STATE OF ALABAMA
STATE BANKING DEPARTMENT

FAQs for the New Statewide Database for Deferred Presentment Providers

1. **When will Alabama's new statewide database go live?**

   The target go-live date for Alabama's new statewide database is June 1, 2015.

2. **Why is Veritec not signing up new clients before the go-live date?**

   Veritec's resources are focused on developing Alabama's new statewide database now. The new statewide database will be a *separate* system from Veritec's current regulatory system used by some Alabama licensees. There will be no migration of borrower transaction data from Veritec's current system to the new statewide system. Additionally, many of the required steps for DP licensees to adopt Veritec's existing regulatory database would be duplicated when they are required to prepare for the new statewide database. It would be needlessly confusing to begin using Veritec before the go-live date.

3. **What if I am already using a different regulatory database in Alabama?**

   All DP licensees must use the *same* statewide database as of the go-live date.

4. **Some DP licensees are already using Veritec's Alabama database. Will these licensees have a competitive advantage because their borrower transaction information is already on the Veritec database?**

   No. The new statewide database will be a separate system from Veritec's current regulatory system used in Alabama. All DP licensees must begin using the same statewide database as of the go-live date. Borrower transaction information for loans conducted, or rolled over, on or after the go-live date must be registered in the new statewide database as of the go-live date. All licensees will follow the same implementation process for the new statewide database; no licensee will have a competitive advantage – not even Veritec's current clients.

5. **When will I receive more information and training about how to use the new statewide database?**

   The State Banking Department will send a memorandum out to all existing DP licensees in March 2015 with more information. Thereafter, licensees will also receive a communication package from Veritec in April 2015 with details about training and implementation for the new statewide database. Training will be conducted in a manner that is accessible to all

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licensees in a timely manner prior to the go-live date.

6. **Can the new statewide database interface directly with our internal computer system?**

   Yes. Information about direct computer interface will be included in the communication package licensees receive from Veritec in April. Veritec will provide technical specifications for integration to existing licensees upon request at that time.

7. **What will be the database fee for use of the new statewide database? Can I charge this fee directly to a borrower?**

   The fee for licensee use of the new statewide database will be $0.68 (sixty-eight cents) for each registered initial transaction and/or rollover transaction. This fee may <u>not</u> be charged to the borrower as an additional fee beyond what is allowed by the DP statute.

8. **Will I have to populate the new statewide database with historical loan information before going live?**

   <u>No</u>. Only transactions initially conducted, or rolled over, on or after the go-live date must be registered in the new statewide database. No DP loans made prior to the go-live date may be loaded into the new statewide database.

9. **What if a historical loan is rolled over after the go-live date? Do I have to submit information about the original loan?**

   A borrower's first loan with an agreement date on or after the go-live date, regardless of whether it is an initial loan or a roll over, will be recorded on the new statewide database by submitting a new loan request. No information concerning the original loan, having an agreement date prior to the go-live date, will be recorded on the new database.

10. **Will I be able to access the database if my internal system or internet connection is down?**

    <u>Yes</u>. Veritec will provide an alternative means of database access using an Interactive Voice Response System (IVR) for use when licensees otherwise do not have access. This IVR system will enable licensees to verify eligibility, open a new loan and close an existing loan. Additional information about this process will be provided during training.

11. **How will a DP loan be closed on the new statewide database?**

    A transaction must be closed on the new statewide database when it has been paid in full. This includes when a payment is made in cash, or when a borrower's check is deposited, or when an ACH is submitted.

12. What if a check or ACH used to close a loan is returned unpaid?

The transaction can be reopened on the new statewide database when a check or ACH is returned unpaid. The statute allows for an NSF fee in this circumstance. Additional information about this process will be provided during training.

Additional FAQs may be added as time goes on.... (Feb 2015)