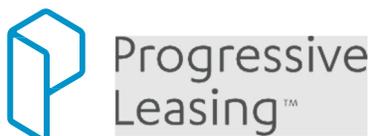


# ADVERTISING GUIDE FOR RETAILERS



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## INTRODUCTION

Progressive Leasing is committed to ethical and transparent interactions with both consumers and retail partners. Our mission is to provide convenient access to simple and affordable lease-to-own options for credit challenged customers. We believe everyone involved should understand our Lease-to-Own (“Lease-to-Own” or “LTO”) Agreements. The intent of this guide is to document the standards Retailers must follow to advertise Progressive Leasing Lease-to-Own Agreements in a clear and compliant manner.

LTO Agreements offer consumers an opportunity to lease products for short renewable periods, or return the products at any time for no additional cost nor commitment. If the consumer renews for the length of the lease agreement, or exercises an early purchase option, the consumer becomes the owner of the product.

## DEFINITION OF ADVERTISING

Any material(s) addressing Progressive Leasing's Lease-to-Own program that is visible to either consumers or retail sales associates is considered advertising.

## ADVERTISING REVIEW AND APPROVAL

All advertising regarding the Progressive Leasing LTO program must be reviewed and approved by Progressive Leasing's Marketing and Compliance Team before publication. Reviews seek to ensure that advertising is clear, consistent, and compliant with relevant laws/regulations and other regulatory guidance.

## APPROVAL PROCESS

Send all marketing materials to the Progressive Marketing and Compliance Teams for review and approval. Please allow up to 10 business days for this approval process. Retail partners should contact their Progressive Sales and/or Marketing partners who will submit requests to Compliance for review.

## ADVERTISING COMPLIANCE OVERVIEW

Progressive Leasing is subject to applicable Federal and state laws and regulations, and regulatory guidance. This guide includes the disclosures required to comply with certain requirements. These standards along with the [Retailer Procedures](#) will help you advertise Progressive Leasing's LTO product in a transparent and compliant manner.

## LAWS/REGULATIONS AND REGULATORY GUIDANCE

Progressive Leasing is subject to state LTO laws, which vary by state. In addition, Progressive Leasing may consider positions taken by federal regulators, such as the Federal Trade Commission ("FTC") with respect to various consumer protection practices.

### State LTO Laws

Most state LTO statutes include advertising requirements, including trigger terms, which are terms that prompt disclosure requirements.

### Unfair or Deceptive Acts or Practices "UDAP"

Federal and state law prohibit practices that are unfair or deceptive.

### CAN-SPAM Act

CAN-SPAM sets the rules for commercial email, establishes requirements for commercial messages, gives recipients the right to have you stop emailing them, and spells out penalties for violations [FTC Compliance Guide](#)

### Telephone Consumer Protection Act "TCPA"

TCPA regulates telemarketing calls, auto-dialed calls, prerecorded calls, and text messages. The TCPA rules require companies that use an auto dialer to transmit texts and calls to consumers' mobile devices to obtain express consent from such consumers prior to transmission. Phone calls or text messages to customers without proper consent is not allowed. [FTC Compliance Guide](#)

# UNIVERSAL FORMAT STANDARDS - APPLIES TO ALL MEDIUMS (TYPES)

The following standards apply to all advertising materials, regardless of medium

## Clear & Conspicuous Disclosures

We strive to follow the FTC's guidance. If the disclosure of information is necessary to prevent an ad from being deceptive, the disclosure must be clear and conspicuous. Disclosure placement does not need to be dominant, but should be easily visible and legible. In some cases, the placement of the disclosure, especially for large items, must be altered to be closer to the eye line of the customer.

"Clear and conspicuous" means that a required disclosure is difficult to miss (i.e., easily noticeable); stands out from any accompanying text or other visual elements; is easily noticed, read, and understood; is unavoidable; uses diction and syntax understandable to ordinary consumers. See, e.g., , [FTC's Clear and Conspicuous Standard, 16 CFR 255.0\(f\)](#).

Required disclosures must be clear and conspicuous. To make a disclosure clear and conspicuous, you should place the disclosure as close as possible to the triggering term.

- Disclosures must be easily noticed, read and understood.
  - Disclosures must stand out from accompanying text or visual elements by its:
    - Size
    - Contrast
    - Location

See [FTC 4 Ps Guidance](#)

- **Placement** - Put disclosures close to the claim they qualify
- **Proximity** - Don't make users scroll excessively or zoom to see disclosure, or place disclosures in a drop-down or require the reader to hover over a link or symbol to be able to see the disclosure
- **Prominence** - Make it stand out on the page
- **Presentation Order** - Make it "unavoidable" that consumers see disclosure before they can proceed

## Unavoidable Disclosures

An unavoidable disclosure is placed before the call to action (e.g., an "apply here" button or link) and on the same page as the related marketing claim that requires disclosure.

## Disclosure Fonts, Colors, and Contrast

Clear and conspicuous is a performance standard, not a font size. A disclosure is clear and conspicuous if consumers notice it, read it, and understand it. In other words, there is no one-size-fits-all approach.

- Choose a simple font for all disclosures
- Do not use typefaces with excessive ornamentation or that are difficult to read
- The color of the font should contrast with the background; Generally black (or charcoal gray) on white (or very light) background.

## Symbol or Markers

Disclosures should be close to the claim they modify, not distant from the prominent headline or splashy text designed to draw the consumer in. The use of an asterisk (or other symbols) to convey customer-facing disclosures is only for limited circumstances and must be approved by Compliance.

## Language

- Disclosures must appear in the language used in the advertisement
  - Disclosure must be in Spanish if the advertisement is in Spanish
  - English and Spanish are the only languages allowed to advertise Progressive Leasing
- Advertising disclosures must use diction and syntax that is understandable to ordinary consumers
  - When a representation or sales practice targets a specific audience, “ordinary customer” means a reasonable member of that group

## Unfair or Deceptive Acts or Practices “UDAP”

To avoid UDAP risk, advertising materials must:

- Include all relevant information, including information about costs
- Be clear and easily understood
- Avoid a false sense of urgency
- Be honest, accurate, and transparent
- Include appropriate disclosures
  - Keep in mind, disclosures are helpful with providing additional context, but they do not negate misrepresentations and other deceptive practices

# UNIVERSAL CONTENT STANDARDS - APPLIES TO ALL MEDIUMS (TYPES)

The following standards apply to all advertising materials, regardless of medium

## Nature of the transaction is Lease-to-Own.

- “Lease” or “leasing” alone does not properly denote the ownership component of a lease-to-own transaction
- “No Credit Needed” and “90-day option” are not synonyms for “Lease-to-Own”
  - Unacceptable replacement for the nature/type of product:
    - No Credit Needed\* (or any variation)
    - 90-day Purchase Option\* (or any variation)

**\*[Note** these can be marketing claims, but require proper disclosure - [see required disclosures](#)]

- The following terms should NEVER be used when referring to Progressive Leasing LTO
  - Financing
  - Credit
  - 90-day Payment Option (correct terminology is “Purchase” not “Payment”)
  - Same as Cash (or any variation) (except 3-month Purchase Option, but only allowed in California)
  - No interest
  - The term “interest” used in any way

- Pay over time (or any variation that addresses paying over time or payments, but does not indicate the lease-to-own nature of the transaction)
- No Credit Check
- Fee (or any variation)
- Instant Approval (correct terminology is Instant Decision)
- OR any other term deemed as a potential misrepresentation by Progressive Leasing Compliance

### **LTO transaction is with Progressive Leasing, not the Retailer**

- Progressive Leasing is the lease-to-own provider, lessor, etc.
- Phrases such as **“Powered by Progressive Leasing”** are acceptable and encouraged

### **Disambiguate lease-to-own from other financing options**

- Do not present Progressive LTO product as a credit or financing option
- Consumer-facing materials should clarify that Progressive offers lease-to-own
- If multiple options (e.g. credit card financing and LTO) are on one advertisement, it should be clear that these are different, distinct options

### **Disambiguate Progressive Leasing lease-to-own from other LTO providers**

- Any advertising of Progressive Leasing LTO must state Progressive Leasing
- Progressive Leasing LTO advertising must be disambiguated from other LTO Provider(s)
- Generic LTO advertising may not state prohibited terms, unless those terms are unequivocally associated with another LTO provider.

### **Required advertising disclosure(s) – [see required disclosures](#)**

- The disclosure must be clear and conspicuous
- The disclosure must be proximate to the claim
- If multiple claims are used, each separate disclosure must be included
- The universal disclosure must be present on all materials advertising Progressive Leasing

### **Early Purchase Options/ 90-day Purchase Options – [see required disclosures](#)**

Anytime early purchase options are mentioned, e.g., 90-day purchase option or Early Purchase Options, the steps to exercise the options. **⚠️ MUST be in close proximity to the claim (i.e. immediately following the claim) .**

When both 90-Day Purchase Option and Early Purchase Option disclosure are triggered, the 90-Day/Early Purchase Options Combined disclosure is required. **⚠️ MUST be in close proximity to the claim (i.e. immediately following the claim) .**

**Combined 90-Day/Early Purchase Options Disclosure:** Standard agreement offers 12 months to ownership. 90-day and other early purchase options cost more than the retailer’s cash price (except 3-month option in CA). To purchase early or to cancel lease you must call 877-898-1970. Retailer cannot activate early purchase options.

### **Advertising a Specific Product or Payment Information – [see required disclosures](#)**

Retailer cannot advertise specific products as available for lease-to-own unless required disclosures are present.

# STANDARDS BY MEDIUM (TYPE)

## PRINT ADVERTISING

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply.

## INTERACTIVE ELECTRONIC ADVERTISING (INTERNET/SOFTWARE)

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. In

addition:

The general principles of advertising law apply online but require more flexibility to meet the ever-changing technology.

As an overview, here are some guiding principles from the FTC. As a reference, please see

[FTC.com Disclosures](#).

### Required disclosures must be unavoidable and clear and conspicuous

Consider all the various devices and platforms consumers may use to view the ads and disclosures.

#### One-click rule – disclosures

Except for below, trigger term disclosures are not allowed to be one-click away.

- The one-click rule is allowed for the Universal Disclosure
- The one-click rule is allowed for No Credit Needed
  - The disclosure for No Credit Needed must be Clear and conspicuous and Unavoidable on the initially viewable screen following the click, with no scrolling
  - Every click or call to action on the banner or advertisement must go to the No Credit Needed disclosure. A click to an application without the disclosure is not allowed
  - No Credit Needed may not be used to describe the product

#### Scrolling - disclosures

- Interactive advertisements should be designed so that no excessive scrolling is necessary to find a required disclosure
- When scrolling is necessary, use text or visual cues to encourage consumers to scroll to view the disclosure
- Disclosures may not be given in lighter or smaller text at the bottom of an electronic advertisement

### Deceptive Advertising

If a disclosure is necessary to prevent an advertisement from being deceptive and it is not possible to make the disclosure clearly and conspicuously,  then that ad should not be disseminated.

## WEBSITES - PROMOTING PROGRESSIVE LTO ONLINE

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. All requirements under [Interactive Electronic Advertising](#) apply.

### Banners

Banners may link to LTO application. If the banner includes trigger terms, the required disclosure (and proximity) must be present.

## WEBSITE PRODUCT DETAIL PAGE (PDP) PAGE

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. All requirements under [Interactive Electronic Advertising](#) apply.

### Hangtag requirement

- Any message advertising leasing or lease payments on a product detail page will trigger hang tag requirements
- **Hyperlink:** The hangtag/leasing cost summary must be a clearly labeled hyperlink to a payment estimator one-click away

## SOCIAL MEDIA

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. All requirements under [Interactive Electronic Advertising](#) apply.

## VIDEO (INCLUDING TELEVISION & STREAMING VIDEO)

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. In

addition:

- **Both Visual & Audible disclosure:** The disclosure must be presented simultaneously in both the visual and audible portions of the communication, even if the representation is made in only visual or audible
- **Visual disclosure:** by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood
- **Audible disclosure:** must be delivered in a volume, speed, and cadence sufficient for ordinary customers to easily hear and understand

## RADIO

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply.

If a disclosure is triggered, it must be read aloud in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand the disclosure.

## EMAILS

All requirements under [Universal Format Standards](#) and [Universal Content Standards](#) apply. In

addition:

Should meet all CAN-SPAM requirements, including:

- Disclosure of the sender's address
- Subject lines should not be false or misleading
- Clear borders around Progressive messaging and product(s)
- Cannot advertise specific products as available for lease-to-own unless required disclosures are present

- When the email content is a promotion, the disclosure must clearly explain how the promotion affects the cost of leasing (See Promotional Initial Payment Disclosure)
- Make clear whether a promotion is conditional on a lease-to-own or not
- All emails should be sent via a controlled communication platforms that honors opt-out choices.

## TEXT MESSAGES

Retailers are prohibited from sending advertising texts on behalf of Progressive Leasing. Retailers are prohibited from mentioning Progressive Leasing' Lease-to-Own in a text.

## REQUIRED DISCLOSURES

Clear and conspicuous disclosures benefit advertisers and consumers. **All advertising materials promoting Progressive Leasing must include the universal disclosure and any other relevant disclosures depending on the content of the message.**

### UNIVERSAL DISCLOSURE

The universal disclosure must be unavoidable and presented using the clear and conspicuous standards for **all** materials advertising Progressive Leasing. The universal disclosure should not be the least conspicuous content on the page/advertisement.

Ownership by rental/lease agreement with Progressive Leasing costs more than the retailer's cash price. Select items only. Cancel or purchase early at any time. Not available in MN, NJ, VT, WI, WY.

## TRIGGER TERMS AND DISCLOSURES

All of the following are trigger terms that require a clear and [conspicuous disclosure](#).

To make a disclosure clear and conspicuous, you should place the disclosure as close as possible to the triggering term. If the trigger term is used, the following disclosure must be included.

### Value Proposition Trigger Terms

Trigger Term	Required Disclosure
<b>No Credit Needed</b>	<b>No Credit Needed:</b> Progressive Leasing obtains information from credit bureaus. Not all applicants are approved.
<b>Early Purchase Options</b>	<b>Early Purchase Options:</b> Standard agreement offers 12 months to ownership. Early purchase options cost more than the retailer's cash price (except 3-month option in CA). To purchase early or to cancel lease you must call 877-898-1970. Retailer cannot activate early purchase options. <b>⚠️ MUST be in close proximity (i.e. immediately follow the claim)</b>
<b>90-Day Purchase Option</b>	<b>90-Day Purchase Option:</b> Standard agreement offers 12 months to ownership. 90-day purchase options cost more than the retailer's cash price (except 3-month option in CA). To purchase early or to cancel lease you must call 877-898-1970. Retailer cannot activate early purchase options. <b>⚠️ MUST be in close proximity (i.e. immediately follow the claim)</b>
<b>90-Day/Early Purchase Option Combined</b>	<b>Combined:</b> Standard agreement offers 12 months to ownership. 90-day and other early purchase options cost more than the retailer's cash price (except 3-month option in CA). To purchase early or to cancel lease you must call 877-898-1970. Retailer cannot activate early purchase options.
<b>Retailer Discount Promotion</b>	Discount applies to the retailer's cash price. All other offers are not contingent upon a lease application.

### Initial Payment Trigger Terms

Trigger Term	Required Disclosure
<b>Initial Payment Amount</b>	The initial payment (plus tax) is charged at lease signing. Remaining lease payments will be calculated upon item selection.
<b>Promotional Initial Payment Amount</b>	The initial payment (plus tax) is charged at lease signing. Remaining lease payments will be determined upon item selection. Reduced initial payment promotion does not lower the total cost. Available for applications xx/xxxx - xx-xxxx.

## Advertising a Specific Product or Payment Information Trigger Terms

Trigger Term	Required Disclosure
<p><b>Advertising a Specific Product</b></p>	<p>Advertised amount is for cash sale only. The total cost of the [Product Name] with a [Cash Price] \$xxx.xx retail value under a 12-month rental- or lease-purchase agreement is [Total Cost of Lease] \$xxxx.xx, with an initial payment of [Initial Payment] \$xx.xx plus 12 monthly payments of [Recurring Monthly Payment Amount] \$xx.xx or 52 weekly payments of [Recurring Weekly Payment Amount] \$xx.xx. Payments will vary if a different payment frequency is chosen. The leasing cost is [Cost of leasing] \$xxx.xx. Above amounts exclude tax. Lower pricing available in select states.</p>
<p><b>Payment Information</b></p>	<p>Advertised amount is for cash sale only. The total cost of the [Product Name] with a [Cash Price] \$xxx.xx retail value under a 12-month rental- or lease-purchase agreement is [Total Cost of Lease] \$xxxx.xx, with an initial payment of [Initial Payment] \$xx.xx plus 12 monthly payments of [Recurring Monthly Payment Amount] \$xx.xx or 52 weekly payments of [Recurring Weekly Payment Amount] \$xx.xx. Payments will vary if a different payment frequency is chosen. The leasing cost is [Cost of leasing] \$xxx.xx. Above amounts exclude tax. Lower pricing available in select states.</p>
<p><b>Product Detail Page (Website advertisement) Disclosure Trigger Terms</b></p>	<p>The standard lease-to-own agreement offers 12 months to ownership and could cost more than double the cash price.</p>

