

# FAQs for Settlement Payouts

## 1 Why are certain TMCC customers receiving settlement checks?

In 2016, TMCC entered into a voluntary agreement with the CFPB and U.S. Department of Justice (DOJ) to address what the agencies viewed as the unintended impacts of discretionary dealer compensation practices that were common in the auto finance industry. As part of that agreement, the agencies identified slightly over 200,000 customers who were potentially eligible to qualify for payment from the settlement fund established under the agreement. These customers were previously notified of their potential eligibility to receive restitution funds. Disbursement checks from the settlement fund are now being mailed to the customers who are eligible for payment based on their responses to the notices sent. This is not a new development but rather a part of the original voluntary agreement that we reached in 2016.

## 2 Does this mean TMCC was found to have had intentionally discriminatory lending practices?

No. We do not tolerate discrimination of any kind, even perceived or unintentional, from our employees or business partners — this principle extends to fair lending practices. To that end, during their review the agencies did not contend that TMCC intentionally discriminated against our customers. We respectfully disagreed with the methodology that the agencies used, and we have always denied any wrongdoing and note that no civil penalties were assessed. As an indirect lender, TMCC has no visibility into the race or ethnicity of its customers or credit applicants, and these factors have no bearing on the company's credit or pricing decisions. This is an industry-wide issue and TMCC is one of several lenders to have entered into such an agreement.

## 3 How many customers are receiving checks?

97,399 eligible customers will be receiving disbursement checks from the settlement administrator, as part of the voluntary agreement with the CFPB/DOJ from 2016.

## 4 What is the average payment amount being disbursed to eligible customers?

The CFPB and DOJ will determine the exact amount to be paid to eligible customers. Questions regarding the settlement disbursement payments should be directed to the settlement administrator, Epiq. You can contact the administrator by emailing [info@TMCCsettlement.com](mailto:info@TMCCsettlement.com) or by calling their toll-free number at (844) 778-5953. More information can also be found at <https://tmccsettlement.com/>.

## 5 How were the payment amounts calculated?

Payment amounts were calculated by the CFPB and DOJ. TMCC does not have visibility into how the calculations were performed.

## 6 I received my notification of eligibility for a settlement payment earlier this year. Where is my check?

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## **7** If I have not received a letter, am I still eligible for a settlement payment?

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## **8** Who is administering the fund?

The fund is being administered by a settlement administrator, Epiq. You can contact the administrator by emailing [info@TMCCsettlement.com](mailto:info@TMCCsettlement.com) or by calling their toll-free number at (844) 778-5953. More information can also be found at <https://tmccsettlement.com/>.

## **9** How was eligibility determined?

Eligibility was determined by the government agencies who reached the agreement with TMCC. It included certain customers who financed the purchase of Toyota, Lexus and Scion vehicles during the period January 1, 2011 through August 1, 2016. TMCC was not involved in selecting eligible customers.

## **10** How many letters were sent to potentially eligible customers?

Approximately 213,000 letters were sent to certain customers earlier this year.