

EAPPL Code of Conduct (the “Code”)

This Code of Conduct sets out the standards and practices EAPPL expects of its members. The Code is subject to change at any time. A Best Practices Committee of the EAPPL will review the Code at least annually.

Governing Principles

EAPPL members must:

- Transact with customers in an honest and fair way
- Ensure their advertising and promotion is truthful and not misleading
- Disclose the risks of Peer to Peer lending of dealing with their platform to investors and borrowers
- Be transparent about how their platforms work
- Maintain high standards of business practice
- Adhere to all applicable law and regulation governing their platforms

Section I. Dealing with Customers

1. EAPPL members are expected to present marketing and promotional material that is not misleading.
2. Advertising and promotional material must not say that return of principal or specific level of income is “completely guaranteed” or “risk free” or “secure” or use similar phrases.
3. EAPPL members must refrain from transacting with a customer they believe is not able to bear the risk of loss of capital.
4. EAPPL members must refrain from posting a borrower on the website they believe is not able or willing to repay.
5. When presenting information about loans where the borrower offers a form of guarantee or collateral EAPPL members must disclose the nature of the guarantee or collateral.
6. EAPPL members who provide credit score or credit analysis to customers must provide a guide informing customers about their general credit standards and practices.
7. When providing information from 3rd parties, such as credit scores, reports and ratings EAPPL members must clearly identify the source of the information.
8. EAPPL members must ensure that credit scores and ratings provides are not presented as if that information were a genuine recommendation unless they mean it to be a recommendation.
9. EAPPL members must differentiate between fact and opinion when presenting information to customers.
10. EAPPL members must provide customers information about any due diligence or fact checking or data verification they perform about the loans and borrowers listed on their website.
11. Risk warnings and disclosures about the possibility that money can be lost must be displayed in plain, clear, language and prominently displayed.
12. Claims about platform loan performance must be supported with statistics that meet EAPPL performance presentation standards.

13. Where possible and practical EAPPL members should offer investors a “cooling-off” period or enable customers to re-confirm their investment prior to committing capital.
14. Customer contracts must be written in plain, clear language and made available not only on website display but also in downloadable file format and with a date from when the terms apply.
15. EAPPL members must provide to investors the basis for how interest rates are set.
16. Fees structures must be presented transparently.
17. Loan collection and recovery procedures must be presented clearly so investors understand what if any fees will be deducted from payments collected late or collected after a loan as defaulted.
18. When EAPPL members use master agreements or general terms and conditions they must ensure that customers are informed clearly about changes in terms and conditions.

Section II. Presentation of Site Information

1. Advertising and promotion must be above all else, truthful.
2. Risk warnings must be presented clearly and prominently.
3. Members must inform if they have established credit criteria and if so, they must describe the criteria they use when providing a rating.
4. Members must transparently disclose all fees payable by borrowers and investors.
5. Members must disclose what, if any, facts about borrowers they verify and the mechanism or basis for verification of information.
6. Members must disclose their policies and procedures for collections and for enforcing loan terms.
7. Members must not make false claims about the level or extent to which loans are funded.
8. Members must disclose their customer privacy and data protection policies.
9. Members must disclose at least every 3 months:
 - the number and of amount of loans they have funded
 - the number and amount of loans that have been repaid in full and on time
 - the number and amount of loans that are current and up to date in all payments
 - the number of loans where payment is late and classify in 30 day increments up to 120 days and then how many are past 120 days due