behalf of its clients to the clients on a monthly basis or as otherwise agreed to in writing?

C4.4 Did the collection law firm reconcile its trust accounts on a monthly basis?

(C5) **Meaningful Attorney Involvement.** A collection law firm shall establish policies and procedures to ensure a meaningful attorney involvement review takes place prior to the filing of any collection-related lawsuit. A practicing attorney employed by the firm shall review at a minimum: specific Original Account Level Documents, including the complete chain of title; transaction history, charge-off statement, or other documentation that supports the balance due; venue; applicable statute of limitations; deceased and military scrubs; possible discharge in bankruptcy; court procedures; and applicable laws and regulations. The attorney shall make an electronic record of compliance with this review.

Audit Testing Procedures:

C5.1 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.

C5.2 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.

(C6) **Retention of Documents.** After becoming certified, a collection law firm shall keep electronically imaged copies of:

(a) Collection-related judgments it obtains on behalf of its clients for a period of time equal to the statutorily authorized enforcement period and

(b) Proof of service on collection-related cases for at least five (5) years, unless a greater period is agreed to by the parties.

The firm shall transmit a copy of the documents(s) 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:

C6.1 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.

(C7) **Consumer & Regulatory Complaints.** A collection law firm shall transmit to a client within three (3) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or nonconfidential 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. Generalized CIDs, that do not relate to a specific client, are exempt from this requirement.

Audit Testing Procedures:

C7.1 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 Complaints, and document their findings in the report.

C7.2 If the Auditor identifies 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.

(C8) **Court Proceedings.** A collection law firm representing a client in court is required to provide competent representation. The attorney appearing on behalf of the collection law firm should possess the legal knowledge, skill, and thoroughness reasonably necessary to adequately represent the client's interest. Documentation pertaining to the nature of the hearing should be in the attorney's possession and provided to the court as required by law.

Audit Testing Directions:

NOTE 1: The Auditor shall identify how the collection law firm determines compliance with this Standard. A response that attorneys in the firm are admitted to the bar in good standing, by itself, does not satisfy the requirements of this Standard.

Auditor Questions:

C8.1 Does the collection law firm have a process in place to ensure the firm has obtained all pertinent records and documents from the client prior to proceeding with legal action?

C8.2 Does the collection law firm have a process in place to ensure the attorney assigned to the case has in possession copies of all pertinent records and documents while at a hearing? Copies may be in physical or electronic form.

(C9) **Capias.** A collection law firm, when representing a Certified Company, shall not seek or support a writ of capias or otherwise promote the arrest or detainment of a consumer on a collection matter.

Audit Testing Directions:

NOTE 1: The Auditor shall identify how the collection law firm determines compliance with this Standard, which may be partly through an annual notice or training with its attorneys.

NOTE 2: If the Auditor is relying on a representative of the law firm in confirming compliance, the Auditor should have the affirmation in writing from the employee.

Auditor Questions:

C9.1 Has the collection law firm sought the arrest or detainment of a consumer related to a collection matter during the Audit Period? [An answer of "no" would indicate the law firm is "compliant" with the Standard.]

"Series D" Standards

[Third-Party Collection Agencies]

(D1) **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:

D1.1 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.

(D2) **Trust Accounts.** A third-party collection agency shall maintain trust accounts 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. An agency shall:

(a) Ensure there are sufficient funds in trust accounts at all times to pay clients the amount due them;

(b) Transmit funds held on behalf of a client in a trust account to the client on a monthly basis or in such other frequency agreed to between the parties in writing; and

(c) Reconcile trust accounts on a monthly basis.

Audit Testing Directions:

NOTE 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.

Auditor Questions:

D2.1 Did the collection agency have trust accounts established on behalf of its clients?

D2.2 If client funds were comingled in a single trust account, did the collection agency have a ledger or accounting system sufficient to identify the funds being held for each client?

D2.3 Did the collection agency transmit the funds held in trust accounts on behalf of its clients to the clients on a monthly basis or as otherwise agreed to in writing?

D2.4 Did the collection agency reconcile its trust accounts on a monthly basis?

(D3) **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:

D3.1 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.

D3.2 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 RMAI 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.

(D4) **Consumer & Regulatory Complaints.** A third-party collection agency shall transmit to a client within three (3) business days, or such shorter period agreed to between the parties, copies of any written complaints, subpoenas, or nonconfidential 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. Generalized CIDs, that do not relate to a specific client, are exempt from this requirement.

Audit Testing Procedures:

D4.1 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.

D4.2 If the Auditor identifies 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.

(D5) **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:

D5.1 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.

D5.2 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.

(D6) **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:

D6.1 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.

D6.2 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 VENDORS

The following Certification Standards are required to be maintained by a Certified Vendor (Vendor), unless stricter requirements are imposed by state or federal laws or regulations:

"Series 100" Standards

[All Certified Vendors]

(101) **Chief Compliance Officer.** A Vendor 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 an electronic or physical copy of the Vendor's most recent application for the Certification Program;

(b) Maintaining the Vendor's official copy of the Certification Standards Manual;

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

(d) 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;

(e) Developing recommendations for corrective actions when the Vendor is not conforming with the Certification Standards and providing the recommendations to their direct and indirect report(s); and

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

Audit Testing Directions:

NOTE 1: The term Chief Compliance Officer, as used in the Certification Program, relates to the role and responsibilities assigned to an individual and not necessarily their job title. The person who performs the role of Chief Compliance Officer can hold another job title as long as the role and responsibilities are contained in their job description. The Chief Compliance Officer must be either an employee, owner, or a corporate officer of the Certified Company or of a corporate affiliate of the Certified Company.

NOTE 2: The Auditor shall document in the report the name and title of the Chief Compliance Officer and the date that the individual started in that capacity.

NOTE 3: 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 in the report whether the Chief Compliance Officer is actively working towards (re)certification and the anticipated Application date.

NOTE 4: The Auditor shall obtain a copy of the Chief Compliance Officer's job description from the Vendor and confirm that the role and responsibilities of the Chief Compliance Officer as contained in the Certification Program are referenced therein. The responsibilities of the Chief Compliance Officer are referenced in Standards 101 and 107.

NOTE 5: The Auditor shall obtain sufficient evidence from the Vendor's Chief Compliance Officer on how they have complied with the requirements of their job description.

Auditor Questions:

101.1 Has the Vendor assigned an employee the role and responsibilities of a Chief Compliance Officer?

101.2 Is the role and responsibilities of a Chief Compliance Officer, as enumerated in the Certification Program, contained in the Chief Compliance Officer's job description?

101.3 Is the Chief Compliance Officer performing the responsibilities as required by the Certification Program and as contained in their job description?

101.4 Is the Chief Compliance Officer a Certified Individual in good standing?

(102) **<u>Criminal Background Checks</u>.** Unless prohibited by state or federal law, a Vendor shall perform a legally permissible national criminal background check prior to employment on every prospective full or part time employee who will have access to Consumer Data. To the extent it is possible, on employees 21 years of age and older, the background check should cover the time period from the prospective employee's 21st birthday to the present date. The scope of the background check is 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 Vendor 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. The policy, procedure, or manual shall include, among other requirements, that:

(a) Employees are expected to notify the Vendor as soon as possible but in no event longer than seven (7) days after they are arrested or convicted of a felony crime; and

(b) On a prospective basis, when hiring employees that have a financial-related position with the Vendor or access to Consumer Data, that a condition of employment, if permitted by state law, is authorization for the Vendor to perform a follow-up criminal background check on a prescribed basis, provided that such review shall not take place more than once annually. A Vendor must only obtain the permission to recheck backgrounds when hiring employees, it does not require the company to perform additional background checks.

Audit Testing Directions:

NOTE 1: This standard is "not applicable" if the Vendor can demonstrate that: (a) the performance of a criminal background check would violate state law and the Auditor documents the citation of the statute in the report or (b) the Vendor has no employees other than the owner(s) and the Auditor documents that fact in the report.

NOTE 2: The Auditor shall obtain from the Vendor a copy of their criminal background check policy, procedure, or manual which contains their criminal background check criteria.

NOTE 3: The Auditor shall choose a random sample of employees that were hired by the Vendor within the dates of the Audit Period to verify that the Vendor conformed to its policy, procedure, or manual and document their findings in the report.

NOTE 4: If a Certified Vendor's existing background service provider cannot go back to a person's 21st birthday, the Certified Vendor does not have to switch service providers, but it must search to the furthest date provided by the service provider.

Auditor Questions:

102.1 Does the Vendor have a policy, procedure, or manual that is consistent with this standard?

102.2 Has the Vendor been performing legally permissible criminal background checks on prospective employees? Receipts or statements from a criminal background provider showing account activity shall be sufficient.

102.3 Has the Vendor included as a condition of employment, if permitted by state law, authorization for the Vendor to perform follow-up criminal background checks for employees holding financial-related positions or positions with access to Consumer Data?

(103) **Employee Training Programs.** A Vendor shall establish and maintain employee training program(s). Based on their job responsibilities, employees should be trained on how to comply with applicable: (i) Certification Standards, (ii) code of ethics **(see Standard A25)**, (iii) corporate policies and procedures, (iv) laws and regulations, and (v) client-mandated compliance requirements. These programs should also inform employees of the possible consequences for failing to comply with them.

New employee who are in management, have access to Consumer Data, or communicate with consumers shall participate in a live and interactive (in-person or virtual) training program, where employees can ask questions, or watch a live and interactive training program that was recorded (i.e. "live recorded") within the first month of employment. After the initial training, the Vendor shall provide employees with live and interactive training, or training with exam questions, at such intervals as it deems reasonable, provided the intervals do not exceed two years.

Audit Testing Directions:

NOTE 1: RMAI may offer an annual live and interactive employee training program which will qualify for compliance with this Standard. Employers

who use the RMAI training program may wish to supplement the training with additional content based on the unique nature of their businesses.

NOTE 2: If the Certified Vendor does not use RMAI's employee training program, the Auditor shall review the Vendor's employee training programs and determine whether they conform to the Certification Standard.

NOTE 3: The Auditor shall document in the report the subjects for which the Vendor is providing annual employee training.

Auditor Questions:

103.1 Does the Vendor have an employee training program?

103.2 Have new employees of the Vendor participated in a live and interactive (in-person or virtual) training program or watched a live recorded training program within the first month of employment?

103.3 Does the Vendor provide employees with live and interactive training, or training with exam questions, at least once every two years?

103.4 Does the Vendor track employee attendance at employee trainings?

103.5 Does the Vendor cover the required subjects during the employee trainings?

(104) **Insurance.** A Vendor shall maintain the following levels of insurance coverage or comparable insurance coverage in an amount of no less than:

(a) *Cyber Policy* – Two million U.S. dollars ($2,000,000) if the Vendor has more than $15 million in annual receipts and maintains Consumer Data; or

One million U.S. dollar ($1,000,000) per event/occurrence if the Vendor has $15 million or less in annual receipts and maintains Consumer Data.

(b) *Errors & Omissions (E&O)* – One million U.S. dollars ($1,000,000) per event/occurrence.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain a copy of the cyber and E&O insurance policies sufficient to demonstrate that the Vendor had the required amount of insurance in place within the dates of the Audit Period.

NOTE 2: Family of companies may be added as an "additional insured" on a single insurance policy.

NOTE 3: A failure to provide a continuum of coverage shall be considered a Deficiency.

Auditor Questions:

104.1 Did the Vendor maintain cyber insurance coverage?

104.2 Did the Vendor maintain the required amount of cyber insurance coverage?

104.3 Did the Vendor maintain E&O insurance coverage?

104.4 Did the Vendor maintain the required amount of E&O insurance coverage?

(105) **Data Security[16].** A Vendor 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. A Vendor 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 Vendor shall adjust their data security policy if warranted. A reasonable data security policy shall include, but not be limited to, measures taken to ensure:

(a) The Vendor has designated an individual responsible for overseeing and implementing the information security program;

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

(c) The Vendor restricts physical access to facilities and protected information assets;

(d) The Vendor continuously monitors the effectiveness of key controls, systems, and procedures, including those to detect actual and attempted attacks on, or intrusions into, information systems. In the absence of continuous monitoring, the Vendor conducts penetration testing at least annually, and vulnerability testing at least every six months;

(e) 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;

(f) Access to the Vendor's network requires usernames and passwords, complex and nonintuitive passwords, recurring password changes, multifactor authentication, and any offsite access shall require the use of a virtual private network "VPN" or equivalent technology;

[16] This standard generally aligns with the requirements of the FTC's Safeguards Rule.

(g) The Vendor can prevent connectivity with the network and/or remotely disable or wipe Vendor-issued computers and electronic devices that contain Consumer Data when an employee or agent no longer has an employment/agency relationship with the Vendor or if a device is lost or stolen;

(h) Consumer Data held or transmitted by the Certified Company over external networks is protected by encryption both in transit and at rest or, if infeasible, is secured using effective alternative compensating controls reviewed and approved by the Certified Company's Chief Compliance Officer or other designated individual;

(i) Any use of artificial intelligence that interfaces with Consumer Data is contained on and only accessible from the internal network and any "learning" or "knowledge" by such artificial intelligence is not shared with or accessible to outside networks;

(j) An action plan has been developed and communicated with relevant employees on how to handle a data breach in accordance with applicable laws, which shall include any required disclosures of such breach;

(k) A disaster recovery plan has been developed and communicated with relevant employees on how to respond to emergencies (e.g. fire, natural disaster, etc.) that have the potential to impact the use and storage of data;

(l) The Certified Vendor has developed, implemented, and maintained procedures for the secure disposal of Consumer Data in any format no later than two years after the last date the information is used in connection with the provision of a product or service to the Consumer to which it relates, unless such information is necessary for business operations or for other legitimate business purposes, is required to be retained by the client pursuant to a written agreement, is otherwise required to be retained by law or regulation (for example, three years for telephone recordings and evidence of compliance or noncompliance with the FDCPA under Regulation F), or where targeted disposal is not reasonably feasible due to the manner in which the information is maintained;

(m) The Certified Vendor has implemented policies, procedures, and controls designed to monitor and log the activity of authorized users and detect unauthorized access or use of, or tampering with, Consumer Data by such users; and

(n) The Certified Vendor's employees are provided with security awareness training that is updated as necessary to reflect risks identified by the risk assessment, and information security personnel are provided with security updates and training sufficient to address relevant security risks.

Audit Testing Procedures:

NOTE 1: Provisions of this Standard may be not applicable if the Certified Vendor does not have access to or maintain Consumer Data.

105.1 The Auditor shall obtain from the Vendor a copy of their data security policy.

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

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

105.4 The Auditor shall confirm that the 14 measures outlined in the Standard are included in the Vendor's data security policy.

105.5 The Auditor shall perform random tests to verify whether the Vendor is conforming to its data security policy. If the Vendor in the twelve (12) months prior to the Compliance Audit has passed an independent third-party data security audit performed using PCI DSS, SOC 2, or such other standards approved in writing by the Audit Committee, the Auditor shall accept the audit as conforming with this requirement.

105.6 The Auditor shall confirm that the required annual risk assessments have been performed by the Vendor within the dates of the Audit Period. The annual risk assessments may be performed in-house or by a third-party vendor. A PCI DSS or SOC 2 audit will qualify for an annual risk assessment. The Auditor shall review the assessments and confirm that any risks that were identified have resulted in adjustments to the data security policy

(106) **Website & Publication.** A Vendor shall:

(a) Maintain a publicly accessible website that can be found by a simple web search using the corporate name provided in communications with clients.

(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 Vendor'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 clients can register a complaint with the Vendor that is received by an employee who has the authority to research, evaluate, take corrective action if warranted, and respond to the complaint; and

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

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

Audit Testing Procedures:

NOTE 1: The authorization from the Vendor 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.

106.1 The Auditor shall perform a simple web search using the corporate name that the Vendor provides in communications with clients and document the results.

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

106.3 The Auditor shall confirm that the information required to be published by the Vendor on its website is present and correct and is the same information that is published on the RMAI website.

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

(a) Establish and maintain vendor management policies and procedures with defined due diligence and/or audit controls. The Chief Compliance Officer or a designee shall perform an annual assessment of these policies and procedures and provide any recommendations for improvements to their direct and indirect report(s);

(b) Perform an annual assessment of the Certified Vendor's third-party vendors to determine whether they continue to meet or exceed the requirements and expectations of the Certified Vendor. As part of the annual assessment, the Certified Vendor 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 Complaints related to the vendor (including the data publicly available on the CFPB's Consumer Complaint System);

(c) Use commercially reasonable efforts to require a clause in any new agreement with a third-party vendor that requires the vendor to report any major regulatory or final judicial action against the vendor to the Certified Vendor within 30 days;

(d) Require, in any agreement with a third-party vendor that processes Consumer Data on behalf of the Certified Vendor, a clause that the third-party vendor will report any

data breach involving the Consumer Data to the Certified Vendor within a reasonable period of time agreed to in writing;

(e) Perform an assessment on any third-party vendor engaged by the Certified Vendor within two months of having knowledge of a major regulatory or judicial action against the vendor, or a data breach involving the vendor, in order to determine whether the vendor continues to meet or exceed the requirements and expectations of the Certified Vendor. As part of the assessment, the Certified Vendor may need to perform additional due diligence, including by way of example rather than limitation, confirmation of certification status, a vendor audit, review of policies and procedures maintained by the vendor, and review of Complaints related to the vendor (including the data publicly available on the CFPB's Consumer Complaint System); and

(f) Obtain the certification number when contracting with a vendor claiming to be an RMAI Certified Company or RMAI Certified Vendor and confirm the vendor's certification status on RMAI's website.

Audit Testing Procedures:

NOTE 1: Absent circumstances which would require a more extensive or independent review, obtaining a copy of the vendor's most recent RMAI full compliance audit, if the vendor is certified, may satisfy the requirement of performing an assessment or vendor audit. Vendors are not required to provide their RMAI audits to clients. RMAI does not warrant the contents of any audit.

107.1 The Auditor shall obtain from the Certified Vendor 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 Certified Vendor is in compliance with those policies and procedures.

107.2 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 Certified Vendor, including any recommendations for improvements.

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

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

(108) **Code of Ethics.** A Vendor shall adhere to a code of ethics, a copy of which shall be included in their policy manual. In the case of RMAI members, the RMAI Code of Ethics must be either included or referenced in the policy manual.

Audit Testing Directions:

NOTE 1: The Auditor shall confirm a copy of the code of ethics is contained in the policy manual.

Auditor Questions:

108.1 Does the Vendor have a code of ethics included in its policy manual?

108.2 Does the Vendor train their employees on the requirements contained in the code of ethics and/or require their employees to acknowledge compliance with the code of ethics?

"Series 200" Standards

[Brokers[17]]

(201) **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:

201.1 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.

(202) **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:

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

202.1 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.

202.2 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.

(203) **Due Diligence.** A broker shall conduct reasonable due diligence, on behalf of their client or as part of an internal vetting program, on all other signatory parties associated with a sales transaction prior to the transmission of any Consumer Data. Reasonable due diligence should include, but not be limited to, reviewing: (i) the reputation and experience of the parties; (ii) adverse information concerning the parties, including their principals, (iii) the volume and nature of Complaints filed with the CFPB's Consumer Complaint System and the Better Business Bureau against the parties in the prior two years; (iv) adverse litigation and/or consent orders against the parties in the prior two years; and (v) the data security measures the parties have adopted to preserve the integrity and privacy of Consumer Data. Any material adverse information the broker discovers shall be provided to the client.

Audit Testing Procedures:

203.1 The Auditor shall review the policies and procedures the broker has established for conducting reasonable due diligence, on behalf of their client, on all other parties associated with a sales transaction to ensure the broker conforms to the Standard.

203.2 The Auditor shall determine whether the broker informs clients of any adverse information discovered prior to the transmission of any account level data. The presence of adverse information does not necessarily prevent a sales transaction from taking place but is designed to place the client on notice.

(204) **Misrepresentation of Accounts.** A broker shall not knowingly allow a seller to: (i) misrepresent accounts or (ii) 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:

204.1 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.

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

204.3 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.

204.4 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.

(205) **Reserved. [Repealed in version 14.0.]**

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

Audit Testing Procedures:

206.1 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.

"Series 300" Standards

[Process Servers]

(301) **GPS Technology.** A process server shall deploy global positioning system (GPS) technology which shall record the time, date, and location of the delivery of service.

Audit Testing Directions:

NOTE 1: The Auditor shall have the process server demonstrate how the GPS technology they deploy works.

NOTE 2: The Auditor shall review a random sample of accounts where service was performed to determine if the time, date, and location of service was included in the file and through the use of GPS technology.

NOTE 3: If the process server uses third-party agents for service, the Auditor shall confirm that the process server contracts with third-party agents who deploy GPS technology. If a process server can demonstrate that the only third-party agents in a particular area that they can contract with do not use GPS technology, the Auditor shall document that in the comments but shall not view that to be non-compliance with the standard.

Auditor Questions:

301.1 Does the process server possess GPS technology which records the time, date, and location of service?

301.2 Has the process server been using the GPS technology when performing service?

301.3 Has the process server been documenting the output of the GPS technology in the file contemporaneously with the service?

301.4 If the process server uses third-party agents, do they have a procedure to find and use agents who have the capability of deploying GPS technology?

(302) **Photos/Video.** A process server shall deploy photo or video recording technology to the extent permitted by state or local law. When permitted by law, the individual delivering service shall take a photo/video of the location and manner of service and, in the case of in-person service, the individual being served.

Audit Testing Directions:

NOTE 1: If the process server exclusively operates in a jurisdiction that prohibits the use of photo or video recording technology, the Auditor shall notate that this "standard is not applicable" and document the reason.

NOTE 2: If the process server operates in jurisdictions that both permit and prohibit the use of photo or video recording technology, the Auditor shall determine compliance only in the jurisdictions that permit its use.

NOTE 3: The Auditor shall have the process server demonstrate how the photo or video recording technology they deploy works.

NOTE 4: The Auditor shall encourage process servers who use a handheld photo or video recording technology to consider deploying a passive body worn recording device as a best practice but shall not otherwise consider that a failure to comply with the standard.

Auditor Questions:

302.1 Does the process server possess photo or video recording technology?

302.2 Has the process server been using the photo or video recording technology when performing service?

302.3 Has the process server been documenting the output of the photo or video recording technology in the file contemporaneously with the service?

302.4 If the process server uses third-party agents, do they have a procedure to find and use agents who have the capability of deploying photo or video recording technology?

(303) **Audits.** A process server shall perform monthly audits of each employee/agent that delivers service by randomly selecting one of the days they worked from the prior month to review. For the day selected, the process server shall review the GPS coordinates of each service, the photo and video of each service, and the distance and time between each service to determine if anything would raise questions concerning the legitimacy of the service provided from that day.

Audit Testing Directions:

NOTE 1: The Auditor shall review the policy or procedure the process server has established for performing the monthly audits.

NOTE 2: The Auditor shall review the methodology the process server uses in the selection of the day to audit to ensure that it is not predictable.

NOTE 3: If the process server identified files that were not compliant with the requirements of certification, the Auditor shall document in the comments how the process server addressed the non-compliance.

Auditor Questions:

303.1 Does the process server have an established policy or procedure for performing the monthly audits?

303.2 Is the process server compliant with their established policy and procedure?

303.3 Is the selection of the day to audit random and not predictable?

303.4 If the process server identifies files that are not compliant, did the process server take steps to address the noncompliance?

(304) **Pricing.** A process server shall pay their employees/agents the same fee for both successful and unsuccessful service attempts.

Audit Testing Directions:

NOTE 1: The Auditor shall review the compensation structure used for the payment of employees/agents who engage in service of process.

Auditor Questions:

304.1 Does the process server pay their employees/agents the same fee for both successful and unsuccessful service attempts?

(305) **Conflict of Interest.** The owners and employees (including spouses and children) of a process server shall not use the company for the delivery of service related to their own personal or business interests.

Audit Testing Directions:

NOTE 1: The Auditor shall review the process server's policies to determine if the company has a policy that prohibits owners and employees (including spouses and children) from using their company for the delivery of service related to their own personal or business interests.

Auditor Questions:

305.1 Does the process server have an established policy that prohibits owners and employees (including spouses and children) from using the company for the delivery of service related to their own personal or business interests?

305.2 Is the process server compliant with their established policy?

(306) **License.** A process server and its employees/agents shall maintain all appropriate professional and/or business licenses as required by the jurisdictions in which they operate.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain from the process server the list of states that they engage in service of process.

NOTE 2: The Auditor shall obtain from the process server 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.

NOTE 3: In jurisdictions where the process server 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 process server is not licensed in a particular jurisdiction where licensure may be required, the company shall provide an explanation as to why they are not licensed and the Auditor shall summarize their findings within the report.

Auditor Questions:

306.1 Is the process server licensed to perform service in all applicable states and municipalities?

306.2 In states and municipalities where the process server is not licensed but the Auditor believes licensure may be required, has the process server provided the Auditor with a written opinion from an attorney or their Chief Compliance Officer justifying why licensure is not required?

(307) **Transmission of Proof of Service.** A process server shall transmit either proof of successful service or an affidavit of non-service, that describes the attempts made and at which addresses, to its client within thirty (30) days of successful service or last failed service, unless otherwise agreed to in writing.

Audit Testing Directions:

NOTE 1: The Auditor shall obtain documentation from the process server that describes the procedure established by the agency to conform to this Standard, determine if the procedure is reasonable to ensure a timely response, verify the procedure was followed within the dates of the Audit Period, and document their findings in the report.

NOTE 2: "Proof of service" shall include the attestation of the process server and a copy of the evidence produced by conformance with Standards 301 and 302.

NOTE 3: Through a random sampling of client engagements, the Auditor shall determine whether the process server has complied with this Standard.

Auditor Questions:

307.1 Has the process server transmitted proof of successful service or an affidavit of non-service to its clients within the required time period?

APPENDIX C
EDUCATIONAL REQUIREMENTS MANUAL

C.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.

C.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.

C.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 Receivables Management" based on the following guidance:

(1) The "Introductory Survey Course on Receivables Management" 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) RMAI 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 classes;

(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 they encounter it;

(5) The course shall provide at least four (4) credits of continuing education;

(6) The course shall be offered at each RMAI 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.

C.4 **Ethics Classes.** Ethics classes given by an authorized provider shall count towards continuing education credit if the subject matter is on the following list:

(1) RMAI Code of Ethics;

(2) ACA International, Commercial Law League of America (CLLA), or National Creditors Bar Association (NCBA) 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 management industry or society as a whole;

(8) Diversity, inclusion, and the elimination of bias; and

(9) Other subjects approved by the Administration & Budget Committee.

C.5 **General Classes.** 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)
Artificial Intelligence
Attorney General Interaction
Attorney Representation Issues
Audited Financial Statements
Audits
Automated and Predictive Dialers
Background Checks
Bankruptcy Code
Bankruptcy
Barcodes
Better Business Bureau
Bills of Sale
Broker Agreements
Brokers

Business Management Practices
Business Records Exception Rule
Call Centers
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
Clean Desk Policies
Cloud Based Systems
Collection Letters
Collection Management
Collection Software
Complaint and Dispute Resolution Process
Compliance Policies
Computers – In General
Computers – Firewalls
Computers – Software
Confidential Tip Lines
Confidentiality and Non-Disclosure Agreements
Consent to Sale Provisions
Consumer Bill of Rights
Consumer Communications
Consumer Complaints & Disputes – Verbal & Written
Consumer Education on Financial Responsibility
Consumer Financial Protection Bureau (CFPB)
Consumer Notices
Consumer Support Services
Convenience Fees
Court Appearance Attorneys
Court Rulings Impacting Debt Buying Companies
Credit Bureaus – In General
Credit Bureaus – E-Oscar and FACT Act Disputes
Credit Bureaus – Reporting
Credit Bureaus – Updating
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
E-Signatures
Employee Compensation & Commission Issues
Employee Manual
Employee Supervision & Oversight
Employment Policies
Encryption
Equal Opportunity Clauses (EOC)
Escrow Account Issues
Ethical Codes of Conduct (Employees)
Ethical Codes of Conduct (Industry – RMAI, ACA, NCBA, 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)
Financing
Fraud
Global Positioning System (GPS) Technology
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 – In General
Insurance – Errors & Omissions (E&O)
Insurance – Directors & Officers (D&O)
Insurance – Workers Compensation
Interest Application
Investigations – External
Investigations – Internal
Itemization of Interest and Fees
Judgments
Laptop Security
Licensing
Litigation
Location Requirements
Mailing Services
Malware
Media Systems and Operations
Merchant Services
Mini Miranda
Off-site Hosted Platforms
Original Data Overrides – Issues

Pass through Rights
Passwords
Payday Loans
Payment Application
Payment History
Payment Portals
Payment Processing
Policy Violations – How to Find & Handle
Portfolio Management
Predictive Dialers
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
RMAI Certifications
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)
Telephony Services
Terms and Conditions
Texting
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

C.6 **Authorized Providers.** RMAI is an authorized provider of continuing education credit for the Certification Program. The Administration & Budget 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 C.7 of this Appendix; and

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

C.7 **Requirements of Authorized Providers.** All authorized providers shall conform to the following criteria when issuing Continuing Education Certificates:

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

(2) The subject matter of the class to be offered qualifies for continuing education credit pursuant to the provisions contained in paragraph C.5 of this Appendix.

(3) If the subject matter does not qualify, the authorized provider may request written pre-approval from the Administration & Budget Committee to provide continuing education credits for the class. Such requests must include a description of the class, the class objectives, and demonstrate the relevance of the subject matter to the receivables management industry. The Administration & Budget Committee may, in its sole discretion, require copies of the proposed class 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 they have in fact attended the class for which they seek continuing education credit, and acknowledge that providing false information may subject the signatory to potential disciplinary action or the loss of certification;

(7) Provide RMAI 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 Administration & Budget Committee in the investigation of any complaint regarding an instructor or class content.

C.8 **Non-Authorized Providers.** A Certified Individual may submit a written request to the Administration & Budget Committee to receive continuing education credit for a class taken from a non-authorized provider. The Administration & Budget 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 class description from an advertisement, website, or other documented source; and

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

(2) RMAI receives a declaratory statement that is signed and dated by the recipient of the continuing education that they have in fact attended the class for which they seek continuing education credit, and acknowledges that providing false information may subject the signatory to potential disciplinary action or the loss of certification; and

(3) Proof of attendance is provided to RMAI.

C.9 **Evaluation, Review, and Complaint Process.** Classes offered by authorized providers may be subject to evaluation and review by the Administration & Budget Committee should RMAI receive a written complaint regarding the instructor or class content.

C.10 **Use of RMAI "Authorized Provider" Status.** Non-authorized providers are prohibited from stating or suggesting that they are an RMAI authorized provider either verbally or in writing. Violations of this provision shall prevent the Administration & Budget Committee from considering the acceptance of continuing education credit from the non-authorized provider pursuant to paragraph C.8 for one year from the date the violation is communicated to the non-authorized provider.

APPENDIX D
APPLICATION REQUIREMENTS MANUAL

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

D.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.

D.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.

D.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.

D.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 RMAI to obtain a civil and criminal background report on them as part of RMAI's due diligence.

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

APPENDIX E
AUDIT REVIEW MANUAL

General Directions to the Auditor

The Compliance Audit that you are performing and that will be provided to RMAI 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 RMAI 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 RMAI. 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. As provided in Article VIII of the Governance Document, the Auditor shall perform a visual inspection of the facilities and their operations to see work in progress in order to verify conformity. A Certified Company with multiple locations must verify conformity at all locations.

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 A4 (Employee Training Programs), A5 (Complaint and Dispute Resolution), A6 (Consumer Notices), A9 (Payment Processing), A17 (Commissions), and A23 (Communication Restrictions) exclusively through the Certified Company's conformity with Certification Standard A15 (Vendor Management).

If a Certified Company is exclusively collecting on commercial debt, the company is exempt from Certification Standards A6 (Consumer Notices) and A8 (CFPB Consumer Complaint System).

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 International, 1050 Fulton Avenue, Suite 120, Sacramento, CA 95825 or cert@rmaintl.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 Standards are provided in Appendices A and B.

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 an RMAI Certification Standard so that complying with the RMAI 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 RMAI.

Management Representation Letter

A Certified Company may provide a management representation letter to RMAI 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 International, 1050 Fulton Avenue, Suite 120, Sacramento, CA 95825 or cert@rmaintl.org.

APPENDIX F
REMEDIATION PROCEDURES MANUAL

F.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.

F.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.

F.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) days from the receipt of the Audit from the Audit Committee or Auditor;

(2) The Committee has the authority to dismiss the matter at any time as either being without merit or by submitting 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;

If the services of an independent nonprofit corporation have NOT been engaged to serve as the Remediation Committee pursuant to section 9.10 of this Governance Document, the following paragraph (3) applies:

(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 forty-five (45) days from the receipt of the Audit. Upon the Council Chair's approval, staff shall send the Remediation Agreement to the Certified Party. Alternatively, if the Committee determines that the Deficiency is minor in nature and can be easily rectified, the Committee may authorize the RMAI Executive Director or staff to contact the Certified Party and to request corrective action without a formal Remediation Agreement;

If the services of an independent nonprofit corporation have been engaged to serve as the Remediation Committee pursuant to section 9.10 of this Governance Document, the following paragraph (3) apples:

(3) If the Committee determines that remediation is necessary to achieve conformity with the Certification Standards, the Committee shall prepare and send a Remediation Agreement to the Certified Party no greater than forty-five (45) days from the receipt of the Audit.

(4) 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 the Remediation Committee; or

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

(5) If within sixty (60) days of the initial transmittal of the Remediation Agreement a mutual agreement has not been reached and adopted, the Remediation Committee 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) Adoption of the last edited version of the Remediation Agreement presented to the Certified Party by the Remediation Committee; or

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

(6) If the Council chooses any option that would result in the temporary or permanent loss of certification, the Council shall notify the Chief Compliance Officer of the Certified Company in writing of such decision in a Deficiency Notice which shall take effect fifteen (15) days from transmittal unless RMAI receives a written appeal from the Certified Party following the process and procedures identified on the RMAI 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.

F.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 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, Council, or any committee, panel, or agent thereof.

(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.

F.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;

Guidance: This 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. 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;

Guidance: This 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. 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;

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

Guidance: This 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 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.

Guidance: This 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.

F.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.

F.7 **Appeals.** Any appeal of a disciplinary action taken by the Council shall be received by RMAI within fifteen (15) days from the Council's transmittal of the Deficiency Notice to the Certified Party following the process and procedures identified on the RMAI website and enclosed with the Deficiency Notice. All appeals will be heard and decided by the

Board within thirty (30) days of RMAI'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.

F.8 **Costs.** In all Deficiency matters, the Council shall assess against the Certified Party the costs of the investigations.

APPENDIX G
ADMINISTRATIVE POLICIES

G.1 Staff may create administrative policies to ensure operational and procedural clarity related to the efficient operation of the Certification Program, provided that such policies do not contradict any provision of the Certification Program.

G.2 Administrative policies shall be approved by the Executive Director and the Chair of the Certification Council before being adopted or revised.

G.3 Any new or revised administrative policies shall be added to this Appendix in the next version of the Certification Program.

G.4 The following are the administrative policies that have been adopted:

ADMINISTRATIVE POLICY 001
Adopted November 1, 2023
Redaction of Company Name in Audit Committee Reviews

Policy Statement:

It is the policy of the Receivables Management Association International to redact a company's name from all audit documentation before it is presented to the Audit Committee for review. This policy aims to ensure the confidentiality and unbiased evaluation of audit findings by the Audit Committee.

Scope:

This policy applies to all audit reports, supporting documentation, and communication materials prepared for review by the Audit Committee.

Procedure:

1. *Preparation of Audit Documentation*:

   Before finalizing any audit report or related documentation, the Director of Certification & Education shall ensure that the company's name is redacted from all sections where it is mentioned.

   The company's name shall be replaced with a unique identifier (a randomly selected number between 1-1000) that does not reveal the company's identity.

2. *Presentation to the Audit Committee*:

During the presentation of audit findings to the Audit Committee, ensure that all electronic and hard copies provided to Committee members have the company's name redacted.

Use discretion and avoid verbal references to the company's name during the presentation.

3. *Communication with RMAI Authorized Audit Providers*:

   RMAI Authorized Audit Providers shall be requested to only identify the company name in the cover page and to refer to the company in the audit as “the audited company” or similar language.

Exceptions:

Exceptions to this policy may be granted in exceptional circumstances and must be approved by the RMAI Executive Director and Certification Council Chair prior to the meeting. Documentation regarding exceptions and the rationale behind them must be well-documented.

Review and Revision:

This policy will be periodically reviewed to ensure its effectiveness and relevance. Any necessary revisions will be made in consultation with the Audit Committee.