

PayActiv Representations About CFPB's Earned Wage Access Action

EXHIBIT A:

**What did the CFPB announce on
December 30th 2020.**

CFPB approved the Payactiv EWA Program

payactiv



What does this approval mean?

This means that Payactiv is the only company
that has a written approval from CFPB.

payactiv



EXHIBIT B

Why does it matter so much?

First - On Nov 30, 2020, the CFPB announced that there is **regulatory uncertainty** around EWA programs as it relates to TILA. Now, a month later, it ruled that **Payactiv does not face such uncertainty and is approved.**

For employers looking to offer EWA, Payactiv is *the only EWA provider* with confirmation that it is not a credit product. No other provider can give the same assurance. **Don't believe spin—there is only one approved model.**

Second – The CFPB has **not** approved programs that accept Tips, or require employee bank account to be debited (vs payroll deduction), or require an employee to direct deposit an entire paycheck into a third-party account.

Third – The CFPB's rulings mark the first time any regulator has formally ruled on EWA since Payactiv created this product 8 years ago. Payactiv is proud that regulators have recognized this important innovation.

Finally – The CFPB approval order has shown preference for No-Fee or de minimis fee models, as well as Payroll deduction as the mechanism to reconcile EWA on payday. This is the roadmap that Payactiv created.



What are some key highlights?

The approval is a multi-page document. Let me summarize the key findings. **Each an - Industry FIRST.**

Industry First No 1 – Payactiv EWA Program **does not create or defer debt.** This is key to the legal definition of “credit” under TILA. *EWA from Payactiv does not treat the employee as a borrower.*

Industry First No 2 – Payactiv is ‘True Earned Wage Access’ – the Bureau validated Payactiv’s innovation. *“The accrued cash value of an employee’s earned but unpaid wages is the employee’s own money.”*

Industry First No 3 – Both Payactiv’s Access Freedom (no fees) and Access Choice a (\$1 non-recurring fee) are APPROVED. **Payactiv is the only company whose pricing models are approved.**

Industry First No 4 – EWA reimbursement through **payroll deduction ensures employees are not at risk of recourse, i.e.,** collections, which distinguishes Payactiv’s EWA from credit.

Industry First No 5 – The employee is never underwritten, just as employers don’t underwrite employee for payroll. This shows the transaction involves no credit risk.

Finally – Payactiv EWA is an “innovative mechanism” that provides a meaningful **alternative to credit.**

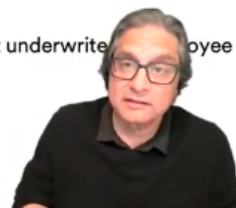


EXHIBIT C

Conclusion

For every business, large or small, 100 employees or 100,000 employees in all 50 states.

The EWA program of Payactiv is the only way to remain in compliance with the CFPB.



**Public Benefit
Corporation**

Our Commitment

Our mission, vision, values, and quest to give workers access to the best financial services, are all rooted in the values reflected in our B-Corporation and Public Benefit Corporation Status.



EXHIBIT D



PayActiv @PayActiv · Jan 11

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Payactiv is the only CFPB-Approved EWA provider. Beware of forced-account models that claim they do not require any form of "employee payback." These models do not comply with the CFPB's guidance and face legal and regulatory risk.



Beware of the Spin: Payactiv Is The Only EWA Provi...
While any EWA provider can apply for approval from the CFPB, Payactiv is the only provider to have ...
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CFPB Issues Groundbreaking **Approval** of **Payactiv** Earned Wage Access. Download E-Book.

Payactiv Is the **Only** EWA Model **Approved** by the **CFPB**. Read the Press Release.