

**Legal and Compliance Department
Complaints and Inquiries Management Report
March 2017**

Complaints and Inquiries Management Report

Since the last Board Meeting, the Complaints Management Team, which consists of members of the Legal and Compliance Department and members of Operation team have made significant progress with regards to managing complaints. Our significant progress stems from our newly implemented Complaint and Inquiry Tracking System.

Inquiry and Complaint Tracking System

The **Inquiry and Complaint Tracking System** also known as “**Cases**,” has been created and is now being utilized to track all Complaints and Inquiries. With Cases, we can now track trends of Complaints and Inquiries, the channels in which we receive complaints, and track areas that may need improvement for training.

Another benefit of the Cases system is the ability to now run metrics for the existing Complaints and Inquiries. In addition, Cases also houses all of the necessary information (such as research and findings) in one efficient space for both accounts and leads. Some of the fields in Cases are priority, case origin, Complaints and Inquiries code, and avoidable versus unavoidable complaint. Please see below screen shot of the Cases object:

▼ Case Information				
Priority	High	Case Owner	Anita Jairam [Change]	
Case Reason	Complaint	Department	Customer Service	
Subject	Solicitation-BBB Complaint	Status	Closed	
Description	On 10/27 BBB sent complaint borrower made on their site on 10/26. The customer stated that our claim is misleading on preapproval and the ACH debit implied approval, and had not been returned		Case Age	0.0
Case Origin	Agency			
Marketing Partner	Agency			
Agency	BBB			
▼ Complaint Details				
Complaint / Inquiry Date	10/27/2015	Case Record Type	Complaints [Change]	
Complaint Type	Policy	Case Number	00001197	
Codes	UDAAP-Solicitation			
Research Details	Confirmed ACH debit was returned on 10/29			
Response Due Date	1/23/2016			
Avoidable Complaint	No			

Complaints

A “**Complaint**” is differentiated from an “**Inquiry**” only to the extent that the consumer or customer communication involves a clearly identifiable allegation that:

- Threatens to escalate to any regulatory agency (for example the CFPB, OCC, FDIC, FTC, FCC, Justice Department, etc.).
- Threatens to escalate to the Better Business Bureau (“BBB”)
- Threatens to write negative reviews about the Company on the Internet or complain to our marketing partners.
- Requests or demands to speak to a manager about any problem or customer dissatisfaction.
- There is use of any hostile language in an email or over the phone.
- An applicant, borrower or third party states they feel they have been deceived or misled by our marketing, our website, or our staff.
- An applicant, borrower or third party states they feel they have been discriminated against in any way.

Inquiries

An Inquiry is a communication from an applicant, customer or 3rd party that requests or provides information, or requests action.

Complaint and Inquiry Codes¹

The Complaints Management Team has implemented Complaints and Inquiries Codes to help track different metrics. The Codes are assigned once a review of the Complaint or Inquiry is completed. Every Complaint or Inquiry will have a Code assigned. See below examples for Complaint or Inquiry Codes:

Complaint Codes (Includes a Federal Statute)

- ECOA-Denied Income (Equal Credit Opportunity Act)
- UDAP-Website (Unfair, Deceptive, Abusive Acts Practices)
- TCPA-Unauthorized Call (Telephone Consumer Protection Act)

Inquiry Codes (Company Lending “CMP”)

- CMP-Data Deletion
- CMP-Denied Employment
- CMP-Origination Fee

Complaint and Inquiry Reporting

The Company generates various Reports regarding Complaints and Inquiries. Below are two Reports that generate daily for Compliance review:

1. Inquiries and Complaints Filed – Leads

On a daily basis a Complaints and Inquiries Report is automatically generated for Leads. The Report shows any new Complaints and Inquiries from Leads that were entered. The Report is then sent to the Complaints Management Department, along with the Chief Compliance Officer via email.

2. Inquiries and Complaints Filed – Accounts

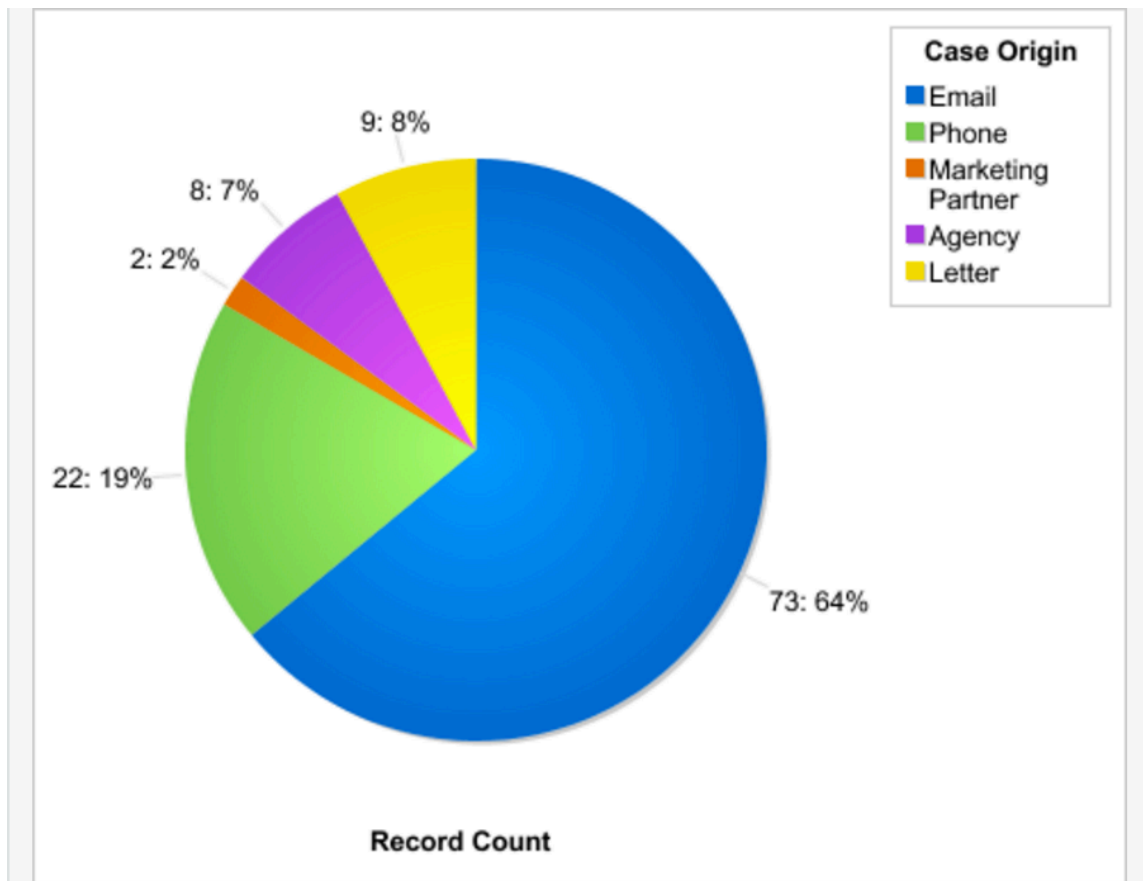
On a daily basis a Complaints and Inquiries Report is automatically generated for Accounts. The Report shows any new Complaints and Inquiries from Loan Accounts that were entered. The Report is then sent to the Complaints Management Department, along with the Chief Compliance Officer via email.

Complaint and Inquiry Metrics

Currently, the Company has received from inception a total of **116 Complaints**, which includes Complaints for both Loan Accounts and Leads. Below is a summary of the Complaints received through each source to date:

- | | |
|---|---------------|
| • Consumer Finance Protection Bureau (“CFPB”) | 4 Complaints |
| • Better Business Bureau (“BBB”) | 5 Complaints |
| • Lending Tree | 2 Complaints |
| • Letters | 9 Complaints |
| • Phone Calls | 23 Complaints |
| • Emails | 73 Complaints |

¹ Appendix A Complaint Codes



To date the trends in the Complaints and Inquiries that we've seen are as follows:

Complaints Top Categories

- ECOA-Decline Income 8 Complaints
- ECOA-Decline Identity 7 Complaints
- UDAAP-Website 6 Complaints

Inquiries Top Categories

- CMP-Policy Abandoned Application 6 Inquiries
- CMP-HP Template (Template letter RE hard pull on credit report) 6 Inquiries
- CMP-HP (question on hard pull on credit report) 3 Inquiries

Additionally, please see breakdown for the past five months for funded loans and the correlation of complaints/inquiries received.

- October 2015 - funded 1,077 loans and received 11 Complaints
- November 2015 - funded 1,744 loans and received 9 Complaints
- December 2015 - funded 1,863 loans and received 12 Complaints
- January 2016 - funded 1,788 loans and received 9 Complaints
- February 2016 - funded 660 loans and received 4 Complaints

Complaints Training

This quarter, the Complaints Management Team, along with the Legal and Compliance Department attended the Ballard Spahr Webinar Coping with Consumer Complaints and CFPB Expectations.

Customer Complaints and Inquiries Procedure and Policy

The Customer Complaints and Inquiries Procedure was modified to reflect the new Complaints Management process. The Procedure includes the difference between the Complaint and Inquiry category, how to log the complaints and inquiries, and how to save the complaint documents. The Policy for Complaints was also revised and will now be included in the *Compliance Program and Policy Manual*.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Shutt', with a long horizontal stroke extending to the right.

Allan J. Shutt
Chief Legal and Compliance Officer