Payliance™

Compliance Solution Overview

Navigate Regulatory Complexities with Confidence



Ensure Regulatory Compliance Across Lending Operations.

Payliance offers compliance-driven payment solutions to help lenders, especially in subprime markets, meet federal, state, and industry regulations. Focusing on CFPB guidelines, Nacha rules, and state lending laws, Payliance streamlines loan disbursement, repayment, and collections while ensuring compliance in an increasingly complex regulatory environment.

Compliance Overview

Lenders face significant regulatory challenges, especially in subprime markets. Key regulations include:

- **CFPB Borrower Protections:** Emphasizes transparency in repayment terms, fraud prevention, and borrower ability to repay.
- **Nacha ACH Rules:** Mandates account validation for ACH transactions and strict compliance with return thresholds.
- **Small Dollar Lending Rule (SDLR):** Set to take effect in 2025, the SDLR limits repeat payment attempts and expands borrower protections.
- **State-Specific Lending Laws:** Govern interest rate caps, fee limits, and borrower communication requirements.

Payliance's solutions help lenders meet regulations, manage risk, and streamline operations.

Key Compliance Features Across Payliance Solutions

ACH and Back Office Processing (BOP)

Payliance's ACH platform ensures Nacha compliance, optimizing loan disbursement and repayment with real-time validation and fraud detection to meet return rate thresholds and avoid penalties.

- **Nacha Compliance:** Adheres to return rate thresholds (15% overall return, 3% administrative return, and 0.5% unauthorized return).
- **CFPB's Small Dollar Lending Rule (SDLR):** The SDLR restricts lenders to two consecutive failed payment attempts. Payliance's ACH solution reduces the likelihood of failed payments by using real-time validation, ensuring compliance with this rule.
- **Fraud Prevention:** Real-time fraud detection minimizes the risk of unauthorized transactions and keeps lenders compliant.

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Key Benefits:

- Reduces ACH return rates and fraud.
- Ensures compliance with **Nacha** and SDLR standards.

VeriTrac® Account Verification Suite

The VeriTrac suite provides real-time account verification, helping lenders comply with **Nacha** guidelines and reducing the risk of failed or unauthorized transactions.

- **Nacha Web Debit Rule Compliance:** VeriTrac verifies borrower account details in real time to prevent unauthorized or failed transactions.
- **SDLR Compliance:** Reduces the need for multiple payment attempts by validating account details upfront, helping lenders stay within the SDLR's two-attempt rule.

Key Benefits:

- Enhances compliance with **Nacha** and **CFPB** guidelines.
- Mitigates the risk of failed payments and fraud.

Remotely Created Checks (RCC)

Payliance's **RCC** solution offers a flexible alternative to ACH processing, allowing lenders to bypass **Nacha** restrictions and comply with SDLR regulations.

- **Regulatory Compliance:** RCC adheres to **Reg CC**, **Reg J**, and the **Check 21** Act, providing a compliant alternative for managing payments with higher return rates.

Key Benefits:

- Allows additional payment options without the strict return rate restrictions
- Complies with **Reg CC**, **Reg J**, and **Check 21**.

Card Verify Solution

Payliance's Card Verify solution ensures secure card processing through real-time validation, reducing the risk of unauthorized transactions and complying with **CFPB** and **FTC** guidelines.

- **Fraud Prevention and Consumer Protection:** Real-time validation, including AVS (Address Verification Service) and BIN (Bank Identification Number) checks, ensures compliance with **CFPB** and **FTC** standards.
- **Visa Account Name Inquiry (ANI):** Integrated into Card Verify, ANI allows lenders to confirm that the cardholder's name matches the information held by the issuing bank, critical for card-not-present transactions.

Key Benefits:

- Complies with **CFPB** and **FTC** rules on fraud prevention.
- Aligns with Know Your Customer (KYC) standards to reduce the risk of unauthorized transactions.

Debit Card Processing with Real-Time Funding (RTF)

Payliance's **Debit Card Processing with Real-Time Funding (RTF)** solution allows lenders to process loan disbursements and repayments instantly through debit card networks, while ensuring compliance with **Visa** and **Mastercard** regulations.

- **Visa and Mastercard Compliance:** Payliance's debit card processing solution adheres to all major card network rules, ensuring secure and compliant transactions.
- **Prevention of NSF Fees:** By providing real-time funding, Payliance reduces the chance of non-sufficient funds (NSF) fees, helping lenders maintain compliance with borrower protection rules.

Key Benefits:

- Meets **Visa** and **Mastercard** network regulations.
- Prevents NSF fees, enhancing borrower satisfaction and regulatory compliance.

Interchange Discount Program

Payliance's **Interchange Discount Program** helps lenders manage transaction costs while maintaining compliance with **Visa**, **Mastercard**, and **Discover** rules. This program also ensures compliance with state-level regulations related to repayment processing fees.

- **Card Network Compliance:** The program complies with **Visa**, **Mastercard**, and **Discover** regulations, ensuring secure and transparent processing(Compliance Brief v2.
- **Convenience Fee Compliance:** Lenders benefit from transparent fee structures that meet state regulations on processing fees.

Key Benefits:

- Reduces transaction costs by 25-35% while complying with card network rules.
- Ensures fee transparency and state-level compliance.

Mobile Loan Repayment App

Payliance's **Mobile Loan Repayment App** enhances borrower engagement while ensuring compliance with **CFPB** transparency and communication guidelines.

- **CFPB Compliance on Transparency:** The app provides borrowers with clear repayment schedules and real-time notifications, ensuring that lenders maintain compliant communication with borrowers.
- **SDLR Compliance:** Helps lenders comply with the SDLR by obtaining borrower consent before reattempting payments after two consecutive failures.

Key Benefits:

- Provides compliant borrower communication and engagement.
- Increases repayment success and borrower satisfaction.

Real-Time Payments (RTP)

The RTP solution from Payliance offers instant loan disbursement and repayment capabilities, ensuring compliance with **CFPB** rules on transparency and timely fund access.

- **CFPB Transparency Requirements:** RTP provides borrowers with immediate access to funds, aligning with **CFPB** rules regarding transparency and timely disbursements.
- **Liquidity and Prefunding Compliance:** Lenders maintain prefunded accounts to ensure sufficient liquidity, meeting compliance requirements for real-time payments.

Key Benefits:

- Ensures compliant, real-time loan disbursement and collection.
- Meets borrower expectations for immediate access to funds.

Presentation Manager

Payliance's **Presentation Manager** ensures compliance with **CFPB** and **Fair Debt Collection Practices Act (FDCPA)** regulations, providing lenders with transparent and borrower-friendly collection processes.

- **CFPB and FDCPA Compliance:** This solution adheres to federal guidelines by notifying borrowers before collection actions, reducing disputes and ensuring transparency.

Key Benefits:

- Complies with **CFPB** and **FDCPA** guidelines for borrower-friendly collections.
- Reduces borrower disputes and enhances transparency.

How Payliance Ensures Compliance

- **Fraud Prevention and Risk Management:** Tools like **VeriTrac** provide real-time fraud detection and risk management, ensuring compliance with **CFPB** guidelines for secure transactions.
- **Regular Compliance Audits:** Ongoing audits ensure adherence to **Nacha**, **Visa**, **Mastercard**, and state-specific guidelines.
- **API Integration and Real-Time Monitoring:** Seamless API integration enables real-time monitoring of transactions, helping lenders remain compliant with evolving regulatory standards.

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.