Payliance™

Compliance Solutions

Streamlining Operations & Reducing Risk

SDLR

Automating Compliance with the Two-Payment Rule

The Challenge:

Small-dollar lending regulations have introduced new complexities to your business. After two consecutive failed payment attempts, you must stop trying to collect and take specific steps before processing any further payments. Managing this requirement manually not only consumes valuable time and resources but also exposes your organization to compliance risks that can directly impact your bottom line.

New SDLR Compliance Reporting

To help you stay compliant with the Small Dollar Lending Rule, Payliance is launching specialized reports that highlight two consecutive failed transactions for the same bank account/routing number or card account:

- Separate reports for ACH and Card platforms that show the two most recent consecutive NSF returns
- Reports run on a rolling 3-month history starting from the SDLR regulation effective date
- Easily accessible through the Payliance Merchant Portal
- Clear visibility when two consecutive payment attempts fail (if a successful payment occurs between failures, they won't appear as consecutive)
- Transaction tracking logic: When Transaction 1 fails, followed by Transaction 2 failing, both appear on the report. If a 3rd transaction fails, it would be added to the report, and the 1st transaction would drop from the report.

The business value is clear. With our SDLR compliance reporting, your team will:

- Minimize the risk of SDLR violations through automated tracking
- Reduce operational overhead for compliance monitoring
- Get visibility into consecutive failed payments to inform your reauthorization processes
- Have access to the data you need for compliance documentation

Please note: These reports are for informational purposes only. Payliance is not integrated into all reauthorization programs with our lenders. For that reason, we have not configured our systems to stop processing for individual borrowers after 2 consecutive failed NSF attempts. If that is preferred, please let us know and we can work with you to implement that functionality. We recommend consulting with legal counsel to ensure SDLR regulations are followed appropriately.

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Why Payliance?

Since 2007, Payliance has been on a mission to make lending easier and borrowing simpler. We enable organizations like yours to streamline payment acceptance, minimize processing costs, and reduce fraud risk. Our deep expertise in lending, collections, E-commerce, and gaming has made us the trusted partner for hundreds of lenders, and over 40,000 merchant locations, processing more than 203 million transactions annually.

Our Payments-as-a-Service platform helps lenders like you accelerate payments performance in three critical areas:

- Increasing customer payment approvals
- Streamlining repayment transaction processing
- Decreasing charge-off losses

Let's talk about how our SDLR compliance solutions can reduce your operational costs and regulatory risk while improving your customer experience.

Contact us today to learn more.

To learn more, scan the QR code and complete a brief form to get started.

About Payliance

Payliance, founded in 2007, simplifies lending and borrowing by optimizing payment acceptance, reducing processing costs, and mitigating fraud risk. Serving 350+ lenders and 40,000+ merchant locations, they process 203 million transactions annually worth $92 billion. Their Payments-as-a-Service platform boosts payments performance by increasing approvals, streamlining transaction processing, and reducing charge-offs.

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