MERCHANT COMPLIANCE GUIDELINES
FOR GREENSKY® LOAN PROGRAMS

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Table of Contents

Introduction .......................................................................................................................... 1

Complaints Management .................................................................................................. 1

Our Expectations Regarding Complaints Management .................................................... 1

We Take All Complaints Seriously and Will Investigate All Customer Complaints .......... 1

Avoid Complaints by Ensuring Customer Authorization for Loan and Transactions ........... 1

We Will Contact Customers to Verify Purchases .............................................................. 2

Protect Vulnerable Consumers and Customers ................................................................ 3

Our Expectations Regarding Vulnerable Consumers and Customers ............................. 3

What is this about? .............................................................................................................. 3

Who is a “vulnerable consumer or customer”? ................................................................. 3

Tips to Avoid Allegations of Abuse .................................................................................. 3

Legal Competency ............................................................................................................ 3

Power of Attorney, Conservatorships, and Guardianships cannot be used to Submit Applications .............................................................. 4

Do Not Discriminate ........................................................................................................ 5

Our Expectations Regarding Non-Discrimination .......................................................... 5

The GreenSky® Program Policy on Anti-Discrimination .................................................. 5

You Must Not Illegally Discriminate Against Consumers, Applicants, or Borrowers ........ 5

Customers May Use Translators ...................................................................................... 5

Protect Your Customer; Know Your Customer ................................................................ 6

Our Expectations Regarding Fraudulent Applications and Transactions ....................... 6

How to Verify a Person’s Identity ...................................................................................... 6

When to Verify Identity .................................................................................................... 6

Protect Customer Information from Unauthorized Use, Theft, or Other Loss ..................... 6

Guide to Knowing the GreenSky® Program Plans You Offer to Customers ....................... 7

Our Expectations Regarding Merchant Familiarity with GreenSky® Program Plans ........... 7

GreenSky® Program Product Types .................................................................................. 7

GreenSky® Program Plan Types ...................................................................................... 7

Marketing the GreenSky® Programs .............................................................................. 9

Our Expectations Regarding Merchant Marketing Related to the GreenSky® Programs ........ 9

The GreenSky® Marketing Guidelines are designed to Help Merchants Comply with the Law .......................................................... 9

Energy Efficiency/Alternative Energy Merchant Guidelines ............................................. 10

Our Expectations for Energy Efficiency/Alternative Energy Merchants ....................... 10

The Energy Efficient “Leave Behind” Forms can Help Your Customers Understand the Program .......................................................... 10
Split Plan Form will help your customers and help us quickly process split plan requests!

Important Documentation for You and Your Customers
Merchant Compliance Guidelines
FOR GREENSKY® LOAN PROGRAMS

Introduction
Thank you for your participation in the GreenSky® loan program (the “GreenSky® Program” or the “Program”). We seek to make it easier for businesses of all sizes to offer credit to their customers with a fast point-of-sale solution.

GreenSky, LLC (the “Company”) is a service provider and program administrator to federally-insured, federal and state chartered financial institutions that provide consumers loans under the GreenSky® Program (the “Participating Banks”). The Company and its subsidiaries service the loans made by the Participating Banks. The Company is NOT a lender.

As the service provider and program administrator for the Participating Banks, we publish these Merchant Compliance Guidelines to set forth rules merchants, like you and your company, must follow when participating in the GreenSky® Program. These Merchant Compliance Guidelines are part of the Operating Instructions for the GreenSky® Program and are incorporated into the GreenSky® Merchant Program Agreement (the “Program Agreement”). Failure to follow these guidelines may result in disciplinary action, up to and including termination.

Complaints Management

Our Expectations Regarding Complaints Management

- We expect merchants participating in a GreenSky® Program to treat their customers fairly and in a professional manner.
- We understand that bad feelings may arise or mistakes can happen from time to time through no fault of yours. But, when problems come up, our priority is to ensure that our mutual customers are treated with respect and proper consideration.
- We expect merchants participating in the Program to share our commitment to customer service and customer satisfaction.

Merchants who have a high complaint rate or high severity complaints (such as allegations of unfair, deceptive, or abusive acts or practices or allegations of discrimination) or who do not cooperate with us in investigating and resolving customer complaints will be subject to termination from the Program.

We Take All Complaints Seriously and Will Investigate All Customer Complaints

- The Program Agreement requires you to cooperate with our investigation and remediation of a customer complaint. This cooperation includes providing any and all requested documentation. You should provide any requested documentation or information within five (5) business days of receiving our request.
- Your Program Agreement also requires you to report to us any complaint related to your participation in the Program that you receive from a customer or third party (such as the Better Business Bureau). You must report such complaints to us within five (5) business days of receiving the complaint.

Avoid Complaints by Ensuring Customer Authorization for Loan and Transactions

- You must ensure all loan applications and transactions you submit to the Program are authorized by customers in writing. You are not required to send us this documentation unless we request it from you.
  - Application Authorization: Signed application authorization is required demonstrating that the customer intended to apply for a loan and received the application disclosures. This can be obtained in one of several ways:
- A GreenSky® Loan Application Acknowledgement Form completed and signed by the applicant(s). This form is available in the Important Documentation section of our Operating Instructions website at www.greensky.com/merchantagreement. A GreenSky® Paper Application Information Form (for home improvement or retail programs) completed and signed by the applicant(s). This form is available in the Important Documentation section of our Operating Instructions website at www.greensky.com/merchantagreement.
- A phone call to us by the customer to apply, thus authorizing the application, is also sufficient.
- Any other signed document that clearly indicates that the customer intended to apply for a GreenSky® Program loan and received the appropriate GreenSky® application disclosures at the time of application.
- We have also created the Credit Limit Increase Request Authorization form as a convenient way to capture a borrower’s written authorization for a credit limit increase request. This form is available in the Important Documentation section of our Operating Instructions website at www.greensky.com/merchantagreement.
  - **Transaction Authorization:** Written authorization must demonstrate the customer had received his/her loan agreement and intended to authorize a specific transaction for a specific amount at a specific point in time (i.e., on a specific date or upon the occurrence of a specific event, such as ordering materials).
  - While you may use your own form, we have provided a Borrower Payment Authorization Certificate form as a convenient form to capture a borrower’s written authorization for a transaction. This form is available in the Important Documentation section of our Operating Instructions website at www.greensky.com/merchantagreement.
    - The GreenSky® application is an actual application for credit. We not offer pre-approvals or pre-screens for credit.
    - Upon approval, the customer will have an established account.
    - After the customer authorizes a transaction on the account, the customer will have an obligation to repay the Program for amount borrowed.
- If we receive complaints from your customers, we may contact other customers to learn more about their experience.

**We Will Contact Customers to Verify Purchases**
- We conduct regular customer satisfaction surveys to gather customer feedback regarding the sales process and to confirm customers authorized applications and transactions.
- Our customer satisfaction contacts are designed to verify the following:
  - Customer ordered the goods and services provided in connection with their GreenSky® Program account.
  - Customer understands the terms of their Program account and corresponding loan agreement.
  - Customer is satisfied with you, the merchant, and us, the Program administrator.

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Protect Vulnerable Consumers and Customers

Our Expectations Regarding Vulnerable Consumers and Customers

- We expect merchants participating in a GreenSky® Program to offer their products and services and the GreenSky® Program in a way that does not take advantage of or put undue pressure on customers. This is especially true when working with customers who are in vulnerable population groups, such as the elderly or disabled. We are committed to protecting vulnerable consumers and customers from abusive sales practices.

What is this about?

- Abuse of vulnerable adults includes the illegal or improper use of an older or disabled adult’s funds, property or assets.
- Vulnerable adults may be targets of exploitation by family, caregivers, and home repair contractors.
- We want to ensure that all customers are treated fairly and are not subject to unfair, deceptive, or abusive sales tactics. This includes by Program employees, merchants participating in a Program, and family members or caregivers of Program customers.
- Merchants found to be engaged in vulnerable population abuse are subject to being terminated from participating in the Programs.

Who is a “vulnerable consumer or customer”?

- Adults over 60 years old
- Mentally or physically disabled adults

Tips to Avoid Allegations of Abuse

- Do not pressure a customer into purchasing goods or services or submitting a credit application. Give your customers time to consider whether they would like to submit a credit application to pay for their project.
- Check ID at the time of the application and transactions to make sure the person authorizing the interaction is the person listed on the application or account.
- Don’t condition prices and deals on customers paying immediately or by using a GreenSky® Program loan.
  - This type of pressure can be too much for members of the vulnerable population to handle and can lead to allegations of abuse.
- Don’t overcharge your customers. Comply with the down payment requirements of the Program Agreement (see Program Agreement, section 8(h)) and in the Merchant Training
- Be cautious of situations where your contact is through or controlled by a third-party (including a family member) and direct access to the customer is limited.

Legal Competency

A consumer must be legally competent to agree to submit an application and process a transaction. **You have a responsibility to ensure that your customer is competent to execute and submit a credit application.** The following elements are required to establish legal competency:

- **Age:** The customer must be of legal age to submit an application and process a transaction.
  - Applicants in the Programs must be 18 years old (19 years old in Alabama or Nebraska).
- **Mental Competency:** The customer must have the mental capacity to read and understand the application and to intend to submit an application and/or transaction.
  - For example: If a customer is exhibiting signs of dementia, Alzheimer’s or other mental illness, the person may not be mentally competent to execute a credit application.
Power of Attorney, Conservatorships, and Guardianships cannot be used to Submit Applications

We understand that a person’s circumstances may change and that he or she may need the assistance of a third-party in handling his or her financial affairs. That’s why we will work with a customer who needs to establish an account contact, Power of Attorney, Conservator, or Guardian to help the customer manage the servicing and repayment of a loan.

The GreenSky® Program does not, however, accept applications or transactions submitted on behalf of a person by another person claiming to hold a Power of Attorney, Conservatorship or Guardianship relationship. These situations raise concerns about potential vulnerable adult abuse. Please do not submit any applications or transactions from persons authorized as a Power of Attorney, Conservator, or Guardian for another. Do not hesitate to contact us if you have questions about this policy.

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Do Not Discriminate

Our Expectations Regarding Non-Discrimination

- We expect all participants in the GreenSky® Programs (our employees, the Participating Banks, and merchants) to operate in a manner that does not illegally discriminate against consumers, applicants, or borrowers.

The GreenSky® Program Policy on Anti-Discrimination

The GreenSky® Programs will be conducted in a manner that complies with the federal Equal Credit Opportunity Act (“ECOA”), Regulation B, and other applicable federal and state anti-discrimination laws.

The GreenSky® Programs, the Participating Banks, and merchants participating in the Programs SHALL NOT illegally discriminate against a potential customer or customer during any part of a credit transaction based on prohibited categories or characteristics.

You Must Not Illegally Discriminate Against Consumers, Applicants, or Borrowers

Federal and state laws, such as the ECOA and Regulation B, make it illegal for you to discriminate in any aspect of a credit transaction based on certain personal characteristics of a prospective applicant.

Specifically, federal law prohibits you from treating customers differently or discriminating based on the following:

- Race
- Color
- National Origin
- Sex or Marital Status
- Age
- Religion
- Receipt of income from public assistance program
- Good faith exercises of rights under the Consumer Credit Protection Act

State law may also protect other categories, such as sexual orientation. You are responsible for knowing and complying with all anti-discrimination laws in your state and locality applicable to your business.

We will take steps to ensure you are complying with anti-discrimination laws in working with your customers and the GreenSky® Programs. For example, we may conduct statistical sampling of your customer base to determine whether there is potential intentional or unintentional discrimination occurring.

Merchants who illegally discriminate against consumers, applicants, or borrowers are subject to termination from the Programs.

Customers May Use Translators

We will only service customers in English or Spanish. Customers who speak other languages, however, can use their own translators to understand merchant sales presentation or the products offered by the GreenSky® Programs. But, merchants should only speak to customers about the GreenSky® Programs in English or Spanish. If a customer uses a translator, merchants should verify and record the identity of the translator like they would any customer.

Although the English version of our loan documents are the official, controlling version of the loan documents, we do have Spanish-language versions available as a customer courtesy. If discussions about the GreenSky® Programs are held in Spanish, please request that the prospective borrower receive his/her loan documents in Spanish.
Protect Your Customer; Know Your Customer

Our Expectations Regarding Fraudulent Applications and Transactions

- We expect merchants in the GreenSky® Programs to take appropriate steps to ensure that the applications and transactions they submit to the Programs are legitimate and do not involve fraud, including, but not limited to, identity theft. To help protect the Programs, the Participating Banks, our merchants, and consumers from fraud, we have implemented an anti-fraud program that is designed to identify and block fraudulent applications and transactions. Merchants are at the frontline of our anti-fraud defenses.
- We expect a merchant participating in the Programs to:
  1. Verify the identity of a person submitting a credit application to the Program or requesting a transaction on a Program loan;
  2. Decline to accept an application or refuse to process a transaction if the merchant has any question about the identity of the person or is concerned that the application/transaction is related to fraudulent activity; and
  3. Report any such suspicious interaction to GreenSky® at customer.protection@greenskycredit.com or by calling customer service at 866-936-0602.

How to Verify a Person’s Identity

- Review a copy of the person’s government-issued identification document/card, such as driver’s license or passport.
- Verify that the person’s physical appearance and information provided in the application/transaction request matches the information in the government-issued ID document/card.
- Don’t submit an application or transaction if:
  - The person’s physical appearance or application/transaction information do not match the ID; or
  - The ID documents appear to be forged or altered.

When to Verify Identity

- Before submitting a credit application
- Before processing each transaction

Protect Customer Information from Unauthorized Use, Theft, or Other Loss

Individuals – shoppers, applicants, and customers – may provide merchants with personal information in connection with their construction project and/or their GreenSky® Program loan. Merchants must take steps to protect the personal information they receive. If a merchant believes customer information has been compromised, contact us immediately!

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Guide to Knowing the GreenSky® Program Plans You Offer to Customers

Our Expectations Regarding Merchant Familiarity with GreenSky® Program Plans

- We expect merchants participating in the GreenSky® Programs to understand the credit products and plans that they offer to customers.
- Merchants should know the general category of the product (revolving or installment), the general type of plan (deferred interest, payment plan, reduced rate, or “Zil” (0% interest loan)), and the terms of the plan (the interest rate, the length of the loan, and the number of payments).
- We expect merchants to provide accurate, truthful, and complete information about the GreenSky® Program loans their customers are interested in or call us to answer customer questions.
- If a customer has a question and you don’t know the answer, have the customer call us at INSERT TOLL-FREE CUSTOMER SERVICE NUMBER. Don’t guess!

GreenSky® Program Product Types

GreenSky® offers two types of credit products – revolving (open-end) and installment (closed) end. While both types of products have similar features (such as how the customer accesses the loan funds), there are important differences.

“Revolving Credit” is the type of credit typically associated with credit cards. A revolving credit loan generally does not have a fixed number of repayments and allows the amount of credit to be replenished by making payments on the account any number of times until the account expires.

“Installment Credit” is the type of credit typically associated with an auto loan. An installment loan has a fixed number of repayments to be made over a fixed term (i.e., 7 years). GreenSky® Program installment loans use a credit card device (the “Shopping Pass”) to access the funds. While GreenSky® installment loans give the customer a “shopping window” during which he or she may make multiple purposes, the credit limit is fixed and is not replenished by payments made during the shopping window.

GreenSky® Program Plan Types

We offer three general types of plans: deferred interest, payment plans, and zero interest (or “zils”). It is important for each customer to understand the type of plan he or she receives.

Deferred Interest Plans – Also called “No Interest if Paid in Full” loans, interest accrues (and is billed) to the deferred interest loan account but will be waived if the customer pays the entire purchase balance before the end of the promotional period (typically 6-18 months). Therefore, if, and only if, the customer repays his or her loan during the promotional period, then the customer will not have an obligation to pay any interest. If the customer does not repay the loan during the promotional period, then the customer is responsible for paying all the interest that accrues during the promotional period and any interest that accrues after the promotional period.

You MUST NOT advertise these products as “No Interest” or 0% or suggest that the loan does not accrue interest. Any use of the term “No Interest” must be followed immediately by “if Paid in Full.” See Marketing Guidelines for details.

The GreenSky® Programs offer two types of deferred interest plans – “no payments if paid in full” and “with payments”. Depending the deferred interest plan, a customer may or may not have to make payments during the promotional period. Customers should be aware, however, that if they have payments due during the promotional period, they will not pay off the entire balance during the promotional period if they make minimum payments due.

Merchants who offer deferred interest plans must provide their customers with the Deferred Interest “leave behind” form. Failure to provide the Deferred Interest leave behind may lead to suspension or termination. This form is available in the Important Documentation section of www.greensky.com/merchantagreement.
Payment Plans/Reduced Rate Plans – These plans are designed for customers who desire a fixed monthly payment to budget their purchase and are not likely to be able to pay the entire balance before the end of a deferred interest promotional period. Payment plans have payments due during the first promotional months following loan approval and then payments of interest and principal for the remaining term. At the end of the promotional period, the customer will receive a Summary of Account at Conversion outlining their payment obligation for the remainder of the loan term.

Zero Percent Plans – These plans have a 0% interest rate during the entire life of the loan.

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Marketing the GreenSky® Programs

Our Expectations Regarding Merchant Marketing Related to the GreenSky® Programs

The GreenSky® Programs include several different types of credit products to help you delight your customers by giving them the flexibility to choose the credit terms that meet their needs.

- We expect merchants participating in the GreenSky® Programs to be familiar with the products and plans they offer to their customers.
- We expect merchants to ensure that the advertisements and marketing materials used to advertise the availability of credit products are complete and accurate with the elements required by law.
- Pursuant to the requirements of the Program Agreement, we expect merchants to use GreenSky® developed or approved marketing materials when advertising the availability of credit products.
- We conduct quarterly marketing reviews of various merchants. We expect merchants to fully comply with the review and make any required changes to marketing materials promptly following our review.

The GreenSky® Marketing Guidelines are designed to Help Merchants Comply with the Law

To assist merchants in complying with the laws applicable to advertising credit products, we require merchants to use marketing materials that are provided by GreenSky® or that we have reviewed and approved. We have created Merchant Marketing Guidelines (the “Marketing Guidelines”). The Marketing Guidelines, which are included in the Operating Instructions available to all merchants, provide a brief description of the categories of the credit plans the Programs offer and pre-approved marketing language that may be used when advertising the availability of each type of plan. The Merchant Marketing Guidelines are available in the Guidelines section of www.greensky.com/merchantagreement.

Any sales or marketing materials that use language other than the approved language and required footnote disclosures from the Marketing Guidelines must be reviewed and approved in writing by GreenSky. You can submit materials for review to your GreenSky® representative.

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Energy Efficiency/Alternative Energy Merchant Guidelines

Our Expectations for Energy Efficiency/Alternative Energy Merchants

Energy efficiency and alternative energy (such as solar or geothermal) projects are often sold to consumers looking to save money on their utility bills. Although all merchants may be subject to claims of unfair, deceptive, or abusive acts or practices, merchants who specialize in energy efficiency and alternative energy face additional risk from customers claiming deception during the sales process if they are not satisfied with the projects. Therefore, it is important for energy efficiency and alternative energy merchants to be more careful in their sales presentation and accurately and completely describe the project plans, the potential savings, and the financing plans.

- We expect energy efficiency and alternative energy merchants to clearly and accurately explain the construction project and the role of financing in the project.
- Specifically, customers should understand that the GreenSky® Program and the lender are not responsible for tax credits, rebates, or other government incentives.
- We expect merchants to accurately (without exaggeration) describe the potential savings related to a project and describe the factors that can affect the savings.
- Finally, we expect merchants to accurately disclose to customers that Program loans must be repaid even if the customer does not get the expected credits, rebates, incentives, or utility savings.

**Merchants should not guarantee savings, tax rebates, tax credits, or government incentives!**

The Energy Efficient “Leave Behind” Forms can Help Your Customers Understand the Program

To assist energy efficiency/alternative energy merchants meet our expectations, we have developed an Energy Efficient “Leave Behind” form that is designed to be helpful to you and your customers. This form describes the GreenSky® Program’s role in their home improvement project and the customer’s obligations to repay the loan even if they do not receive the tax credits, rebates, incentives, or savings. This form will help you avoid customer complaints and help us to ensure your customers are having the best possible experience!

Split Plan Form will help your customers and help us quickly process split plan requests!

Energy efficiency and alternative energy merchants often work with customers who want to obtain two types of loans – a deferred interest loan that is intended to be repaid using the proceeds from an incentive (such as a tax rebate) before the expiration of the deferred interest promotional period (usually 6-18 months) and another loan at a low fix APR over a few years. These “split plans” help customers obtain a portion of their project financing with the option of not paying interest on that part of the financing (deferred interest loans accrue interest during the promotional period, but all interest accrued is waived if the entire purchase balance is paid before the expiration of the deferred interest promotional period).

It is vitally important that customers of “split plan” loans understand the nature of their financing arrangement, i.e., that the customer has two loans, that the terms of these loans may be fundamentally different, and that the customer is obligated to pay for both loans regardless of whether or not they receive the anticipated incentive. To assist merchants in ensuring their customers understand the nature of their “split plan,” we have created a “Split Plan” form that contains important educational information designed to help your customers understand the split plan process and their loans. A merchant who wishes to use a “split plan” for its customer must provide us with a “Split Plan” form signed by its customer when requesting the “split plan.”
Important Documentation for You and Your Customers
Our merchant website provides samples of the various forms and documents referred to in the training materials and these compliance guidelines. Please contact your GreenSky® sales representative or call us at 800-357-1558 or visit our website at http://www.greenskycredit.com/merchantagreement to obtain pdfs of the forms and documents you need.