Frequently Asked Questions (FAQ)

1. If a customer has been issued a supplemental document by the Virginia DMV acknowledging that the customer has moved, is the licensee required to use the zip code from the customer's driver's license (plastic card) or from the supplemental document?

   A. Driver's license.

2. If a customer's driver's license number is also his social security number, is the licensee allowed to use it as part of the unique identifier to check the customer's eligibility?

   A. Yes, but only the last four digits of the number will be entered into the database.

3. Can a licensee accept any photo ID cards other than a state driver's license or state issued ID card?

   A. No.

4. What date should be used on the security check - - the agreement date of the loan or the due date of the loan?

   A. The due date of the loan.

5. If a licensee makes an extended term loan (ETL) to a borrower but does not enter the loan as an ETL in the database, can the database be corrected to reflect the ETL?

   A. Yes. Contact Veritec Solutions, LLC for assistance.

6. Is a licensee required to deposit a customer's security check at any time?

   A. No, but it cannot be deposited until the loan's due date (which should also be the date of the check).

7. Are licensees required to close transactions in the database if a customer pays the original terms of the contract (Principal / Advance Amount, Interest Amount, Loan Fee, and Verification Fee), but has remaining fees outstanding?

   A. The loan is to be closed in the database when the borrower has repaid or otherwise satisfied the loan in full according to the terms of the loan agreement.

8. When a return check notification has been received by a licensee, is the date the check was returned or the date the notification was received to be used when recording the Return Check Date in the database?

   A. Enter the date the check was returned by the borrower's depository institution.

9. If a bank charges less than $25.00 for a returned security check, can a licensee collect the full $25.00 from the borrower?

   A. No. A licensee may only recover the actual fee incurred (up to a maximum of $25.00).

10. Can a licensee charge a borrower a return check fee if the licensee does not incur a return check fee?

    A. No. A licensee may only recover the actual fee incurred (up to a maximum of $25.00).

11. What is the required APR calculation that licensees are expected to use?

    A. See Regulation Z, Appendix J to Part 1026.

12. If a customer pays off a transaction early, is the licensee required to discount the interest amount the customer must pay?

    A. Generally yes. See Virginia Regulation 10 VAC 5-200-40.

13. Are a licensee's collection practices impacted by the laws and regulations?

    A. Yes, see §§ 6.2-1816 and 6.2-1826, and the Commission's regulations.

14. Are licensees required to create an extended payment plan (EPP) term that is equal to four times the customer's pay cycle or is the requirement only that the term of the EPP be a minimum of 60 days?

    A. Under an EPP, a licensee shall permit the borrower to repay the amount owed in <u>at least</u> 4 equal installments over a term of <u>at least</u> 60 days. See Virginia Regulation 10 VAC 5-200-33.

15. If a customer has a pay cycle of 30 days, will they be eligible for an ETL?

    A. Yes, assuming the other prerequisites for an ETL are met.

16. If the customer enters into an EPP or ETL, may the licensee require the borrower to submit a new security check?

    A. The licensee may not require a new security check; however, the borrower has the option of exchanging security checks with a licensee at the time a payment is made on an EPP or ETL.

17. The laws prohibit a licensee from making a loan to a borrower on the same day that a borrower paid or otherwise satisfied in full a previous payday loan. Is this a 24 hour waiting period or will the borrower be eligible for a new loan on the next calendar day?

    A. Next calendar day.

18. Are licensees required to print and save the Check Eligibility document if the customer is ineligible?

    A. Yes. See Virginia Regulation 10 VAC 5-200-110 (I).

19. Are licensees required to enter partial payments, EPP payments, or ETL payments into the database?

    A. No.