

TASC New Member, Enforcement and Cancellation Policy

New Member Policy

- 1) A new company will be secret shopped twice within the first 30 days. During this 30 day period the company is granted provisional membership. The company will be fully shopped including checking for a completed budget and receiving a contract. There will be an initial membership setup fee of \$100 to pay for the initial cost of the secret shopper program. Once the company has been shopped twice and they meet TASC requirements they will be granted full membership.
- 2) A provisional member will be listed in a separate section of the TASC website as a provisional member and both the TASC logo and the TASC popup window from the logo will reflect the provisional status as well.
- 3) This New Member Policy does not supersede TASC's right to review all membership applications and reject any application at its sole discretion.
- 4) TASC members are required to have both front end and back end companies be a member. A front end company cannot be a member if their servicing company is not a TASC member. A backend company must require all front end companies to be an affiliate member.

Minor Non-compliance of TASC Standards - Secret Shopper Program / Web Site/Marketing

- 1) Any violation not considered a gross violation shall be a minor violation.
- 2) 1st violation - a warning letter along with the reports from the secret shopper website review will be sent out explaining the issues and giving the company 14 days to correct the issues. The member should submit a response addressing the action taken to cure the noncompliance. If no response is received, a 2nd and final warning letter will be sent.
- 3) The company receiving the report and warning may otherwise request a review of the results with a detailed explanation if the company believes the findings are in error.
- 4) These requests will be reviewed by the Standards committee and if accepted, the issue will be deemed resolved.
- 5) If not accepted by the standards committee the decision may be appealed to the Executive Board of TASC and a decision will be made within 30 days. If such final decision confirms noncompliance, the member must submit a response addressing the action taken to cure the noncompliance.
- 6) Failure to respond will result in a change in company status to "not in good standing".
- 7) 2nd violation of same issue - a warning letter along with the reports from the secret shopper website review will be sent out explaining the issues and giving the company 14 days to correct the issues. A company's status will be changed to "not in good standing" and the TASC website will be updated to reflect such change unless within 14 days the member responds satisfactorily or effectively challenges the findings as detailed above for 1st violations. .
- 8) A member who is "not in good standing" must submit a response addressing the action taken to cure the noncompliance that satisfies the review board, upon which such member's status will be restored. Any member's status that remains "not in good standing" for 30 days or more may be subject to further discipline including suspension or termination.

- 9) 3rd violation of same issue - the company's membership will be reviewed for discipline including but not limited to probation, suspension or termination depending on the severity of the noncompliance/violation.
- 10) A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Gross Non-compliance of TASC Standards/Committing a gross violation

- 1) 1st violation - a warning letter along with the reports from the secret shopper or investigation will be sent out explaining the issues and giving the company fourteen days to correct the issues.
- 2) After the 14 day correction period the company will be fully shopped or investigated again. If the company is still found to be committing a gross violation through the secret shopper program or investigation, a new report will be issued to the offending company with the deficiency and violations and the company will be suspended for 30 days. The company can request that in four weeks they be shopped or investigated again at their own expense. If a request is not made to be re-shopped or investigated before the end of the 30 day suspension, membership will be automatically terminated. A company will be shopped twice within a 2 week period after the 30 day suspension and if found to be compliant, membership will be reinstated.
- 3) 2nd violation – TASC's Executive Board will review the claims and the results of any investigation and may take appropriate disciplinary action up to and including immediate termination of membership.
- 4) A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Definition of Gross Violation:

Any of the following constitutes a gross violation:

- A significant number or frequently repeated minor violations
- Conduct that on its face rises to the level of malice, fraud, intentional bad faith or unconscionable or serious intentional misconduct.
- Evidence of an overall failure to abide by TASC standards as a whole or engaging in activities that are significantly inconsistent with TASC standards.
- Failure to abide by a core standard specifically including the following:
 - Failure to completely or accurately disclose all fees in the client agreement per TASC standard IV(4).
 - Failure to provide a copy of the TASC disclosure statement or make available the link to TASC disclosures on the member's website per TASC standards IV(1) and V(a).
 - Engage in any sales or marketing that is unfair or deceptive per TASC standard V(b).
 - Failure to conduct a review of a consumer's budget to determine the consumer can afford the debt settlement plan per TASC standard V(e) and (f).
 - Misuse of a consumer's confidential information per TASC standard VIII(l).
 - Directly holding or controlling consumer funds (not fees) per TASC standards XI.

Lack of response on client validation letter request.

- 1) 1st Request missed: A warning letter will be sent out within 7 days of the deadline for submission. The letter will state that if the company does not send in a client validation update before the next scheduled monthly dues processing date, dues will be automatically increased to the next level.
- 2) A second request for validation will be sent out after the company's dues have been processed at the increased level. The letter will state if TASC has not received an updated client validation by the next time dues are processed, membership status will be changed to "Not in Good Standing" and the TASC website will be changed to reflect this status. The letter will also state that the company's membership may be cancelled if client validation letter is not received by the next quarterly validation request.
- 3) If TASC has not received an updated client validation by the seventh day following the next quarterly validation request deadline, the company will be sent a notice of the appropriate disciplinary action up to and including immediate termination of membership.
- 4) If terminated, a company may reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Falsely reporting client numbers on Client Validation

- 1) Initial Violation: A warning letter will be sent out giving the company 30 days to respond to the allegations of underreporting client count. The company should respond by supplying supporting documents to TASC's main office to prove their client count. If it is found the company underreported, discipline may range from paying back-dues up to termination of membership.
- 2) If after 30 days the company fails to respond, the company's status will be changed to "Not in good standing" and the website will be updated to reflect such change. A letter of suspension will be sent out letting the company know that they have 14 days to resolve the issue.
- 3) Failure to respond to the 2nd letter will result in appropriate disciplinary action up to and including immediate termination of membership.
- 4) A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval)

Failure to Pay Dues

- 1) 1st month: A warning letter will be sent to the company requesting it resolve the lack of payment before the next billing cycle. If not resolved within 14 days the company's membership status will be reported on the TASC website as "Not in good Standing".
- 2) 2nd month: if dues are not paid up in full, a cancellation letter will be sent out Next Day Mail with tracking. The letter will state that the company has 14 days from receipt of the letter to resolve the issue or the company's membership may be cancelled. Failure to respond or lack of resolution will result in appropriate disciplinary action up to and including immediate termination of membership.
- 3) If terminated, a company may reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Non-compliance TASC Logo standards

- 1) Initial Violation: A warning letter will be sent to the offending company with a copy of TASC's Logo Setup instructions and TASC's Logo Agreement. The letter will state that the company has 30 days to fix the issue or their status will be changed to "Not in Good Standing" and the TASC website will be updated with such change.
- 2) After 30 days the company's website will be checked again for compliance with logo standards. If not in compliance the company's status will be changed to "Not in good Standing" and the TASC website will be updated with such change. A letter will go out apprising the company of its status change and that if not resolved within 30 more days the company will receive appropriate disciplinary action up to and including immediate termination of membership.
- 3) If the logo issue is not resolved after the second 30 day period appropriate disciplinary action will be taken up to and including immediate termination of membership.
- 4) A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval)..

Lack of Response to a Consumer Complaint Received by TASC

- 1) If a Consumer complaint is received by the TASC office from a consumer this should be taken seriously. The consumer complaint will be forwarded by the TASC office to the company to attempt to resolve the complaint amicably. The complaint should be addressed with the consumer within 30 days and a written response should be sent to the consumer and a copy should be sent to TASC. An amicable resolution may not be possible but a response should be made regardless.
- 2) If the company does not respond to the consumer or let TASC know the disposition of the complaint after 30 days. A warning letter will be sent out letting the company know that they have 14 days to respond to the complaint. If after 14 days the complaint has still not been addressed the company's status will be changed to "Not in good standing" and the TASC website will be updated to reflect this.
- 3) If the complaint is still not resolved after 30 days of being in a status of "Not in good standing" the company's membership will be terminated.
- 4) A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).