



January 2016

Dear Members:

Last year marked a milestone for the structured settlement purchasing industry, as lawmakers in several states – in consultation with leaders in the industry — worked to craft and pass laws that increase standards and inject greater transparency for consumers in the secondary market. The National Association of Settlement Purchasers (NASP) grew its presence around the country, and continues to promote industry best practices.

NASP has secured sponsors for legislation in Maryland, Virginia, and Florida that includes disclosure requirements for beneficiaries, and provisions that mandate court approval of transfers across the state, personal appearance in court by the payee, filing of applications in the county of residence of the payee, as well as additional transaction disclosures and transparency requirements.

As we begin the New Year, it is important to reaffirm the principles that guide our association, and underline our continued commitment to maintaining the standards expected of both current and potential members.

NASP Guiding Principles

NASP is dedicated to ensuring the secondary market for structured settlement transfers remains fair, competitive, and transparent by:

- Supporting efforts to enhance the quality and character of the industry
- Safeguarding the rights of settlement recipients to readily access their funds through an efficient and fair judicial process
- Promoting consumer choice and the flexibility of individuals to access their financial benefits when their circumstances deem appropriate
- Improving awareness and understanding of how the secondary market works

Membership Requirements

These principles serve as the foundation for our membership requirements. As a result, when companies apply to join the organization, NASP has implemented a stringent application process to vet all equity owners.

Applicants must provide an organizational chart detailing its corporate structure. If the applicant is a private entity, it must list all equity owners as well as details of their background. Applicants are also required to disclose their involvement in any other businesses outside of the secondary market for structured settlements.



National Association of Settlement Purchasers

Firms seeking to join NASP are required to disclose the details of their business practices by providing an approximation of how many transfers they complete in a calendar year, explaining how the company finances its acquisition of structured settlements, and detailing how it markets its services to customers.

Applicants must be willing to comply with all NASP standards, including the use of NASP's anti-fraud database, protection of confidential information, and comports all of its activities with applicable law. They must also inform NASP if their company is currently servicing a portfolio of structured settlement secondary market transactions.

And most importantly, a company applying for NASP membership must indicate if any of its affiliates, owners, or employees have been convicted of or charged with a crime, or have been the subject of a civil or criminal action or investigation by regulatory authorities. Prospective members must agree to submit to any and all background checks (including criminal) of its owners, managers, and employees, and also to provide consent to future annual checks.

For nearly a decade, NASP has been a leader in setting standards and implementing best practices in the secondary market for structured settlements. In 2016, NASP's commitment to these principles will be no different.

Patricia LaBorde,
President
National Association of Settlement Purchasers