

## Revised Auto Disclaimers July 2008

To ensure complete compliance, we are asking everyone to update all future pre-screen promotions to reflect the newly updated disclosures and Terms & Conditions. Please review the following and make changes where applicable.

Every mail piece using Prescreened Data must contain a firm offer of credit. The offer of credit should be the prominent component of the mail piece and should be stated clearly and concisely in the beginning of the mailer. This must be on the FRONT of the MAILER and be clear and conspicuous. The front of the MAILER is defined as the MAIN information page, not the envelope or other location.

Examples of the firm offer of credit:

1. **You have been Pre-qualified for an auto loan from \$7,500.00 up to \$29,987.00\***
2. **You have been Pre-selected for an auto loan from \$7,500.00 up to \$29,987.00\***

**\*\*Note -The use of Pre-Approved and 'line of credit' has been DISCONTINUED – do not use it.**

In addition, when the offer that appears on the front side of the solicitation, and the remaining terms and conditions of the offer are provided elsewhere in the solicitation, a directional indicator (e.g., an asterisk) should follow the offer language. For example: **“You have been pre-qualified for an auto loan from \$7,500 up to \$29,987.00\*”** The asterisk at the end of the sentence is a marker where the consumer is instructed to: **“\*See Reverse Side for the Terms & Conditions of this Offer.”**

Other examples include:

1. **\* See below for Terms and Conditions of this offer.**
2. **\*\* See back for Terms and Conditions of this offer.**
3. **\*\*\* See enclosed voucher for Terms and Conditions of this offer.**

As of August 1, 2005, each prescreen solicitation must contain a two-part opt-out notice that meets the FCRA “clear and conspicuous” and “simple and easy to understand” requirements.

**Short Form Opt-Out Notice:** Must appear on the **FRONT of MAILER**, minimum 12 pt type, and **BOLDED** or *ITALICIZED* and must have a border around it. The **PRESCREEN & OPT-OUT NOTICE** remains capitalized and underlined. An example of an FTC compliant short form opt-out notice is as follows:

<p><b>You can choose to stop receiving “prescreened” offers of credit from this and other companies by calling toll free 1-888-567-8688. See <u>PRESCREEN &amp; OPT-OUT NOTICE</u> on other side [or other location] for more information about prescreened offers.</b></p>
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Continued...

**Long Form Opt-Out Notice and Terms & Conditions:** May appear elsewhere on mailer (other side, separate sheet, etc), The type size must be no smaller than the type size of the principal text appearing on the same page and, in any event, no smaller than 8-point type, bolded or italicized and it must be 2 separate paragraphs with at least 1 space between the Prescreen & Opt-Out Notice and the Terms & Conditions.

**Prescreen & Opt-Out Notice** must always be bolder or darker than the bank disclaimer. An example of an FTC compliant Long form opt-out disclosure is as follows:

**PREScreen & OPT-OUT NOTICE:** This "prescreened" offer of credit is based on information in your credit report indicating that you meet certain criteria. This offer is not guaranteed if you do not meet our criteria [including providing acceptable property as collateral]. If you do not want to receive prescreened offers of credit from this or any other companies, call toll free 1-888-567-8688, Equifax Options, P.O. Box 740123 Atlanta, GA 30374, Experian Information Systems, Inc., P.O. Box 919, Allen, TX 75013, Trans Union Opt Out Request, P.O. Box 505, Woodlyn, PA 19094-0505 or by calling 1-888-5OPTOUT.

**\*TERMS & CONDITIONS OF OFFER:** You must be at least 18 years of age to be eligible for this offer. You must continue to meet the criteria used to select you for this offer and our credit worthiness criteria. These criteria include a minimum verifiable gross monthly income of \$2000.00; that your vehicle monthly payment not to exceed 20% of your gross verifiable monthly income; your combined monthly debts and other credit obligations not to exceed 50% of your gross verifiable monthly income; that your down payment meets our equity requirements; and that you furnish the required collateral. Any equity deficit in your current vehicle must be paid or refinanced with your new vehicle and proof of full coverage insurance must be provided at the time of vehicle delivery. Bankruptcies must be discharged. This offer is void where prohibited by law. This offer is nontransferable. This offer expires 45 days from the date of the letter shown on the front. If you continue to meet the criteria used to select you for this offer and our credit worthiness criteria, you are pre-qualified for an auto loan of no less than \$7,500.00 from MDA Capital, at an interest rate of no more than the maximum allowed by the state where the vehicle is purchased (18.9% in most states). Calculated according to the simple interest, for a term of between 24 and 72 months. For example: A sale price of \$15,000.00, (which includes tag, tax, title and dealer fees), with 10% down payment, leaves a loan amount of \$13,500.00; at 18.9% APR, this amount can be repaid over a term of 5 years, resulting in 60 monthly payments of \$25.89 per \$1,000 borrowed or \$349.46 per month.

**For those solicitations that include contests, sweepstakes, gifts or dealer promotions, the following must be included on the mailpiece:**

"Contests, sweepstakes, dealer promotions and or gift offers are not affiliated with MDA Capital's pre-screened offer and are solely the responsibility of the dealer."

If, after you've read the above information, you have any questions concerning the revisions to the notice language; please contact our office at your convenience.