

UPDATED ON JUNE 2024

US Marketing Compliance Guide

Adaptive Checkout™ (Installments + Pay in 4)

INTRODUCTION

The financial services industry is heavily regulated, requiring all Affirm and our merchant-led marketing to be vetted by our Marketing Compliance Department. This guide focuses on the Adaptive Checkout™ program. The Adaptive Checkout™ program incorporates the monthly Installments and Pay in 4 products into one seamless solution.

The purpose of this guide is to assist merchants in developing marketing assets that comply with regulatory standards. It offers detailed guidance on how to integrate the necessary disclosures into various types of marketing materials, ensuring that all marketing content meets legal requirements.

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2024



CONSUMER REGULATIONS

2024



Truth in Lending Act (TILA)

Under TILA, customers must be informed about crucial credit terms like payment amount, number of payments, and APR before loan commitment. The cost to finance must be expressed in terms of an Annual Percentage Rate (e.g. XX% APR) and cannot be expressed as an Interest Rate only (e.g. XX% interest).

Advertising must only state available credit terms, and if "[trigger terms](#)" are present, full repayment details, including APR and payment terms, must be disclosed. The use of trigger terms would require the inclusion of a “representative example”.

For Affirm's Adaptive Checkout™, which includes Affirm Pay in 4 and monthly Installments, compliance with TILA in all advertising is essential.



Terms that trigger a representative example



Representative Example:

For example, a \$800 purchase might cost \$72.21/mo over 12 months at 15% APR.

Note: The representative example is specific to your financing program through Affirm. Use 15% APR as the basis for the representative example.

APR calculator: affirm.com/business/apr-calculator

Terms that do **NOT**
trigger a
representative
example.

- Affirm
- Monthly payments
- Pay over time
- Buy Now, Pay over time
- Financing
- As low as 0% APR
- 0 - 36% APR
- Interest- free
- 4 interest-free payments
- Pay in 4

Representative Example & Where to Put It

The representative example should be near the [trigger term](#) on the same creative, ensuring it's easily readable by the average person. It should contain the (1) **purchase price**, (2) **monthly payment amount**, (3) **length of loan term** and (4) **Annual Percentage Rate (APR)**.

If space constraints prevent this, tie the [trigger term](#) to the representative example using one of the following methods within the same creative:

- Reference text (“See footer for details.”)
- Reference symbol (e.g., *, †)
- Hyperlink - a direct link to a landing page where the example is conspicuously placed is acceptable. This landing page could be a product detail page with the Affirm educational modal or an educational page on your site.

See subsequent slides based on marketing asset type for examples.



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

Unfair, deceptive, or abusive acts and practices (UDAAP) can lead to significant harm for consumers, damage their trust, and destabilize the financial market. UDAAP aims to protect consumers from misleading or deceitful practices.

To mitigate UDAAP risks in advertising, it's crucial to provide complete and understandable information, maintain honesty, and avoid creating undue urgency.

While disclosures add context, they cannot compensate for false claims or omitted details. All claims must be factually supported and any promotions or rebates, including 0% APR offers, must be honored.

Importantly, a company's intent is not a factor in regulatory assessments of misleading or harmful practices.



Fair Lending

Fair Lending applies throughout a loan's lifecycle including advertising and prohibits discrimination in any loan-related process. Merchant partners promoting Affirm financing must ensure their advertising doesn't dissuade anyone from applying and should not add extra criteria to the application process.

It's crucial to avoid targeting Affirm financing based on demographics such as:

- Race/Ethnicity
- Color
- Religion
- National origin
- Sex (including sexual orientation or gender identity)
- Familial status/Marital Status
- Disability
- Age (provided the applicant has the capacity to contract)
- Income dependency on a public assistance program

Targeting criteria (including usage of look-a-like models) is subject to review by Affirm Compliance. Instructions for review can be found [here](#).



CAN-SPAM Act

The CAN-SPAM Act governs commercial emails, including those promoting content on commercial websites, and extends to business-to-business emails. Key compliance guidelines from the [FTC](#) include:

- Ensuring all header information is truthful and not misleading;
- Accurately reflecting the email's content in the subject line;
- Clearly identifying the message as an advertisement;
- Current street address or P.O. Box registered with USPS;
- Providing a clear and easy opt-out option;
- Honoring opt-out requests promptly without requiring additional personal information;
- Maintaining responsibility for compliance even if email marketing is outsourced.

For more information, see [Guidance for Marketing Emails](#) in subsequent slides.



DISCLOSURES 101

Disclosures are statements that provide essential information to consumers, clarifying or qualifying marketing claims to prevent deception. They are necessary to ensure that all material facts about the financing program are presented honestly, preventing consumers from being misled by marketing content.

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.
 - Refer to subsequent slides for instances where a minimum font size is required.
 - Contrast text with background: **this works well**, but **this does not**.
- If disclosures are separate from the messaging they modify, tie the disclosure and the messaging together using one of the following methods:
 - Hyperlink
 - Reference text (“see footer for details”)
 - Reference symbol (e.g., *, †) - *If the messaging is a “trigger term,” the reference symbol must be directly next to the trigger term(s)*
- If using a reference symbol, the messaging ends with the reference symbol and the disclosure begins with the same reference symbol.

DISCLOSURES

For Social Posts

Guidance is applicable to Instagram, Facebook and Pinterest.

Disclosures can be incorporated in the caption or **text in-lay** within the image.

“Clear and conspicuous” standard for **text in-lay**:

- Minimum font size: 10 point font (must be legible without squinting)
- Contrast text with background: **this works well**, but **this does not**.

Note: affirm.com/disclosures does NOT need to be hyperlinked/clickable so long as the asset does NOT have a [trigger term](#).

SOCIAL POSTS

Post

Sample Content:

Pay over time

Disclosure (caption):

Subject to eligibility. See lending terms at affirm.com/disclosures

Note: affirm.com/disclosures does NOT need to be hyperlinked/clickable so long as the asset does NOT have a [trigger term](#)



Solstice



Shop Solstice and split your purchase into easy payments with Affirm! Subject to eligibility. See lending terms at affirm.com/disclosures.



Pay over time with Affirm



SOCIAL POSTS

Post w/ Redirect Link

Sample Content:

Pay over time starting at 0% APR

Caption includes tagging **@affirm**

Redirect Link Options:

- Merchant shop page
- Merchant-Affirm co-branded landing page

Disclosure (caption):

Subject to eligibility. See lending terms at affirm.com/disclosures

Note: affirm.com/disclosures does NOT need to be hyperlinked/clickable so long as the asset does NOT have a [trigger term](#).



Solstice
Sponsored

Credenza
\$1000.00

Shop now

125 likes

Solstice We're proud to partner with **@affirm!** Now you can pay over time starting at 0% APR, and never pay a single hidden fee. Subject to eligibility. See lending terms at affirm.com/disclosures.

The image shows a social media post from a user named Solstice, who is a sponsored account. The post features a photograph of a modern interior with a white credenza, a round mirror, and a snake plant. A white callout box with a green arrow points to the credenza, displaying the text "Credenza \$1000.00". Below the photo is a green "Shop now" button with a right-pointing arrow. The post has 125 likes and a caption that reads: "We're proud to partner with @affirm! Now you can pay over time starting at 0% APR, and never pay a single hidden fee. Subject to eligibility. See lending terms at affirm.com/disclosures." Two blue arrows originate from the text on the left side of the image and point to the "Shop now" button and the caption.

SOCIAL POSTS

Story w/ Redirect Link

Sample Content:

Buy Now, Pay Over Time
Starting at 0% APR

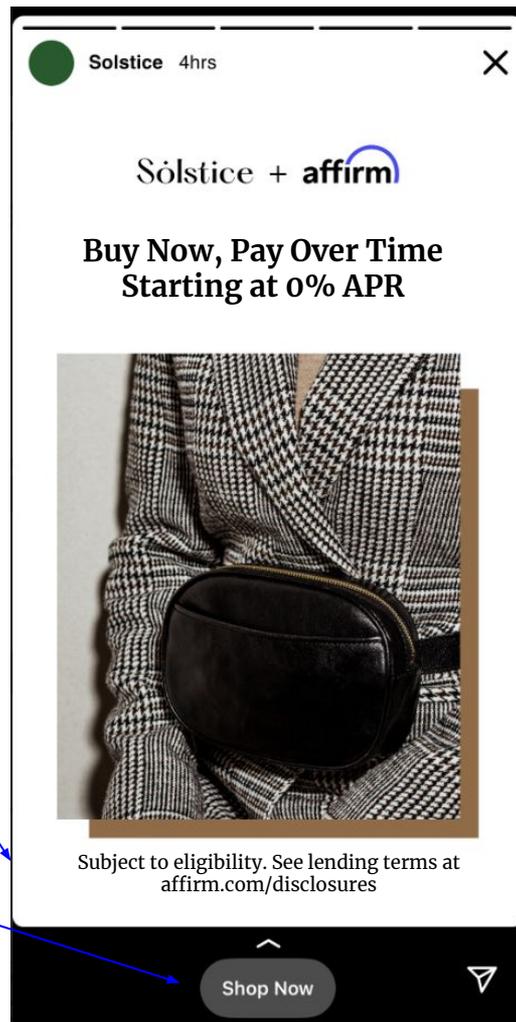
Disclosure (text in-lay): *Minimum 10 pt font*

*Subject to eligibility. See lending terms at
affirm.com/disclosures*

Note: affirm.com/disclosures does NOT need to be hyperlinked/clickable so long as the asset does NOT have a [trigger term](#).

Redirect Link Options:

- Merchant shop page
- Merchant-Affirm co-branded landing page



SOCIAL POSTS

Video Post

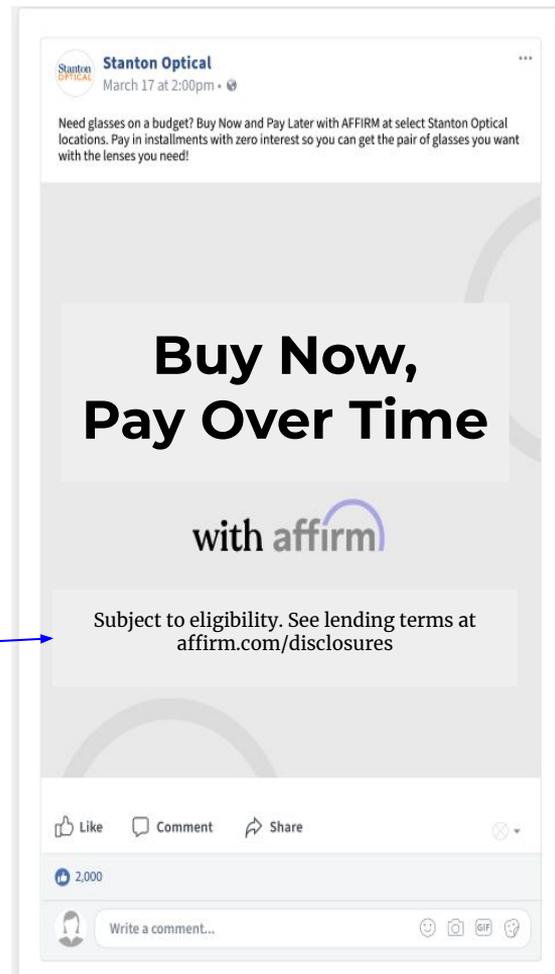
Sample Content:

Buy Now, Pay Over Time

Disclosure Visibility and Timing: Disclosures should remain visible at the video's bottom for a sufficient duration, calculated based on a reading speed of 3 words per second, to be easily read by a reasonable viewer.

Disclosure (text in-lay): **Minimum 10 pt font**

Subject to eligibility. See lending terms at affirm.com/disclosures



SOCIAL POST

Product Post w/ Trigger Term

Sample Content:

Product pricing with financing
As low as \$XX/month

Trigger Term: As low as "\$42/month" must have a representative example: "Based on a \$1199 purchase over 36 months at 15% APR."

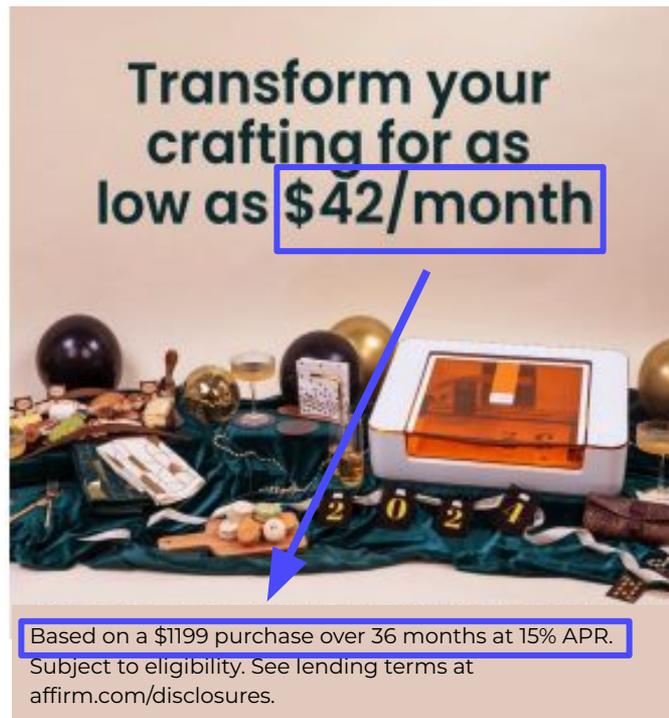
Disclosure (text in-lay): **Minimum 10 pt font**

Based on a \$XXX purchase over XX months at 15% APR. Subject to eligibility. See lending terms at affirm.com/disclosures.

Note: The representative example is specific to your financing program through Affirm. Use 15% APR as the basis for the representative example.

APR calculator:

affirm.com/business/apr-calculator



Context-specific Disclosures

Cart floor/ceiling, based on your financing program with Affirm (where applicable)

- *Payments through Affirm are not available for purchases [over/under] \$[Insert cart floor/ceiling].*

Where to find more information about Affirm (Optional)

- *See affirm.com/help for details.*

For questions regarding, specific details of your financing program, including payment terms, cart floor/ceiling, etc. or promotional offers, email merchanthelp@affirm.com.

For marketing assets that don't follow existing marketing messaging and templates verbatim from the [Business Resource Hub](#) you must email the custom marketing asset(s) for review and approval. See instructions [here](#).



DISCLOSURES

For Digital (Web) Banners

Disclosures **(text in-lay)** within the image must be “clear and conspicuous”.

- They must be legible—no one should have to squint to read them.
- Contrast text with background: **this works well**, but **this does not**.

DIGITAL BANNER

Banner

Sample Content:

Pay over time

Redirect Link:

- Merchant shop page

Disclosure:

Subject to eligibility. See lending terms at affirm.com/disclosures

Note: affirm.com/disclosures does NOT need to be hyperlinked/clickable.

A digital banner advertisement for Mr Porter. The background shows a man in a light-colored shirt and jeans standing on a staircase with a brass handrail, looking out. The text "MR PORTER" is prominently displayed in large white letters, with "THE MEN'S STYLE DESTINATION" underneath. A "Shop now" link is visible. At the bottom, the Affirm logo and "Pay over time" text are present, along with a disclosure: "Subject to eligibility. See lending terms at affirm.com/disclosures". Blue arrows point from the text on the left to the "Shop now" link and the Affirm logo in the banner.

MR PORTER
THE MEN'S STYLE DESTINATION

[Shop now](#)

affirm
Pay over time

Subject to eligibility. See lending terms at affirm.com/disclosures.

Context-specific Disclosures

Cart floor/ceiling, based on your financing program with Affirm (where applicable)

- *Payments through Affirm are not available for purchases [over/under] \$[Insert cart floor/ceiling].*

Where to find more information about Affirm (Optional)

- *See affirm.com/help for details.*

For questions regarding, specific details of your financing program, including payment terms, cart floor/ceiling, etc. or promotional offers, email merchanthelp@affirm.com.

For marketing assets that don't follow existing marketing messaging and templates verbatim from the [Business Resource Hub](#) you must email the custom marketing asset(s) for review and approval. See instructions [here](#).



DISCLOSURES

For Printed Signage

Disclosures within the image must be “clear and conspicuous”.

- They must be legible—no one should have to squint to read them, and must be relative to overall size of signage.
- Contrast text with background: **this works well**, but **this does not**.

PRINTED SIGNAGE

Signage

Sample Content:

Pay over time

Sample Sign vs. Disclosure font size:

8 x 11 in sign & 10pt font

Disclosure:

Subject to eligibility. See lending terms at affirm.com/disclosures



PRINTED SIGNAGE

Signage w/ Trigger Term

Sample Content:

Product pricing with financing

As low as \$XX/mo

Sample Signage vs. Disclosure font size:

6 x 6 inches sign & 10pt font

Disclosure w/ Representative Example:

Shown as 15% APR for XX months. Subject to eligibility. See lending terms at affirm.com/disclosures.

Trigger Term: "\$40.63/month" must have a representative example: "Shown as 15% APR for 12 months."

APR calculator: affirm.com/business/apr-calculator

44999
SAVE 250.00 ~~REG 699.99~~
affirm **As low as \$40.63/mo**
Shown as 15% APR for 12 months.
[Subject to eligibility. See lending terms at affirm.com/disclosures](http://affirm.com/disclosures)

PRINTED SIGNAGE

Signage w/ QR Code

Sample Content:

Buy Now, Pay Over Time

Sample Signage vs. Disclosure font size:

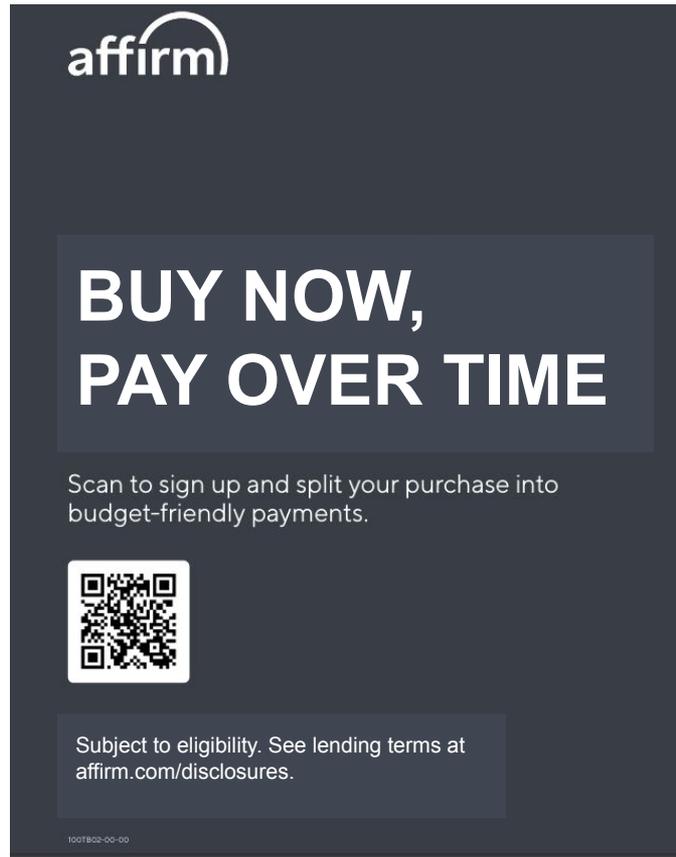
8 x 10 inches sign & 10pt font

QR Code Destination:

- Prequalification page

Disclosure:

Subject to eligibility. See lending terms at affirm.com/disclosures



Context-specific Disclosures

Cart floor/ceiling, based on your financing program with Affirm (where applicable)

- *Payments through Affirm are not available for purchases [over/under] \$[Insert cart floor/ceiling].*

Where to find more information about Affirm (Optional)

- *See affirm.com/help for details.*

For questions regarding, specific details of your financing program, including payment terms, cart floor/ceiling, etc. or promotional offers, email merchanthelp@affirm.com.

For marketing assets that don't follow existing marketing messaging and templates verbatim from the [Business Resource Hub](#) you must email the custom marketing asset(s) for review and approval. See instructions [here](#).



DISCLOSURES

For emails

Guidance for Marketing Emails

Email Disclosure Requirements: Disclosures, including full repayment terms or a representative example for any [TILA trigger terms](#), must be directly included in the email.

Clarity and Accuracy: The subject line should be truthful and not misleading. If [trigger terms](#) are used in the subject line or email body, a clear and conspicuous representative example must be provided. If in the subject line, the representative example must be at the top of the email (without scrolling).

Compliance and Opt-Out: Emails must adhere to [CAN-SPAM regulations](#) and provide a clear opt-out mechanism. Emails should not be sent to those who have opted out, with opt-out requests honored within 10 days.

For email templates, refer to [Business Resource Hub](#).



EMAILS - Adaptive

Email Template

All emails must have the following:

Subject Line

- Clearly reflects the intent of the email as an advertisement

Preheader

- Consistent with subject line.

Disclosure (in footer of the email)

- Provides details about the actual terms available to consumers

Unsubscribe Link

- Must provide consumers with an opt-out option

Valid Physical Address

- Current street address or P.O. Box registered with USPS

For email templates, refer to [Business Resource Hub](#).



SUBJECT LINE

Choose how you pay at your own pace!

PREHEADER

With Affirm, split purchases into 4 interest-free payments every two weeks or longer-term monthly payments.

HEADER

Introducing a better way to pay

MESSAGE

Hey, {{first_name}}

We're excited to partner with Affirm, giving you the flexibility to pay at your own pace. Next time you're shopping with us, just select Affirm at checkout and choose how you want to pay—from 4 interest-free payments to longer monthly installments.

HERE'S HOW:

1. **Fill your cart.** Select Affirm at Checkout, then enter a few simple pieces of info for a real time decision.
2. **Choose how to pay.** Pick the payment plan you like best. You'll never pay more than you agree to up front. See footer for details.
3. **Pay over time.** Make payments to affirm.com or in the Affirm app. You'll get email and text reminders.

Redirect link

Go shopping {link to your store}

FOOTER – DISCLOSURE

Rates from 0–36% APR. For example, a \$800 purchase might cost \$72.21/mo over 12 months at 15% APR. Payment options through Affirm are subject to an eligibility check, may not be available everywhere, and are provided by these lending partners: [affirm.com/lenders](#). Options depend on your purchase amount, and a down payment may be required. CA residents: Loans by Affirm Loan Services, LLC are made or arranged pursuant to a California Financing Law license. For licenses and disclosures, see [affirm.com/licenses](#).

Unsubscribe

Valid Physical Postal Address

Disclosure Levels

Use [Level 1](#) when: Ad simply mentions Affirm and/or financing availability, does not mention an APR and no TILA trigger terms present.

Use [Level 2](#) when: Ad mentions Affirm and/or financing availability and APR (e.g. “as low as 0% APR”) and no TILA trigger terms present.

Use [Level 3](#) when: [TILA trigger terms](#) are present, meaning a representative example must be displayed.

Disclosure Level 1

Criteria

- Marketing asset simply mentions Affirm and/or financing availability
- Does not mention an APR
- No [TILA trigger term\(s\)](#) present.

Disclosure

Payment options through Affirm are subject to an eligibility check and are provided by these lending partners: affirm.com/lenders. Options depend on your purchase amount, and a down payment may be required. CA residents: Loans by Affirm Loan Services, LLC are made or arranged pursuant to a California Financing Law license. For licenses and disclosures, see affirm.com/licenses.

Unsubscribe Link

- Must provide consumers with an opt-out option

Valid Physical Address

- Current street address or P.O. Box registered with USPS



Disclosure Level 2

Criteria

- Marketing asset mentions Affirm and/or financing availability
- Mentions an APR (e.g. “as low as 0% APR”)
- No [TILA trigger term\(s\)](#) present

Disclosure

Rates from 0–36% APR. Payment options through Affirm are subject to an eligibility check, may not be available everywhere, and are provided by these lending partners: affirm.com/lenders. Options depend on your purchase amount, and a down payment may be required. CA residents: Loans by Affirm Loan Services, LLC are made or arranged pursuant to a California Financing Law license. For licenses and disclosures, see affirm.com/licenses.

Unsubscribe Link

- Must provide consumers with an opt-out option

Valid Physical Address

- Current street address or P.O. Box registered with USPS



Disclosure Level 3

Criteria

- Marketing asset mentions Affirm and/or financing availability
- Mentions an APR (e.g. “as low as 0% APR”)
- [TILA trigger term\(s\) present](#)

Disclosure

Rates from 0–36% APR. *For example, a \$800 purchase might cost \$72.21/mo over 12 months at 15% APR.* Payment options through Affirm are subject to an eligibility check, may not be available everywhere, and are provided by these lending partners: affirm.com/lenders. Options depend on your purchase amount, and a down payment may be required. CA residents: Loans by Affirm Loan Services, LLC are made or arranged pursuant to a California Financing Law license. For licenses and disclosures, see affirm.com/licenses.

Sample Representative Example: \$800 purchase might cost \$72.21/mo over 12 months at 15% APR.

Note: The representative example is specific to your financing program through Affirm. Use 15% APR as the basis for the representative example. **APR calculator:** affirm.com/business/apr-calculator

Unsubscribe Link

- Must provide consumers with an opt-out option

Valid Physical Address

- Current street address or P.O. Box registered with USPS

Context-specific Disclosures

Cart floor/ceiling, based on your financing program with Affirm (where applicable)

- *Payments through Affirm are not available for purchases [over/under] \$[Insert cart floor/ceiling].*

Where to find more information about Affirm (Optional)

- *See affirm.com/help for details.*

For questions regarding, specific details of your financing program, including payment terms, cart floor/ceiling, etc. or promotional offers, email merchanthelp@affirm.com.

For marketing assets that don't follow existing marketing messaging and templates verbatim from the [Business Resource Hub](#) you must email the custom marketing asset(s) for review and approval. See instructions [here](#).



Disclosure for Landing Page

Rates from 0–36% APR. *For example, a \$800 purchase might cost \$72.21/mo over 12 months at 15% APR.* Payment options through Affirm are subject to an eligibility check, may not be available everywhere, and are provided by these lending partners: affirm.com/lenders. Options depend on your purchase amount, and a down payment may be required. Estimated payment amount may exclude taxes and shipping. CA residents: Loans by Affirm Loan Services, LLC are made or arranged pursuant to a California Financing Law license. For licenses and disclosures, see affirm.com/licenses.

Sample Representative Example: \$800 purchase might cost \$72.21/mo over 12 months at 15% APR.

Note: The representative example is specific to your financing program through Affirm. Use 15% APR as the basis for the representative example. **APR calculator:** affirm.com/business/apr-calculator

For Landing Page Templates, refer to [Business Resource Hub](#).



Industry Specific Compliance Supplement

Affirm works with thousands of different businesses across various industries; some of them may have additional requirements to market Affirm accurately and in compliance with applicable law. Consider the additional guidance if your business falls into one of the industries listed below:

- [Alcohol](#)
- [Healthcare & Elective Medical](#)
- [In-home sales](#)



Promotional Marketing Assets

For marketing assets with limited-time promotional financing plans, you must email the custom marketing asset(s) to merchanthelp@affirm.com for review and approval. See instructions [here](#).



Custom Marketing Assets

For marketing assets that don't follow existing marketing messaging and templates verbatim from the [Business Resource Hub](#) or offer limited time promotional financing plans, you must email the custom marketing asset(s) to merchanthelp@affirm.com for review and approval. See instructions [here](#).

Other asset types that require individual review and approval:

- SMS (text message)
- Push notifications
- Paid Search Terms
- Press Releases
- Radio/Streaming
- TV/Commercials