



The Honorable Kriselda Valderrama, Chair
The Honorable Lorig Charkoudian, Vice Chair
Maryland Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

March 27, 2026

RE: SB 881 – Opposed Unless Amended

Dear Chair Valderrama and Vice Chair Charkoudian,

The Revenue Based Finance Coalition (“RBFC”) respectfully opposes SB 881 as currently drafted. RBFC members are responsible finance companies that provide needed capital to small and medium sized businesses nationwide. Our member companies offer fair and innovative financing and have filled the void created by the decline in small business lending by larger, traditional banks. Our members are committed to providing clear and accurate cost of capital disclosures to our small business customers.

We respectfully submit the comments below that focus on the following key issue areas:

- Stakeholders need more time to digest and discuss recently added licensing requirements and proposed penalties for commercial financing providers. For example, newly added Section 12-1616 would impose up to 6 months imprisonment if a licensee knowingly violates the law. However, if a commercial financing provider ignores the licensing requirement, there are apparently no criminal penalties. This is an unfair result.
- The “Estimated APR” disclosure required in SB 881 is a misleading metric and not the same “APR” that consumers see on their mortgages and credit cards.
- In December 2025, the New York Federal Reserve published a report that examines the negative real-world effects of APR centric policy on borrowers. The report pinpoints how policies centered on APR lead to less capital availability for the “riskiest borrowers.”
- SB 881 is outdated, copying laws that were passed in California in 2018, and in New York in 2020. But since 2020, nine other states have adopted disclosure laws without APR - including Virginia and Connecticut.
- “Estimated APR” defeats the purpose of an APR disclosure and does not allow for a true cost comparison across RBF offers or different financial products.

The RBFC supports the establishment of a regulatory framework for businesses that engage in commercial financing transactions. Specifically, establishing requirements related to disclosures of the total dollar cost of capital, repayment terms, and other related items. However, we do not

support the implementation of an “Estimated APR” disclosure because APR is designed for traditional loans, and it does not work as a fair or accurate measurement of cost for revenue-based financing.

Unlike loans, revenue-based financing provides recipients with the ability to adjust their payments in proportion to changes in their revenue. APR calculations fail to capture this fundamental difference, misleading recipients about the “time-value” cost of capital, and obscuring the flexibility of revenue-based financing. Forcing providers of revenue-based financing to make inaccurate predictions about APR prevents a true “apples-to-apples” comparison between loans and revenue-based financing.

Additionally, a recent poll¹ shows that since the effective date of California’s disclosure law, 40% of respondents were found to be “no longer lending” to prospective borrowers in California due to the “Estimated APR” disclosure metric.

1. Stakeholders need more time to digest and discuss recently added licensing requirements and proposed penalties for commercial financing providers.

Just a few weeks ago, SB 881 was amended to include licensing requirements and potential criminal penalties (instead of civil fines) for certain violations. Commercial financing providers who would be subject to these new requirements need time to digest and discuss them with the Commissioner of Financial Regulation.

For example, newly added Section 12-1616 would subject only commercial financing providers who obtain a license to criminal penalties for certain violations. However, there are no criminal penalties for unlicensed entities. We respectfully submit that this is unfair.

In addition, the newly added licensing requirement potentially conflicts with existing Maryland law governing commercial financing. Maryland’s lending laws are very complex and provide for multiple different statutory schemes under which commercial loans might be originated, including the following:

- Closed-end or open-end loans may be originated under Maryland’s Interest and Usury subtitle, Md. Code Ann., Com. Law §§ 12-101 *et seq.* (“Subtitle 1”).
- Closed-end or open-end loans of \$25,000 or less may be originated under Maryland’s Consumer Loan Law-Credit Provisions, Md. Code Ann., Com. Law §§ 12-301 *et seq.* (“Subtitle 3”).
- Closed-end loans of any principal amount may be originated under the Credit Grantor Closed-End Credit Provisions, Md. Code Ann., Com. Law §§ 12-1001 *et seq.* (“Subtitle 10”).
- Open-end loans of any principal amount may be originated under the Credit Grantor Revolving Credit Provisions, Md. Code Ann., Com. Law §§ 12-1001 *et seq.* (“Subtitle 9”).

¹ <https://www.sfnet.com/home/industry-data-publications/the-secured-lender/magazine/tsl-article-detail/new-california-disclosure-rules-reduce-capital-available-to-small-businesses>

We respectfully request that stakeholders have time to digest how the changes to SB 881 would impact existing Maryland law.

Finally, the proposed licensing program likely will have significant start-up costs. Although those costs may later be recouped from licensing fees, fines, penalties, settlements or judgments, there may be an initial budget impact. As an example, a 2025 California bill proposing registration of certain commercial financing providers (SB 728) did not pass partially because of the potential budget impact of start-up costs for a new regulatory program.²

2. The “Estimated APR” disclosure proposed in SB 881 is not the same “APR” that is seen on consumer mortgages and credit cards. “Estimated APR” is misleading and inconsistent with TILA.

Congress enacted TILA in 1968 to enhance “economic stabilization” and promote the “informed use of credit.”³ Since then, the Consumer Financial Protection Bureau (“CFPB”) has questioned whether APR disclosures are helpful. For example, in 2012 the Obama administration’s CFPB concluded that APR disclosures increased customer confusion when evaluating home mortgage costs:

“. . . consumer testing and historical research indicate that consumers do not understand the APR and do not use it when shopping for a loan. Highlighting the APR on the disclosure form contributes to overall consumer confusion and information overload, complicates the mortgage lending process, and hinders consumers’ ability to understand important loan terms.”⁴

When state laws use the terms “APR,” “annual percentage rate,” and/or “finance charge,” but require *different calculation methodologies* (e.g., distinct APR formulas or cost metrics), or *definitions*, those state laws further confuse small business owners.

SB 881 is seeking to enact the same “Estimated APR” disclosure that California and New York have implemented. However, this calculation is inconsistent with TILA.

For example, New York’s commercial financing disclosure regulations require providers to use the term “APR” as follows:

1. *Consistent with TILA*: For closed-end commercial loans, to calculate and disclose an “APR” consistent with TILA and Regulation Z’s rules for closed-end credit.⁵
2. *Inconsistent with TILA*:

² https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202520260SB728

³ 15 U.S.C. § 1601(a).

⁴ <https://www.federalregister.gov/documents/2012/08/23/2012-17663/integrated-mortgage-disclosures-under-the-real-estate-settlement-procedures-act-regulation-x-and-the>

⁵ New York Admin. Code § 600.3(b).

- a. For open-end loans, to calculate and disclose an “APR” as though it was closed-end credit (even though TILA and Regulation Z have different rules for calculating “APR” for open-end credit). To shoehorn open-end loans into TILA’s closed-end credit rules, California requires a provider of open-end credit to make the following assumptions:
 - i. the borrower will draw the full amount of the credit limit at origination,
 - ii. the borrower will make no subsequent draws, and
 - iii. the borrower will make only minimum payments of principal.⁶

These assumptions are counterfactual. Borrowers generally do not draw the maximum credit limit right away, they typically make subsequent draws, and they sometimes repay in amounts greater than the minimum required. In other words, New York’s regulations require a provider of open-end commercial loans to pretend the transaction is a closed-end loan to calculate an “APR.”

- b. For sales-based financing and factoring transactions that do not have a fixed term for repayment, to calculate and disclose a so-called “Estimated APR” based on required assumptions such as:
 - i. the business recipient of the financing will have exactly the same amount of revenue every month,⁷ or
 - ii. all account(s) will be fully paid upon the date that each legally enforceable claim becomes due and payable.⁸

These required assumptions to calculate an “Estimated APR” are likely counterfactual – for example, businesses typically do not have exactly the same amount of revenue every month.

SB 881 adopts the same approach. Instead of adopting legislation that works for Maryland’s small businesses, SB 881 would mimic New York’s APR calculations that are inconsistent with TILA.

3. In December 2025, the New York Federal Reserve published Staff Report No. 1173, which examines the negative real-world effects of APR centric policy on borrowers.

⁶ New York Admin. Code § 600.3(d).

⁷ See New York Admin. Code § 600.3(b).

⁸ New York Admin. Code § 600.13.

In December 2025, the New York Fed published Staff Report No. 1173, “*Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits.*”⁹ The paper examines the real-world effects of APR-based restrictions on consumer credit markets. While the report does not critique APR disclosures directly, its findings provide important context for understanding the limitations of APR-centric policymaking.

The paper demonstrates that pricing constraints tied to APR or interest-rate limits, do not make credit meaningfully safer. Instead, credit is reallocated. Higher-risk borrowers – often those with the fewest alternatives – lose access to credit altogether, while lower-risk borrowers receive increased access. Notably, the reduction in credit availability for higher-risk consumers does not meaningfully improve delinquency or distress outcomes. In other words, restricting high-APR products may reduce access to credit without producing corresponding consumer benefits.

These findings underscore a broader concern with relying on APR as a proxy for harm. APR is an annualized metric designed for long-term, amortizing loans. When applied to short-duration and non-amortizing products, it can overstate perceived cost, obscure total dollars repaid, and distort comparisons between fundamentally different financial products. Policies that focus primarily on APR risk regulating based on appearance rather than outcomes – limit choice without improving outcomes.

4. SB 881 is Outdated and Diverges From Nine Other State Disclosure Models - Including Virginia. Businesses of the DMV Should Receive the Same Disclosure Information.

We respectfully suggest that the Maryland legislature enact a disclosure law similar to Virginia’s – creating a uniform disclosure standard for the DMV area to ensure that business owners are receiving the same disclosure information across the region. SB 881 diverges from Virginia’s disclosure requirements in a way that prevents uniformity across the region and is counterproductive to the goal of any disclosure law, which is to provide meaningful comparisons.

Nine state legislatures across the country have adopted a “Total Cost of Capital” model of disclosure for commercial financing products instead of models that include an “Estimated APR” disclosure, including:

- Virginia¹⁰
- Utah¹¹
- Connecticut¹²

⁹ <https://url.us.m.mimecastprotect.com/s/lfiECL9V93cPwO87lqhYHyvY4v?domain=newyorkfed.org>

¹⁰ <https://law.lis.virginia.gov/admincode/title10/agency5/chapter240/section30/>

¹¹ <https://dfi.utah.gov/non-depository/commercial-financing/>

¹² <https://www.cga.ct.gov/2023/act/pa/pdf/2023PA-00201-R00SB-01032-PA.pdf>

- Florida¹³
- Georgia¹⁴
- Kansas¹⁵
- Missouri¹⁶
- Texas¹⁷
- Louisiana¹⁸

In 2021, the Virginia legislature codified “Total Cost of Capital” legislation to enact a disclosure regime within the state for sales-based financing products. Disclosures in the Virginia law include the total amount of the sales-based financing, the disbursement amount, if different from the financing amount, and any fees deducted or withheld at disbursement, among others.¹⁹ The law went into effect on July 1, 2022.²⁰ We have included a copy of the Virginia Sales-Based Financing Disclosure form in this letter (Figure 1.).

Instead of a “Total Cost of Capital” disclosure regime, the Maryland legislature has been debating the passage of an “APR-style” disclosure law²¹ for the past several years. The key differences between the Maryland legislature’s proposal as it compares to Virginia’s law are as follows:

- Expansion of the bill’s purview to cover all non-bank commercial financing products, equipment lease agreements, and factoring transactions; and
- Inclusion of the disclosure of an estimated Annual Percentage Rate (APR);
 - This metric is not suitable for the sales-based financing product and leads to an inaccurate and misleading disclosure.²²
 - Sales-based financing products are not loans and do not have interest rates or compounding interest.²³
 - Calculating an APR, or estimated APR, for these commercial financing products does not give a small business owner a clear indication of how much money they will pay back to a funder.²⁴

¹³ <https://www.flsenate.gov/Session/Bill/2023/1353/BillText/er/PDF>

¹⁴ <https://www.lexology.com/library/detail.aspx?g=9a8486de-37b4-4c6c-a9ab-6a83f9e6ca1a>

¹⁵ https://kslegislature.gov/li_2024/b2023_24/measures/documents/summary_sb_345_2024

¹⁶ https://www.senate.mo.gov/24info/BTS_Web/Bill.aspx?SessionType=R&BillID=101

¹⁷ <https://statutes.capitol.texas.gov/Docs/FI/htm/FI.398.htm>

¹⁸ <https://www.legis.la.gov/legis/Law.aspx?d=1429292>

¹⁹ [Sales-Based Financing Disclosure Form-20220503090011.pdf](#)

²⁰ [10VAC5-240-30. Sales-Based Financing Disclosure Form.](#)

²¹ [Legislation - SB0509](#)

²² [20240124_03.pdf](#)

²³ [What You Should Know About Revenue-Based Financing For The E-Commerce Industry](#)

²⁴ [15ws6c9Rk_bWMV SXdkSanIdoPIJj0o5sZ.pdf](#)

For uniformity purposes, Maryland should consider adopting a Virginia-style disclosure model to promote a uniform disclosure across the DMV area.

5. SB 881 would require commercial financing providers to provide a misleading “Estimated APR” disclosure. “Estimated APR” Defeats the Purpose of an APR disclosure and does not allow for a true cost comparison across RBF offers or different financial products.

An APR calculation is designed to provide the proverbial apples-to-apples comparison of the cost of various closed-end consumer loan offers. As explained in the American Bar Association’s treatise, *The Law of Truth in Lending*²⁵:

Of all the credit terms that TIL requires the creditor to disclose, consumer borrowers are most aware of the APR. Indeed, the APR is probably the most valuable TIL disclosure, for APRs allow debt alternatives to be compared conveniently and meaningfully even if the borrowings differ in amount or duration or repayment arrangements...

A primary purpose of TIL is to enhance cost awareness and to promote market information about credit terms and price, any success that TIL enjoys in this regard is due in large part to the credit cost comparisons that APR permits. A rate comparison allows debts configured quite differently to be compared as to level of cost, that is, the relative cost of a unit of credit for a constant amount of time. Such a comparison is only possible if a comprehensive effective “interest rate” measure (such as APR) is available.²⁶

Unfortunately, this is where the “Estimated APR” disclosure²⁷ for commercial financing falls flat. In particular, sales-based financing providers offer a product that is materially different from the closed-end consumer loans contemplated by the Truth in Lending Act. The “Estimated APR” disclosure required for sales-based financing is based on a fictitious payment schedule. By contrast, an actual APR disclosure is based on an actual payment schedule. Estimated APR will always fail to provide an apples-to-apples comparison with an actual APR.

A. How to Calculate an “APR.”

A financing provider needs three data points to calculate an APR:

²⁵ [The Law of Truth in Lending, Fourth Edition](#)

²⁶ Ralph Rohner & Frederick Miller (Alvin C. Harrell, editor), *The Law of Truth in Lending* (2014) at 255-257, citing T. Durkin & G. Elliehausen, 1977 Consumer Credit Survey 17 (Federal Reserve Board 1978) and associated tables.

²⁷ Forms of commercial financing with fixed repayment terms, such as closed-end loans, require disclosure of an Annual Percentage Rate, not an Estimated Annual Percentage Rate.

1. The amount of financing provided;
2. The finance charge; and
3. The repayment schedule.

The financing provider then applies the mathematical formula supplied by Appendix J of Regulation Z, which implements the federal Truth-in-Lending Act.

B. How to Calculate an “Estimated APR” for Sales-Based Financing – Create a Fictional Payment Schedule Based on Unreliable Estimates and Assumptions.

A sales-based financing provider needs three data points to calculate an APR:

1. The amount of financing provided;
2. The finance charge; and
3. A fictional repayment schedule. A sales-based financing transaction does not have a repayment schedule. Payments are based on the amount of daily revenue a business receives. Estimated APR forces a sales-based financing provider to create a fictional payment schedule that does not reflect the legal obligation of the parties under the financing contract and using the following procedure:

Fictional Repayment Schedule Step 1: Choose whether to use the “Historical Method” or the “Opt-In Method” to calculate the business’s estimated future monthly revenue:

- The “Historical Method” requires a financing provider to consider between one and 12 months’ worth of average sales data, with each financing provider allowed to choose how many months’ worth of data to review. As a result, two different financing providers could calculate different amounts of estimated future monthly revenue for the same business, depending on how many months of data they choose to review.
- The “Opt-In Method” instead allows a finance provider to use whatever “projected sales volume that the provider elects for each disclosure.” As a result, two different financing providers could calculate different amounts of projected sales volume for the same business, depending on whatever information they elect to review.

The Estimated APR disclosure assumes that the business’s revenue in the future will be similar to the business’s revenue in the past. As noted, it is not possible to know the schedule of payments the financing provider will receive in connection with sales-based financing because the payments are contingent on actual sales. The financing provider agrees to purchase a certain dollar amount of a business’s receivables in return for (typically) daily remittances of a fixed percentage of the business’s daily sales. Because the financing provider cannot know the amount of sales the business will achieve on any particular date, an initial estimated daily payment amount is established by the financing provider.

Fictional Repayment Step 2: Consider how the “True-Up” mechanism changes the fictional repayment schedule:

- In sales-based financing, the business’s payment obligation is based on the business’s sales revenue. The business has the right to a “true-up,” which recalculates the business’s periodic payment to more closely approximate the percentage of sales the business is obligated to deliver to the financing provider. For example, it is possible that a “true-up” would reduce the business’s daily or weekly payment from \$1,000 per day to \$500 per day. A sales-based financing provider cannot predict with certainty which businesses will be among those obtaining a true-up because it cannot know which businesses will have a slowdown in sales.
- It also is likely that two financing providers, even if both were to correctly anticipate a true-up, would assume different adjusted payment amounts and new payment schedules. Because the resulting new payment schedules would be different, the disclosed Estimated APR would be different, even for the same offer to the same business. The fact that the same financing terms can result in very different Estimated APRs highlights the ineffectiveness (and misleading nature) of an annualized rate disclosure for sales-based financing.
- Because longer repayment terms result in lower APRs (all else being equal), the requirement to account for true-ups allows manipulation of the Estimated APR. The lower the new payment after a true-up, the longer the repayment term and the lower the Estimated APR. A financing provider desiring to get a competitive edge may be encouraged to assume that businesses will request true-ups and that the resulting adjusted payments will be significantly less than the initial payments.

Fictional Repayment Step 3: Create a fictional repayment schedule based on Steps 1 and 2. Include additional assumptions that impact the payment schedule such as bank holidays.

To summarize, in order for an APR disclosure to be meaningful, identical offers should produce identical estimated annual percentage rates. As explained above, with an “Estimated APR” disclosure there is little likelihood of that.

C. Hypothetical Examples Highlighting the Issues Cited Above.

We calculated Estimated APRs for a single hypothetical sales-based financing transaction. These examples all assume the financing provider has agreed to purchase \$60,000 of future receipts for \$50,000 and that payments are due daily starting May 2, 2023. In each case, payments are set at an amount that is 10% of the anticipated daily income of the recipient. There are no prepaid finance charges. In each case, the “amount financed” is \$50,000 and the “finance charge” is \$10,000.

These examples highlight the wide discrepancy in Estimated APRs that result from different financing providers making different assumptions in preparing disclosures for the same offer. The Estimated APRs vary from 25.20% to 46.97%, depending on:

1. The method of determining the recipient's average monthly income (which impacts the daily payment amount);
 2. Whether the financing provider reasonably anticipates a true-up;
 3. The timing of any reasonably-anticipated true-up; and
 4. The amount of the payment after a reasonably anticipated true-up. Spreadsheets showing the calculations and results for each of these examples are available upon request.
- Calculation #1: In this example, the financing provider uses the Historical Method to estimate daily income of \$2,500 using four months of historical data. This results in 240 payments of \$250 per day.

Estimated Annual Percentage Rate: 39.09%

- Calculation #2: In this example, the financing provider also uses the Historical Method to estimate daily income but uses 10 months of historical data instead of four and, as a result, estimates daily income of \$3,000. This results in 200 payments of \$300 per day.

Estimated Annual Percentage Rate: 46.97%

- Calculation #3: In this example, the financing provider uses the Opt-In Method and estimates daily income of \$2,000. This results in 300 payments of \$200 per day. (This could also result from using the Historical Method and a different number of months of historical data than used in Calculations 1 and 2).

Estimated Annual Percentage Rate: 31.30%

- Calculation #4: In this example, the financing provider estimates \$2,500 in daily income (the same as in Calculation #1), but believes it is reasonable to anticipate a true-up after the 20th payment. As a result of the reasonably anticipated true-up, the financier assumes a new payment of \$200 per day for 275 payments (the remainder of the obligation) starting with the 21st payment.

Estimated Annual Percentage Rate: 32.40%

- Calculation #5: In this example, the financing provider estimates \$2,500 in daily income (the same as in Calculation #1), but believes it is reasonable to anticipate a true-up after the 40th payment, instead of after the 20th payment as in Calculation #4. As a result of the reasonably anticipated true-up, the financing provider assumes a new payment of \$200 per day for 250 payments (the remainder of the obligation) starting with the 41st

payment. Here, the payment after true-up is the same as in Calculation #4, but the financing provider assumed a different timing for the true-up. This disparity would be further amplified by a lengthier delay between origination and the assumed timing of the true-up.

Estimated Annual Percentage Rate: 33.45%

- Calculation #6: In this example, the financing provider estimates \$2,500 in daily income (see Calculation #1), but believes it is reasonable to anticipate a true-up after the 20th payment (same as in Calculation #4). However, this financing provider assumes the daily payment after true-up will be \$150 (not \$200) per day. As a result of the reasonably anticipated true-up, the financing provider assumes a new payment of \$150 per day for 366 payments and a final payment of \$100 (the remaining balance).

Estimated Annual Percentage Rate: 25.20%

As made clear by the above examples, the annual percentage rate is a misleading measure of the cost of financing. The finance charge is \$10,000 in each of these examples, but the disclosed “Estimated APR” swings from 25.20% to 46.97%. This hinders the goal of providing for apples-to-apples comparisons.

5. What is Revenue Based Financing?

RBFC members help meet the needs of American small business entrepreneurs by providing financing to qualified small businesses. Revenue-based financing (“RBF”) is a form of flexible financing in which payments are adjusted as a percentage of business revenue. RBF allows businesses to access funds for, as an example, a seasonal inventory surge or to replace an unexpected major equipment failure.

In an RBF agreement:

- As opposed to traditional lending products, the business remits a contractually specified percentage of its future revenue. If revenue decreases, then the business has the right to correspondingly decrease its remittances.
- The RBF funder agrees up front to take the risk that the business’s revenue will be generated slower than expected, along with the risk that the business will fail or go bankrupt.
- Example. If an RBF company purchases 10% of a business’s future revenue up to a purchased amount of \$10,000, the transaction would be completed whenever the business succeeded in generating \$100,000 in revenue and remitted 10% of that revenue to the RBF funder. This milestone could be achieved in a month, a year, or never.

Advantages of Revenue Based Financing:

- Unlike traditional consumer loans or other loan products, there is no absolute obligation to pay. If, in the ordinary course of doing business, the business fails, then the RBF funder will have no recourse against the business.
- Funds can be provided to the business in as little as 24 hours.
- The incentives of the RBF funder and the business are aligned because the RBF funder's compensation is contingent on the business's continued success.
- The cost of the transaction is fixed at the onset of the agreement. There is no accrued interest in an RBF transaction.
- Unlike most Small Business Association loans, the business owner does not need to use his or her house as collateral.
- The business owner does not enter into a partnership, nor does it give up control of the business.

Thank you for the opportunity to provide comments. We look forward to participating in discussions regarding this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Mary Donohue".

Mary Donohue
Executive Director
Revenue Based Finance Coalition

SALES-BASED FINANCING DISCLOSURE FORM

Total Amount of the Sales-Based Financing	\$	Disclosure Date: Recipient's Name: Recipient's Address: Provider's Name: Provider's Address: Provider's Phone Number: Provider's E-mail Address:
Fees Deducted or Withheld at Disbursement	\$	
Disbursement Amount <small>[Total Amount of the Sales-Based Financing minus (-) Fees Deducted or Withheld at Disbursement]</small>	\$	
Finance Charge	\$	
Total Repayment Amount <small>[Disbursement Amount plus (+) Finance Charge]</small>	\$	
Estimated Number of Payments <small>[Number of payments expected, based on the projected sales volume, to equal the Total Repayment Amount]</small> <small>A reasonable range may be provided ONLY for transactions with a variable payment schedule.</small>		
Payment Schedule		
<input type="checkbox"/> Amount of each fixed payment: \$ <input type="checkbox"/> Frequency of fixed payments: <input type="checkbox"/> Variable payment schedule, or <input type="checkbox"/> Description of the method used to calculate the amount and frequency of each variable payment: Method of payment: <input type="checkbox"/> SEE PAGE 2		
Description of All Other Potential Fees and Charges <u>NOT</u> Included in the Finance Charge	<input type="checkbox"/> SEE PAGE 2	
Description of Collateral Requirements or Security Interests	<input type="checkbox"/> SEE PAGE 2	
Broker Compensation	Is provider paying compensation directly to a broker? <input type="checkbox"/> Yes <input type="checkbox"/> No	If Yes, amount of compensation being paid directly to broker: \$
Description of Prepayment Policies	<input type="checkbox"/> SEE PAGE 2	

I acknowledge that I have received a copy of this disclosure form.

Signature

Date

SALES-BASED FINANCING DISCLOSURE FORM - PAGE 2**Recipient's Name:****Disclosure Date:****Recipient's Address:****Provider's Name:****The information provided below relates to the following checked item(s):**

- Variable payment schedule
- Description of the method used to calculate the amount and frequency of each variable payment
- Method of payment
- Description of all other potential fees and charges not included in the finance charge
- Description of collateral requirements or security interests
- Description of prepayment policies

I acknowledge that I have received a copy of this disclosure form.

Signature

Date