



MARKETING COMPLIANCE GUIDE: PAY IN 4

# Introduction

Financial services is a highly regulated space, requiring Affirm and our partners to comply with a number of different laws. That's why [marketing needs to be reviewed and approved by Affirm's Compliance team](#) before publishing.

This guide provides a general overview of the requirements you'll need to consider, and how you can stay compliant.

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# **Messaging Pay in 4**

# Messaging **Pay in 4**

## **OK**

- 4 interest-free payments
- payments every 2 weeks
- 0% APR
- pay over time
- payment options through Affirm
- no fees
- real-time decision

## **Not OK**

- monthly payments
- risk-free
- no money down; \$0 down
- instant approval

# Disclosures 101

# Applicable to all marketing

- Disclosures inform customers of **actually available** terms.
- They must meet a “clear and conspicuous” standard.
  - They must be **legible**—no one should have to squint to read them. 8pt font size minimum is usually sufficient.
  - Contrast text with background: **this works well**, but **this does not.**
  - If disclosures are **separate** from the claim they modify, tie them together with a hyperlink, reference text (see footer for details), or a reference symbol (e.g., \*,†). If using a reference symbol, the claim *ends* with the reference symbol and the disclosure *begins* with the **same** reference symbol.

## Level 1: Universal

*Payment options are offered by Affirm, are subject to an eligibility check, and may not be available in all states. California residents: Affirm Loan Services, LLC is licensed by the Department of Business Oversight. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681.*

- Ad simply mentions Affirm and/or financing availability
- Ad does *not* mention specific terms of credit, such as “4 payments” or “\$50/month”

**Buy now, pay over time**

Just select **affirm** at checkout.

## Level 2: Concrete offering

*Payment options are offered by Affirm, are subject to an eligibility check, and may not be available in all states. Options depend on your purchase amount, and a down payment may be required. California residents: Affirm Loan Services, LLC is licensed by the Department of Business Oversight. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681.*

- Ad mentions specific terms of credit, such as “4 payments” or “\$50/month”



### **Buy now, pay over time**

Make 4 interest-free payments with zero fees.  
Just select Affirm at checkout.

# Context-specific disclosures

These disclosures may be applicable, depending on the context.

## *Payment or purchase amount*

- *Estimated payment amount excludes taxes and shipping.*

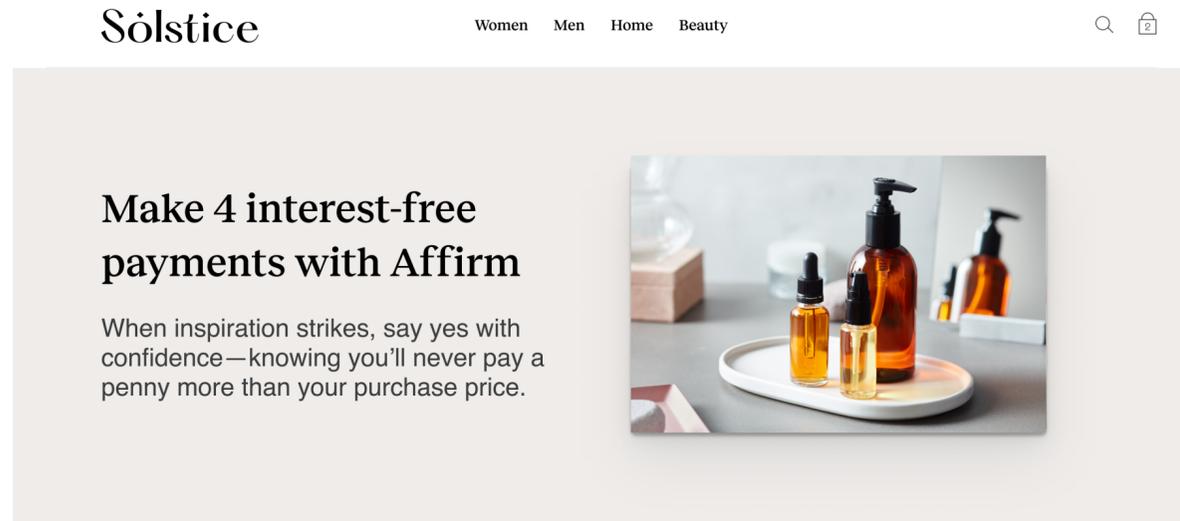
## Cart floor

- *Payments through Affirm are not available for purchases under \$100.*

## Where to find more information

- *See [affirm.com/help](https://affirm.com/help) for details.*

# Sample disclosure placement



**Say yes with confidence**

When you buy with Affirm, you always know exactly what you'll owe and when you'll be done paying. You'll never pay a hidden fee—or any fee, for that matter.

**Transparent**  
Enter a few pieces of info for a real-time decision.

**Simple**  
It only takes a moment, and there's no credit card to sign up for.

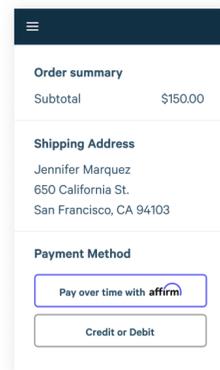
**Fair**  
Affirm won't charge you late fees or penalties of any kind, ever.

Payment options are offered by Affirm, are subject to an eligibility check, and may not be available in all states. Options depend on your purchase amount, and a down payment may be required. California residents: Affirm Loan Services, LLC is licensed by the Department of Business Oversight. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681.



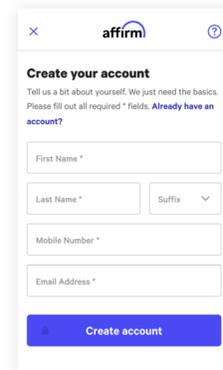
## Buying with Affirm is simple

### 1. Fill your cart



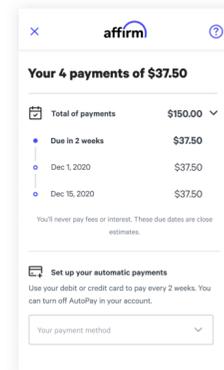
When you're done shopping, select Affirm at checkout.

### 2. Complete your purchase



Enter a few pieces of info for a real-time decision.

### 3. Pay over time



Make 4 payments every 2 weeks at [affirm.com](http://affirm.com) or in the Affirm app.

Just select at checkout

## FAQs

### Can I pay off my purchase early?

Yes! There's no penalty for paying early.

### How do I make my payments?

You can make or schedule payments at [affirm.com](http://affirm.com) or in the Affirm app for iOS or Android.

### Can I return an item I bought with Affirm?

Yes—You can return an item you bought with Affirm by initiating the return process with [Solstice].

### Do I need a mobile number to use Affirm?

Yes, you'll need a mobile phone number from the U.S. or U.S. territories. This helps us verify it's really you who is creating your account and signing in.

### Where can I learn more about Affirm?

You can visit their website at [affirm.com](http://affirm.com).

# **Guidance for email, video, and TV**

# Guidance for email

- Emails with Affirm messaging must include disclosures as outlined on slides 6-11.
- The subject line and sender address must be accurate and not misleading.
- Marketing emails must include an opt-out mechanism, and cannot be sent to customers who have opted out of marketing emails.
- Marketing emails must comply with the CAN-SPAM requirements outlined on slide 21.

# Sample email

Approved messaging



Make 4 interest-free payments every 2 weeks at [affirm.com](https://affirm.com) or in the Affirm app.

[Start shopping](#)

Disclosures in 8pt font



Payment options are offered by Affirm, are subject to an eligibility check, and may not be available in all states. Options depend on your purchase amount, and a down payment may be required. California residents: Affirm Loan Services, LLC is licensed by the Department of Business Oversight. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681.

Approved messaging with payment amount



**Glen Park Shirt Jacket**

\$775.00

Or 4 interest-free payments of \$194 with [affirm](#) [Learn more](#)



**Colma Light-Washed Denim**

\$350.00

Or 4 interest-free payments of \$88 with [affirm](#) [Learn more](#)



**Bay Fair Scarf**

\$775.00

Or 4 interest-free payments of \$194 with [affirm](#) [Learn more](#)



**San Leandro Sunglasses**

\$545.00

Or 4 interest-free payments of \$136 with [affirm](#) [Learn more](#)



# Guidance for video and TV

- Disclosures can be verbal or shown on screen.
- Disclosures must be legible to a reasonable person (8pt is a best practice).
- Introduction of disclosures: Be sure they're introduced at the same time as or before the Affirm messaging, with enough video left to keep them on screen for the required length of time.
- Disclosures can be over any visual as long as they're visible at the bottom.
- Disclosures need to be based on a reading time of 3 words/second.

# **Final compliance reminders**

# Final marketing compliance reminders

- If **coupons/discounts/rewards** are offered, they should be redeemable across all tender types, including Affirm.
- Avoid “**no money down**” deferral messages when advertising Affirm as a financing option. Depending on eligibility criteria, certain customers may be asked to make a down payment at checkout.
- When in doubt, Affirm’s Compliance team is here to help!

# **Appendix: Consumer regulations**

# Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)

Unfair, deceptive, or abusive acts and practices can cause significant financial injury to consumers, erode consumer confidence, and undermine the financial marketplace. UDAAP was established to prevent consumer harm by misleading or deceitful actions.

## Preventing UDAAP in advertising

To avoid UDAAP risk, marketing must:

- Include all relevant information
- Be clear and easily understood
- Avoid a false sense of urgency
- Be honest

## Additional context

Disclosures don't eliminate the UDAAP risk

- Disclosures are helpful with providing additional context, but they do not negate misrepresentations, omissions, or other deceitful claims.

Substantiate claims

- Provide a factual basis that underlies statements about the product.

Honor promotions & rebates

- All promotions offered must be honored—including any “risk free” trials, 0% APR financing, or money back guarantees.

Intent is irrelevant

- Regulators do not consider whether a company intended to mislead or cause harm when determining violations.

# Fair lending

**Fair lending** applies to the entire lifecycle of a loan, including advertisement of the credit product. **ECOA** is a regulation that implements fair lending laws. Fair lending means:

- Treat similarly situated individuals similarly
- Avoid discouraging individuals from applying
  - Retailers cannot impose additional application requirements to the Affirm application process
- Target a broad demographic
  - While a retailer may be inherently attractive to a particular demographic, the retailer should avoid targeting Affirm financing on a prohibited basis. Prohibited bases include:
    - Race
    - Color
    - Religion
    - National origin
    - Sex
    - Marital status
    - Age (provided the applicant has the capacity to contract)
    - Income dependency on a public assistance program

# CAN-SPAM Act

The **CAN-SPAM Act** covers all commercial messages, which the law defines as “any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service,” including email that promotes content on commercial websites. CAN-SPAM includes business-to-business email. The FTC has provided the below guidance to comply with CAN-SPAM:

- 1. Don't use false or misleading header information.** Your “From,” “To,” “Reply to,” and routing information—including the originating domain name and email address—must be accurate and identify the person or business who initiated the message.
- 2. Don't use deceptive subject lines.** The subject line must accurately reflect the contents of the message.
- 3. Identify the message as an ad.** The law gives you a lot of leeway in how to do this, but you must disclose clearly and conspicuously that your message is an advertisement.
- 4. Tell recipients where you're located.** Your message must include your valid physical postal address. This can be your current street address, a post office box you've registered with the U.S. Postal Service, or a private mailbox you've registered with a commercial mail receiving agency established under Postal Service regulations.
- 5. Tell recipients how to opt out of receiving future email from you.** Your message must include a clear and conspicuous explanation of how the recipient can opt out of getting email from you in the future. Craft the notice in a way that's easy for an ordinary person to recognize, read, and understand. Creative use of type size, color, and location can improve clarity. Give a return email address or another easy internet-based way to allow people to communicate their choice to you. You may create a menu to allow a recipient to opt out of certain types of messages, but you must include the option to stop all commercial messages from you. Make sure your spam filter doesn't block these opt-out requests.
- 6. Honor opt-out requests promptly.** Any opt-out mechanism you offer must be able to process opt-out requests for at least 30 days after you send your message. You must honor a recipient's opt-out request within 10 business days. You can't charge a fee, require the recipient to give you any personally identifying information beyond an email address, or make the recipient take any step other than sending a reply email or visiting a single page on an Internet website as a condition for honoring an opt-out request. Once people have told you they don't want to receive more messages from you, you can't sell or transfer their email addresses, even in the form of a mailing list. The only exception is that you may transfer the addresses to a company you've hired to help you comply with the CAN-SPAM Act.
- 7. Monitor what others are doing on your behalf.** The law makes clear that even if you hire another company to handle your email marketing, you can't contract away your legal responsibility to comply with the law. Both the company whose product is promoted in the message and the company that actually sends the message may be held legally responsible.